

National Electricity Law, National Energy Retail Law, National Electricity Rules and National Energy Retail Rules

These proposed revisions to the National Electricity Rules and National Energy Retail Rules, and drafting instructions for the National Electricity Law and National Energy Retail Law, have been prepared by the Australian Energy Market Commission and accompany its review into Updating the regulatory frameworks for embedded networks draft report dated 18 December 2018. These draft rules and drafting instructions reflect the draft recommendations made in that report.

This document is provided for information only.

The drafting instructions for the National Electricity Law are based on the version published on 20 September 2018.

The drafting instructions for the National Energy Retail Law are based on the version published on 20 September 2018.

The proposed revisions to Chapters 2, 6B, 7 and 10 of the National Electricity Rules are tracked on version 111 of the NER.

The proposed revisions to Chapters 5A, 6 and 6B of the National Electricity Rules are tracked on version 115 of the NER.

The proposed revisions to the National Energy Retail Rules are tracked on a modified version 14 of the NERR. Modifications have been made to the main body of the Rules and Schedules 1 and 2 by inserting changes that have been made but have not yet commenced.

Proposed Amendments to National Electricity Law and National Energy Retail Law

[date] January 2019

This paper describes the proposed changes to the National Electricity Law (NEL) and National Energy Retail Law (NERL) to achieve the objectives of the draft report on the 2019 review for the proposed new framework for embedded networks.¹ These proposed changes should be read in conjunction with the proposed changes to the National Electricity Rules (NER) and National Energy Retail Rules (NERR), also released with the draft report.

For each high-level change outlined below, the details of the proposed law changes are set out in a table, organised by the section number of the NEL or NERL, as applicable.

1 NEL: Recommended amendments and corresponding policy/drafting objective

- a. Amend the NEL to recognise embedded network service providers (ENSPs) as a type of distribution system operator and extend relevant provisions that currently apply only to regulated distribution system operators so they apply to both regulated and non-regulated distribution system operators (i.e. to include distribution network service providers (DNSPs) subject to regulated revenue determinations, but also ENSPs whether they are registered under the NER or exempted from NER registration).
- b. Amend the NEL to require off-market retailers to register under the NER and extend certain provisions in the NEL to cover the customers of off-market retailers, including when provided with network services by an ENSP or exempt network operator for the embedded network they are connected to.
- c. Align the NEL framework for granting network exemptions with the NERL framework for retailer exemptions, and allow for the NER to streamline the network service provider exemption framework by narrowing the persons and classes of persons to which the AER may grant network exemptions.
- d. Enhance consumer protections by improving the AER's ability to monitor and enforce exemption conditions, making the NEL and NER work for embedded network customers, and improving the information provided to consumers connecting to embedded networks or involved in a conversion of a property to an embedded network.

2 NERL: Recommended amendments and corresponding policy/drafting objective

- a. Elevate off-market retailers and embedded networks into the national regulatory framework by introducing definitions including embedded network service provider, embedded network, embedded network area, exempt network operator, exemption condition (with regard to a retailer authorisation), off-market retailer and off-market connection points.
- b. Amend the NERL to recognise customers of off-market retailers, including amendments to the definitions of customer retail service, designated retailer, financially responsible retailer and shared customer. Permit rules to be made in the NERR to specify classes of

¹ AEMC, Updating the regulatory framework for embedded networks, draft report, [insert date] January 2019, available on the AEMC's website under project code EMO0036.

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retailer authorisation and allow the NERR to modify how provisions in the NERL relating to standard offers apply to retailers of a specified class.

- c. Update the exemptions framework in the NERL to streamline the retail exemption framework by narrowing exemptions granted to circumstances where costs of registration outweigh benefits to consumers, permitting rules to be made in the NERR to specify classes of retailer authorisation and allowing the NERR to modify how provisions in the NERL relating to standard offers apply to retailers of a specified class.
- d. Enhance consumer protections through requiring all authorised retailers to provide an appropriate set of consumer protections for off-market customers, modifying the retailer of last resort (ROLR) scheme to apply to off-market customers, and requiring ENSPs to provide connection services to those customers.
- e. Improve the AER's ability to monitor and enforce exemption conditions, and expand information collection provisions to apply to embedded networks (excluding exempt network operators).

Table 1a – NEL

Amend the NEL to recognise embedded network service providers as a type of distribution system operator, and extend relevant provisions that currently apply only to regulated distribution system operators so they apply to both regulated and non-regulated distribution system operators (i.e. to include DNSPs subject to regulated revenue determinations, but also ENSPs, whether they are registered under the NER or exempted from NER registration).

Section	Proposed amendment	Purpose of proposed amendment
2(1)	Add a new definition of exempt network operator to cover a person who is exempt from the requirement to register under the Rules under a network exemption granted by the AER.	The new definition is used in the new provisions dealing with exemptions. It is also used in sections applicable to all distribution network service providers that are registered or exempt.
2(1)	<p>Add a new definition of distribution system operator to cover a person who owns, operates or controls a distribution system and is either:</p> <ul style="list-style-type: none"> a Registered participant (which will extend to regulated distribution system operators and embedded network service providers registered under the NER); or an exempt network operator. 	<p>The new definition covers all registered distribution system operators - AER regulated distribution network service providers (regulated DNSPs) and registered embedded network service providers (ENSPs) – as well as exempt network operators.</p> <p>The definition is used:</p> <ul style="list-style-type: none"> to extend the definition of “distribution service standard”; to allow distribution service standards to extend to ENSPs and exempt network operators; in s6A, so a jurisdictionally nominated distributor can include an ENSP or an exempt network operator (so that Rules relating to retail support and credit support also apply to them); in s. 120, to ensure immunity from partial or total failure to supply cannot be contracted out by exempt network operators; in item 26L of Schedule 1 – amended to permit rule making subject matter to include credit support arrangements involving distribution system operators. <p>The structure of the definition is consistent with the definition of “regulated distribution system operator” and “regulated transmission system operator”.</p> <p>The term “embedded network service provider” (ENSP) will be defined in the NER in Chapter 2, as a type of Network Service Provider. As such, an ENSP is not required to be defined in the NEL.</p>
2(1)	Extend the definition of	This amendment extends the definition so as to

Section	Proposed amendment	Purpose of proposed amendment
	<i>distribution service standard</i> by replacing “regulated distribution system operator” with “distribution system operator”.	allow a jurisdiction that applies distribution service standards on regulated DNSPs to also impose them on ENSPs and exempt network operators, should they wish to do so. This suggested drafting does not extend provisions otherwise relevant only to regulated DNSPs i.e. section 2E, but does extend sections 2D and 28V(2) to apply to ENSPs and exempt network operators.
6A(1)(b) (ii) and (iii)	Replace “regulated distribution system operator” with “distribution system operator”.	This amendment allows jurisdictional regulations, made under an application act of a participating jurisdiction, to nominate an entity as a non-regulated DNSP and apply Rules relating to retail support obligations and credit support obligations that also apply to distribution system operators.
120(2A) and (4)	Amend the immunity in relation to failure to supply provisions by replacing “regulated distribution system operator” in section 120(2A) with “distribution system operator” but excluding exempt network operators from the operation of section 120 (in section 120(4)).	Section 120 is proposed to be extended to include ENSPs but not exempt network operators. As exempt network operators are not subject to other regulatory provisions in the NEL, exempt network operators are not to receive the same immunity other registered participants may receive.

Table 1b – NEL

Amend the NEL to require off-market retailers to register under the NER and extend certain provisions in the NEL to cover the customers of off-market retailers, including when provided with network services by an ENSP or exempt network operator for the embedded network they are connected to.

Section	Proposed amendment	Purpose of proposed amendment
2(1)	Amend the definition of retail customer to include a customer of an exempt seller.	<p>The definition of “retailer” will extend to authorised off-market retailers as a result of changes to the NERL (see below). As a consequence, this definition of “retail customer” will also cover customers of off-market retailers.</p> <p>The addition of exempt sellers extends the definition further to the customers of exempt sellers. This change will extend provisions referring to retail customers including:</p> <ul style="list-style-type: none"> the definition of end user (which is used in sections 2E, 28V92) and 71A); section 2A (definition of access dispute); section 6A(Nominated distributors); section 34 (AEMC rule making powers); section 49 (AEMO’s functions); section 54C (2) (disclosure of information where required by energy ombudsman to resolve a dispute); Schedule 1 item 26L (allowing the NER to include rules in relation to credit support arrangements).
2(1)	Amend the definition of interconnected national electricity system to refer to “loads settled <u>directly or indirectly</u> through the wholesale exchange”.	<p>This amendment is intended to remove any doubt that the definition extends to the loads of customers connected to embedded networks who buy from an off-market retailer or exempt seller.</p> <p>This term is used in the definition of national electricity system, in the definition of network service provider and in section 11(2) which establishes the obligation to register or obtain an exemption. It is also used in the NERL application instruments of NSW, SA and Tasmania, which limit “customers” for NERL and NERR purposes to those connected to the interconnected national electricity system within the meaning of the NEL.</p> <p>Note: In the new framework, embedded network customers (except in an exempt embedded network with no Embedded Network Manager) are to be registered in AEMO’s Market Settlement and</p>

Section	Proposed amendment	Purpose of proposed amendment
		Transfer Solutions (MSATS) system. This is achieved by proposed amendments to the NER.
2(1)	The definition of retailer will extend to off-market retailers due to NERL changes. (No changes to the NEL definition are required.)	<p>It is proposed that changes to the NERL and NERR will require an off-market retailer to hold a form of retailer authorisation. It follows that the definition of retailer in the NEL will encompass off-market retailers.</p> <p>Sellers of electricity will fall into two groups for NER purposes:</p> <ul style="list-style-type: none"> those who are registered under the NER and buy from the spot market (covered by NEL section 11(4), and cover authorised retailers); those who do not buy from the spot market, but are registered under the NER as off-market retailers and so must under the NER appoint a Metering Coordinator (covered by proposed new NEL section 11(5)). <p>It is proposed that the authorisations regime in the NERL will allow for different classes of authorisation and conditions to apply to authorisations. The NERR will provide for a retailer who only wishes to sell in an embedded network to be granted an off-market retailer authorisation. General retailers will also be able to sell in an off-market capacity in an embedded network.</p>
10A(2)(c)	Amend the section on Corporations Act displacement by replacing “regulated distribution system operator” with “distribution system operator” in the definition of “relevant provision”.	This section of the NEL permits regulations to be made stipulating that certain provisions in the NER are to displace Corporations Act provisions. Relevant provisions of the NER are proposed to extend to credit support related to ENSPs and exempt network operators, as well as regulated distribution system operators.
New 11(5)	In section 11, insert a new section (5) so that a person engaging in activities as a retailer, who is not already registered as a person purchasing electricity through the wholesale exchange under section 11(4), must be a registered participant.	<p>The practical effect of this provision is to ensure all retailers register under the NER, including those who only sell on an off-market basis under an off-market retailer authorisation.</p> <p>There will be no exemptions under the NEL from this obligation, however the registration requirement under the NER requires that to be eligible to register as an off-market retailer, the party must hold an off-market retailer authorisation under the NERR. The exemption framework in the NERL in effect determines when a retailer is also exempt from registering under the NER. .</p> <p>The exception for retailers already registered under subsection 11(4) because they purchase directly</p>

Section	Proposed amendment	Purpose of proposed amendment
		<p>from the spot market avoids the need for a separate general retailer registration category in the NER.</p> <p>It is recommended that this provision is a civil penalty provision.</p>
12(1)	Amend section 12(1) to include a reference to new section 11(5).	This amendment is consequential on the amendment to section 11, and allows a person proposing to engage in retail activities (who is not a registered participant who purchases electricity directly through the wholesale exchange under section 11(4)) to request AEMO to register it.
54C(2)(f)	Amend section 54C(2)(f) to allow information to be given to the ombudsman where the dispute relates to exempt sellers or exempt network operators.	<p>Given the extended meaning of 'retail customer', it is proposed the section should contemplate the possibility of the ombudsman having jurisdiction over disputes involving exempt entities.</p> <p>The operation of the section will also extend to ENSPs and off-market retailers without further amendment, as they are Registered participants.</p>
Schedule 1 item 26L	Amend the item by replacing "regulated distribution system operator" with "distribution system operator", each time that term is used.	Item 26L in Schedule 1 (which covers the subject matter for the NER) should be amended to use the new definition since the retail support provisions will extend to ENSPs and exempt network operators, and it is appropriate for rules to be made to cover those extended categories.

Table 1c – NEL

Align the NEL framework for granting network exemptions with the NERL framework for retailer exemptions, and allow for the NER to streamline the network service provider exemption framework by narrowing the persons and classes of persons to which the AER may grant network exemptions under NER.

Section	Proposed amendment	Purpose of proposed amendment
2(1)	Add a new definition of AER Exempt Network Guidelines – to direct the reader to the definition in proposed new section 13G.	This definition is needed given the proposed new obligation on the AER to make and publish these guidelines, to align with the NERL obligation to make equivalent guidelines for exempt selling.
2(1)	Add a new definition of exemption condition , meaning a condition of a network exemption or a class of network exemptions.	The new definition is used in the proposed new provisions dealing with exemptions (Division 1A – Network exemptions), and to extend the AER’s powers and the provisions dealing with monitoring, investigation and enforcement (see new Division 1A of Part 2 of the NEL) of exemption conditions.
2(1)	Add a new definition of network exemption , meaning an exemption from the requirement to register under the NER that is granted by the AER under proposed new Division 1A of Part 2.	The definition is needed so that an exemption granted by the AER under the NEL is readily identified (and to distinguish it from an exemption granted by the AER under the NERL or by AEMO under the NER).
2(1)	Add a new definition of Public Register of Exempt Network Operators , to direct the reader to the definition in proposed new section 13F.	This reflects the new requirement in section 13F to maintain this register. This aligns with the NERL requirement to create a register of exempt sellers.
New heading after s.12	Insert new heading “Division 1A – Network exemptions” following section 12	Inserting a new heading to create a new Division 1A of Part 2 allows all the exemption provisions to be contained in one Division.
13(1)	Amend section 13(1) to indicate that the AER may decide to exempt a person or class of persons engaged or proposed to engage in the activity referred to in section 11(2) from registering as a Registered participant in relation to that activity for the purposes of the NEL and NER.	Amendments to sections 13 and the other new provisions proposed for Division 1A of Part 2 are intended to align the arrangements for the grant of exemptions in the NEL and the enforcement of exemption conditions with the corresponding arrangements in the NERL. In both cases (network and retail exemptions) the current deemed, registrable and individual exemption framework is to be removed. Individual exemptions will be retained and available for transmission systems but other exemptions (e.g. being registered as an

Section	Proposed amendment	Purpose of proposed amendment
		<p>exempt distribution network operator subject to certain exemption conditions) will only be available on registration, and only after the AER has decided to grant such an exemption in accordance with the NER.</p> <p>The policy intent is that the NEL should be clear that AER exemptions can be in relation to persons that fit within classes. The exemptions framework is dealt with in detail under the NER, with Chapter 2 covering the codified classes of exempt network operators (sub-classes of which the AER can determine). Changes to the Chapter 10 definition of 'distribution system' will make clear that certain networks for which deemed exemptions currently apply will no longer fall within the definition of distribution system, e.g.: networks forming metering installations; networks forming part of broadcasting television or radio signals; networks forming parts of telecommunications, internet, wi-fi etc; a network within a construction site.</p> <p>Please refer to proposed amendments to NER Chapter 2 and Chapter 10 for further detail.</p>
13(2) and (3)	Consolidate sections 13(2) and (3) to indicate that the AER may only decide to grant an exemption under section 13(1) in accordance with the NER.	The NEL should be clear that the granting of a network exemption must be in accordance with the NER (both the criteria for grant of the exemption and procedural requirements for the application for the exemption), including how the AER will exercise its discretion to grant an exemption.
New 13 (3)	Insert new provision in section 13(3) to make clear that an exemption of a class of persons under section 13(1) may be made by the AER so as to operate (subject to the terms of the exemption) in respect of all members of the class, or in respect of those members of the class who are, on application, registered in the public register of exempt network operators in relation to the exemption.	This is a consequential change to align the framework with the NERL.
New 13(4)	Delete existing section 13(4) on conditions of exemptions, and replace it with a new provision specifying that a person who owns, operates or controls a	This is a consequential change to align the framework with the NERL. It clarifies that the network exemption of an owner, controller or operator of a distribution

Section	Proposed amendment	Purpose of proposed amendment
	distribution system is an exempt network operator for the purposes of the NEL while a network exemption under division 1A is in force in relation to that person.	<p>system must be in force for the person to be exempt.</p> <p>Current section 13(4) is proposed to be deleted as exemption conditions are proposed to be covered in section 13A.</p>
New section 13A Exemption conditions	<p>Add a new section 13A with title “Exemption conditions”, to provide that:</p> <ul style="list-style-type: none"> the AER may impose conditions on a network exemption or class of network exemptions in accordance with the NEL and the AER Exempt Network Guidelines; the NEL may impose or may require the AER to impose conditions on a network exemption or class of network exemptions; without limiting the above two provisions, conditions imposed may be of general or limited application, or vary according to the persons, times, places or circumstances to which they are expressed to apply; a condition imposed under the section may provide that the exemption only commences in respect of a person or class on or after, or for so long as, the condition is satisfied; an exempt network operator must comply with the exemption conditions applicable to its exemption. 	<p>This provision allows conditions to be applied to exemptions in a manner consistent with the proposed NERL exempt seller framework. It provides greater flexibility to the AER when determining conditions applicable to a network exemption or class. The proposed drafting is based on the proposed corresponding provisions in the NERL. Refer to NERL section 112.</p> <p>The proposed provision covers transmission and distribution networks (and in turn, embedded networks).</p> <p>The NEL already designates the obligation to comply with the conditions of an exemption for a “large dedicated connection asset” as a civil penalty provision (rule 2.5.1(d)(4)). For this reason, and to ensure greater enforceability of exemption conditions on exempt network operators, we recommend this provision be a civil penalty provision.</p>
New section 13B	<p>Add a new section 13B providing for relief from exemption conditions.</p> <p>Drafting should provide that the NEL may provide for the AER to:</p> <ul style="list-style-type: none"> modify the application of an exemption condition to an exempt network operator or a class of exempt network operators; or determine that an exemption condition does not apply to an exempt network operator or class of exempt network operators generally or at specified times or in specified circumstances. 	<p>The NEL should allow the AER to grant relief from deemed exemption conditions, to align with the proposed NERL exempt seller framework. Refer to NERL section 112A.</p> <p>It is proposed that amendments to the NEL will permit the AER to vary or revoke exemption conditions in line with this provision, and as articulated in the AER Network Exemption Guideline.</p>

Section	Proposed amendment	Purpose of proposed amendment
	<p>Drafting should also make clear the AER may only decide to grant relief under the above where criteria for the grant of relief in the NER are satisfied.</p>	
<p>New section 13C</p>	<p>Add a new section 13C dealing with revocation of network exemptions.</p> <p>Drafting should provide that the AER may decide to revoke a network exemption in relation to a particular exempt network operator under section 13D or with the consent of or at the request of an exempt network operator.</p> <p>Drafting should allow the NER to provide for the revocation of a network exemption in relation to a class of exempt network operators in the circumstances specified in the NER.</p>	<p>In addition to allowing for revocation by consent, the provision is intended to allow the NER to provide for an exemption to be revoked when the class is amended or removed (for example, when an entire exemption class will be required to register). The changes to the AER's determination required for this to occur will be subject to consultation. This provision mirrors the intent of proposed NERL section 110A.</p>
<p>New section 13D</p>	<p>Add a new section 13D dealing with the AER's power to revoke a network exemption.</p> <p>Drafting should provide that:</p> <ul style="list-style-type: none"> the AER may decide to revoke a network exemption in relation to a particular exempt network operator in accordance with this section; the grounds for revocation of an exempt network operator's network exemption are that the AER is satisfied that there has been a material failure by the exempt network operator to comply with the exemption conditions applicable to the network exemption; the AER may not revoke an exemption under this section unless the revocation process (see below) has been completed; the AER may commence the revocation process in relation to an exempt network operator's exemption if the AER reasonably considers that the grounds for revocation exist. <p>It is recommended that a note be included to make clear that the revocation process is in new section 13E.</p>	<p>The NEL should allow the AER to revoke an exemption, to align with the NERL exempt seller framework. Refer to NERL section 111.</p> <p>These provisions deal with the revocation of a network exemption altogether, and provide the AER a greater ability to enforce the NEL obligations on exempt network operators.</p>

Section	Proposed amendment	Purpose of proposed amendment
New section 13E	<p>Add a new section 13E covering the revocation process for exemptions granted to exempt network operators, replicating the process in section 120 of the NERL. Drafting should provide (similar to section 120 of the NERL) that:</p> <ul style="list-style-type: none"> • a ‘holder’ is an exempt network operator holding an exemption, who receives a notice from the AER • the AER must give the holder a notice (as referred above) that it intends to revoke the exemption, and that the notice must set out the reasons why the AER considers that the grounds for revocation exist. <p>The notice must request the holder to respond to the notice in writing (by a date and time specified in the notice, being a date not less than 10 business days after the date of service of the notice) by doing either or both of the following:</p> <ul style="list-style-type: none"> • showing cause why the AER should not revoke the exemption; • stating how the holder proposes to address the matters set out in the notice. <p>If, by the date and time referred to in the notice, the holder has not shown sufficient cause why the AER should not revoke the exemption, the AER may revoke the exemption if—</p> <ul style="list-style-type: none"> • the holder has, by that date and time, stated how the holder proposes to address the matters set out in the notice but the AER is not satisfied that the holder can rectify the matters set out in the notice; or • the holder has, by that date and time, failed to state how the holder proposes to address the matters set out in the notice. <p>Without limiting the above subsection, the AER may revoke the exemption if—</p> <ul style="list-style-type: none"> • the holder has, by the date and time referred to in the notice, informed the 	<p>The NEL should include a detailed process for revoking network exemptions consistent with the process in NERL section 120 – Revocation process – retailer authorisations and exemptions.</p> <p>This process covers a notice requirement on the AER, provides holders of exemption a fair opportunity to address the AER’s grounds for revocation, transparency over decisions made by the AER, and communication between the AER and AEMO regarding exemptions that are revoked.</p> <p>It is also recommended that this subsection be a civil penalty provision for enforcement purposes.</p>

Section	Proposed amendment	Purpose of proposed amendment
	<p>AER how the holder proposes to address the matters set out in the notice (including the date by which those matters will have been addressed); and</p> <ul style="list-style-type: none"> the holder fails to rectify those matters after being given a reasonable opportunity to do so or otherwise by the date nominated by the holder. <p>The AER must fix a time for the revocation to take effect.</p> <p>Drafting should provide that a condition may require the holder (or former holder) to comply with specified requirements of energy laws, with any modifications specified in the condition. Any such requirement may continue, to the extent necessary, to apply to the holder (or former holder) after the revocation of the exemption.</p> <p>The AER should be required to publish on its website a copy of its decision to revoke the exemption, including the reasons and any conditions that are imposed. The AER must also advise AEMO where an exemption is revoked.</p> <p>A holder (or former holder) must comply with any conditions imposed on the holder (or former holder) under this section.</p>	
New section 13F	<p>Add a new section 13F to require the AER to maintain, and publish on its website, a Public Register of Exempt Network Operators. This register must include particulars of exempt network operators and other particulars as required by the NER; and may include other particulars or information as permitted by the NER.</p> <p>This section should provide that the AER may maintain and publish the Public Register of Exempt Network Service Operators with the Public Register of Authorised Retailers and Exempt Sellers under the NERL.</p>	<p>The NEL should provide for the AER to create a register of exempt network operators, to align with the exempt seller register arrangements in the NERL for transparency purposes. Refer to NERL section 119.</p>
New section	Add a new section 13G for the AER Exempt Network Guidelines. Drafting	This drafting is based on NERL section 118 to align the creation of the AER Exempt

Section	Proposed amendment	Purpose of proposed amendment
13G	<p>should provide that the AER must (in accordance with the NEL), develop and maintain guidelines (the AER Exempt Network Guidelines) in accordance with the Rules consultation procedure:</p> <ul style="list-style-type: none"> • providing information about network exemptions; and • concerning any other matters specified in the NEL. <p>Drafting should provide that the NEL may make provision for or with respect to the AER Exempt Network Guidelines.</p> <p>Drafting should provide that the AER may amend the AER Exempt Network Guidelines in accordance with the Rules consultation procedure, and make and publish this guideline along with the AER Exempt Selling Guidelines under the NEL.</p>	<p>Network Guidelines with the provisions applicable to the AER Exempt Selling Guidelines under the NEL.</p> <p>The purpose of the proposed AER Exempt Network Guidelines is to assist registered and exempt network service providers comply with the NEL and NEL provisions on network exemptions.</p>
New heading before section 14	<p>Add a new heading before section 14 “Division 1B – Other matters relating to registration or exemption”</p>	<p>This amendment is proposed to separate Part 2 – Participation in the NEM, into Division 1 – Registration, Division 1A – Network Exemptions and Division 1B – Other matters relating to registration or exemption.</p> <p>The new division 1B covers section 14 of the NEL, which deals with evidence of registration or exemption.</p>
New 157(1A)	<p>Add a new section 157(1A) to prohibit:</p> <ul style="list-style-type: none"> • embedded network service providers, • persons party to an agreement with the an embedded network service provider for the provision of an electricity network service, or • an associate to one of those persons <p>engaging in conduct for the purpose of preventing or hindering the access of another person to an electricity network service.</p>	<p>This is to extend the obligations otherwise applicable to regulated network service providers under s157(1) to ENSPs. It is proposed that this is also a civil penalty provision similar to s157(1).</p>
157(2), (3) and (4)	<p>Amend sections 157(2), (3) and (4) to refer to new subsection 157(1A) in addition to subsection 157(1).</p>	<p>These amendments are to extend the provisions in section 157 outlining the types of conduct the AER may consider to be preventing or hindering access to an electricity network service.</p>

Section	Proposed amendment	Purpose of proposed amendment
157(6)	Amend section 157(6) to provide for a new definition of <i>embedded network service provider</i> which is to have the meaning given in the NERL.	Though ENSPs are a subset of DNSPs and their registration and exemption process is addressed in Chapter 2 of the NER, the concept of an ENSP is defined in the NERL. This definition is cross-referenced in this provision for ease of use.
New 157(8)	Insert a new subsection 157(8) to provide that subsection (1A) does not apply to conduct engaged in in accordance with an agreement that was in force on a date to be specified.	This is a drafting place holder to be considered as part of transitional arrangements. This will permit conduct arising from agreements prior to a set date not to be subject to these provisions (as is the case in section 157(7)).
Schedule 1, Item 2	Amend item 2 to include “classes of persons” as well as “persons”.	This proposed amendment allows rules to be made regarding the exemption of classes of persons from the requirement to be Registered participants. This is intended to support the operation of proposed new Division 1A of Part 2 of the NEL by allowing initial rules, ² and future amending rules, to be made regarding exemptions of classes of persons.
Sch 1, new item 2A	Add new item 2A to provide for the subject matter of the NER to include the variation or revocation of exemptions.	This additional subject matter for the NER is intended to support the operation of proposed new Division 1A of Part 2 of the NEL, by allowing initial rules ³ , and future amending rules, to be made regarding the variation or revocation of exemptions.
Sch 1, new item 2B	Add new item 2B to provide for the subject matter of the NER to include conditions applicable to exemptions and the grant of relief from those conditions.	This additional subject matter for the NER is intended to support the operation of proposed new Division 1A of Part 2 of the NEL, by allowing initial rules ⁴ , and future amending rules, to be made regarding exemption conditions.

² Proposed Amendment to NER Chapter 2, new clause 2.14.2 Network exemption for distribution systems

³ Ibid, new clause 2.15.2 Class exemption conditions

⁴ Ibid, new clause 2.15.4 Relief from exemption conditions

Table 1d – NEL

Enhance consumer protections by improving the AER’s ability to monitor and enforce exemption conditions, making the NEL and NER work for embedded network customers, and improving the information provided to consumers connecting to embedded networks or involved in a conversion of a property to an embedded network.

Section	Proposed amendment	Purpose of proposed amendment
2A	Amend section 2A(b) so that it refers to disputes between a retail customer (or other person specified by the Rules) and a distribution system operator, rather than a regulated distribution system operator.	The term “access dispute” should be amended as the access disputes framework in Chapter 5A of the NER is to be extended to apply to disputes between retail customers and ENSPs.
2AA	Amend the table in section 2AA to allow for the following additional civil penalty provisions: new sections 11(5), 13A(5) and 157(1A).	The NEL should ensure registration requirements, exemption conditions and obligations not to prevent or hinder access applicable to ENSPs and exempt NSPs are enforceable by means of civil penalties.
15	Amend AER’s general powers to extend to monitoring and investigation in relation to compliance with and breaches of the exemption conditions. Specifically: <ul style="list-style-type: none"> Amend section 15(1)(a)(i) to refer to monitoring compliance by Registered participants and other persons with this Law, the Regulations, the Rules <u>and exemption conditions</u>. Amend section 15(1)(b) to provide for the AER to investigate breaches or possible breaches of provisions of the NEL, the Regulations, the NER <u>or exemption conditions</u>, including offences against this Law. 	The NEL should permit the AER’s monitoring functions and powers of investigation to apply to exemption conditions.
59(1)	Amend section 59(1) to refer to breaches of exemption conditions, in addition to breaches of the NEL, NER and regulations.	The NEL should extend the AER’s enforcement provisions including its ability to institute civil proceedings to include breaches of exemption conditions.
59(3)	Amend section 59(3) such that nothing in Part 6 of the NEL prevents the use of the NEL, NER, regulations <u>or exemption conditions</u> as evidence in any proceedings.	This change is proposed for consistency with the proposed change to section 59(1).
Heading before section 60	Amend the heading before section 60 to include reference to exemption conditions, as follows “Division 2—Proceedings by the AER in respect of this Law, the Regulations, the Rules <u>and exemption</u>	The NEL should make clear that provisions relating to timing and procedures applicable to AER initiated proceedings under the NEL include those relating to breaches of exemption conditions.

Section	Proposed amendment	Purpose of proposed amendment
	<u>conditions</u> ".	
60(1)	Amend section 60(1) to refer to proceedings for breach of exemption conditions, in addition to proceedings for breaches of the NEL, NER or regulations.	The enforcement framework in the NEL should extend to enforcement of exemption conditions.
61	Amend sections 61(1), (2), (2)(a), (2)(d) and (3) to refer to exemption conditions, in addition to the NEL, NER and regulations.	The enforcement framework in the NEL should extend to enforcement of exemption conditions.
61A(2)(c)	Amend section 61A(2)(c) to refer to exemption conditions, in addition to the NEL, NER and regulations.	The enforcement framework in the NEL should extend to enforcement of exemption conditions.
62	Amend the first paragraph of section 62 to refer to exemption conditions, in addition to the NEL, NER and regulations.	The enforcement framework in the NEL should extend to enforcement of exemption conditions.
64(d)	Amend section 64(d) to refer to exemption conditions, in addition to the NEL, NER and regulations.	The enforcement framework in the NEL should extend to enforcement of exemption conditions.
64(e)	Amend section 64(e) to refer to compliance programs required under the NER <u>or an exemption condition</u> .	The enforcement framework in the NEL should extend to enforcement of exemption conditions.
86	Amend section 86 to refer to exemption conditions, in addition to the NEL, NER and regulations.	For consistency with the other proposed changes to the enforcement framework, corporations should be deemed to be in breach of the NEL if their officers or employees are in breach of exemption conditions.

Table 2a – NERL

Elevate off-market retailers and embedded networks into the national regulatory framework by introducing definitions including embedded network service provider, embedded network, embedded network area, exempt network operator, exemption condition (with regard to a retailer authorisation), off-market retailer and off-market connection points.

Section	Proposed amendment	Purpose of proposed amendment
2(1)	Amend the definition of customer connection contract so it relates to the provision of customer connection services for particular premises.	This change is proposed to be made so as to align the definition with “customer retail contract”, which also refers to the contract as specific to particular premises, so as to make clear that individual child connection points will be subject to customer connection contracts where relevant.
2(1)	Add a new definition of embedded network that means a distribution system within the meaning of the NEL, that is classified under the NER as an embedded network.	<p>The introduction of the ENSP into the NERL (see below) has the effect that provisions in NERL Part 3, Relationship between distributors and customers, apply to ENSPs unless indicated otherwise.</p> <p>The proposed definition of embedded network is to permit application of provisions in the NERL in a modified manner, including new section 122A on the application of ROLR in embedded networks, and s66 on customer connection services.</p>
2(1)	Add a new definition of an embedded network area for an embedded network, which means the geographical area, site or premises registered under the NER as the embedded network area for the embedded network.	This definition is to recognise that individual embedded network areas are to be registered. This term is used to limit the obligation on ENSPs to provide customer connection services under s66 of the NERL to the embedded network area they are registered as serving.
2(1)	Add a new definition of embedded network service provider which is to mean a person who owns, operates or controls an embedded network and who is a Registered participant within the meaning of the NEL in respect of that embedded network.	This definition reflects the definition of a distribution network service provider but within an embedded network, noting that under the NEL an ENSP is to be registered for a particular embedded network area.
2(1)	Add a new definition of exempt network operator which means an exempt network operator within the meaning of the NEL, but does not include an exempt network operator in its capacity as the owner, operator or controller of a transmission system within the meaning of the NEL.	This definition is proposed so that exempt network operators, excluding exempt TNSPs, can be referred to in the NERL. In particular, this term is used with reference to shared customers between exempt network operators and a retailer.

Section	Proposed amendment	Purpose of proposed amendment
2(1)	Add a new definition of exemption condition to mean a condition of an exemption from the requirement to hold a retailer authorisation granted by the AER (under Division 6 of Part 5 of the NERL).	The new definition is used in the proposed new provisions dealing with exemptions and conditional exemptions from being required to be registered as a retailer, including Part 5, Division 6 – Exemptions and Part 8 – Functions and powers of the AER.
2(1)	Add a new definition of off-market retailer to mean a retailer when it is selling electricity to a customer for premises connected at a child connection point that the retailer has not purchased directly through a wholesale exchange within the meaning of section 11(4) of the NEL.	The definition applies to a retailer when selling off-market and will apply to retailers who hold either an off-market retail authorisation or a general retailer authorisation.
2(1)	Add a new definition of off-market connection point , which is to mean a child connection point for premises where the retailer selling electricity to the customer for the premises is doing so as an off-market retailer.	This definition is required so that provisions relating to default ROLR (refer to proposed s122A) and the definition of financially responsible retailer, can be modified when applying to retail customers of off-market retailers.
New 88(4) and (5)	Insert new subsections 88(4) and (5) to allow the NERR to provide for the AER to grant one or more classes of retailer authorisation which would operate (subject to the terms of the authorisation) only in respect of particular times or in particular circumstances as specified in the authorisation. These classes could include an authorisation that operates only in respect of the sale of electricity or gas, and an authorisation that operates only in respect of sale to a class of persons or premises. The NERR may specify conditions applicable to a class of retailer authorisation.	<p>The proposed amendment is to permit the NERR to include sub-classes of retailer with one sub-class to be introduced in the proposed changes to the NERR (off-market retailers selling to customers in embedded electricity networks).</p> <p>The proposed provision allowing for the NERR to specify conditions applicable to a class of retailer authorisation is intended to work with section 93 under which the AER can impose terms and conditions on authorisations.</p> <p>Because an off-market retailer authorisation is a form of retailer authorisation, provisions in the NERL that apply to a 'retailer' will apply to off-market retailers unless expressly excluded (e.g. Part 2, Relationship between retailers and small customers, including an obligation to make a standing offer, subject to the NERR).</p> <p>The result will be that authorised sellers of electricity will fall into two groups for the NERL and NER purposes:</p> <ul style="list-style-type: none"> • general retailers who are on-market, registered as a Customer under the NER and buy from the spot market or may also sell off-

Section	Proposed amendment	Purpose of proposed amendment
		<p>market and are subject to the obligations of off-market retailers when doing so;</p> <ul style="list-style-type: none"> off-market retailers who hold retailer authorisations that only allow them to sell off-market, must register in that capacity under the NER and are responsible for appointing metering coordinators for their child connection points but do not buy from the spot market.
New 89(1A)	Insert a new subsection 89(1A) to allow an applicant for a retailer authorisation to specify that it is an application for a class of authorisation provided for in the NERR.	This is a consequential change arising from the recommended changes to s. 88, namely that an application can be made for a class of retailer if that class is provided for in the NERR.
90(1)(a), (b) and (c)	In each subsection, allow for entry criteria to differ by class, such that the references to a retailer are to references to a retailer with a retailer authorisation of the relevant class.	This proposed change is intended to give guidance to the AER that though the same broad entry criteria must apply, they can be applied differently to the various classes of retailer authorisation.
93(2)	Amend so that conditions applied to an authorisation may provide that the retailer authorisation only authorises the selling of energy to customers on or after, <i>or for so long as</i> , the condition is satisfied.	This is a consequential change intended to allow for more flexible use of authorisation conditions (including conditions that apply on an ongoing basis).
107(2)(a)(i) and (ii)	Extend the grounds for revocation of a retailer's authorisation, to include breach of a condition imposed under the NERR or s. 93.	This proposed change is to extend the grounds for revocation of a retailer authorisation (applicable to both authorised and off-market retailers) to include breaches of conditions imposed under the NERR on retailers of electricity and gas.

Table 2b – NERL

Amend the NERL to recognise customers of off-market retailers, including amendments to the definitions of customer retail service, designated retailer, financially responsible retailer and shared customer. Permit rules to be made in the NERR to specify classes of retailer authorisation and allow the NERR to modify how provisions in the NERL relating to standard offers apply to retailers of a specified class.

Section	Proposed amendment	Purpose of proposed amendment
2(1)	Amend the definition of customer retail service to include a reference to the sale of energy by an exempt seller.	This is a proposed consequential change to align with the extended “shared customer” definition. This change, together with the change to the meaning of “retailer”, is intended to ensure the term “energy marketing activity” extends to exempt sellers.
2(1)	Add a new definition of child connection point to refer to a connection point for a connection to an embedded network. It is recommended that this definition includes a note to acknowledge that a connection point for an embedded network within another embedded network can be both a child connection point and a parent connection point.	This definition permits references to individual connection points within an embedded network, including modified provisions relating to Default ROLR per proposed s122A, and those connection points that are sold electricity by off-market retailers.
2(1)	Add a new definition of parent connection point to refer to a connection point between an embedded network and: <ul style="list-style-type: none">the distribution system of a regulated distribution system operator within the meaning of the NEL, oranother embedded network.	This definition is required both to classify the two types of connection points prevalent within embedded networks, and to modify the application of NERL provisions specific to parent connection points, including the proposed prohibition of prepayment meters at parent connection points (s56A), to assign the default ROLR for an embedded network by reference to the parent connection point (s122A), and other provisions within proposed amendments to the NERR.
2(1)	Amend the definition of financially responsible retailer to relate to a connection to premises (rather than just premises). Clarify that limb (a) applies in the case of a connection point (other than an off-market connection point). Add a new limb (aa) to provide that in the case of an off-market connection point for electricity, the	These amendments are intended to mirror the existing arrangements whereby the financially responsible retailer for each on-market connection point is the financially responsible Market Participant (FRMP) under the NER, and therefore place the off-market retailer in the role of FRMP at an off-market child connection point (but where the off-market retailer is not a market participant in the NEM). Where there is an off-market retailer at a child connection point the FRMP under the NEL (at the

Section	Proposed amendment	Purpose of proposed amendment
	financially responsible retailer is the off-market retailer for that connection point.	<p>parent connection point and for market settlement) and the financially responsible retailer under the NERL (with regard to ROLR functions) may be different entities:</p> <ul style="list-style-type: none"> the FRMP at the parent connection point is still the FRMP for the child connection point under the NEL and NER; but the off-market retailer should be the financially responsible retailer under the NERL, and so the designated retailer, for the child connection point under the NERR. <p>The addition of the reference to the connection point is to address a gap between the current definition and the NER. In the current definition, the “financially responsible” person is designated by reference to premises (not itself a defined term). Under the NER, the term is defined by reference to the connection point. The proposed change aligns the NER and the NERL in order to allow for a situation in which there is more than one connection point at ‘premises’.</p>
2(1)	<p>Amend the definition of designated retailer as follows:</p> <ul style="list-style-type: none"> split (a) into two limbs, the first to be the current (a) such that the designated retailer is the local area retailer for the relevant geographical area, and the second to apply where a small customer is seeking a connection to an embedded network, in which case the designated retailer is the local embedded network retailer for that embedded network; and in (b), replace “premises” with “connection point”. 	<p>These consequential changes arise from the change to the definition of “financially responsible retailer”.</p> <p>Under the NER, it is proposed that at registration, an ENSP will nominate a local embedded network retailer (who can be a general retailer or the holder of an off-market retailer authorisation). This consequential amendment has the effect of identifying the designated retailer for an embedded network customer. This is required for the obligation in section 22 under which the designated retailer must make an offer to its small customers in its capacity as designated retailer.</p>
2(1)	<p>Amend the definition of distribution system to add two new limbs.</p> <p>New (d) adds, for an embedded network service provider, the embedded network service provider’s distribution system within the meaning of the NEL.</p>	<p>Extending the definition of “distribution system” to include ENSPs reflects the extended meaning of “distributor” (see below).</p> <p>Extending the definition of “distribution system” to include exempt network operators reflects the extended meaning of “shared customer” (see below). This is to permit the AEMC to make rules with regard to exempt network operators (s237(2)), and extends the retailer mutual indemnity to</p>

Section	Proposed amendment	Purpose of proposed amendment
	New (e) adds, for an exempt network operator, the exempt network operator's distribution system within the meaning of the NEL.	include exempt network operators (s317).
2(1)	Add a new limb to the definition of distributor . New (d) should extend the meaning to include embedded network service providers.	This extends the operation of the NERL to ENSPs including Part 3, which deals with the relationship between distributors and customers. A "distributor" does not include an exempt network operator.
2(1)	Add a new limb to the definition of shared customer to provide that, for an exempt network operator and a retailer, the shared customer is a person who is a customer of the retailer and whose premises are connected to the exempt network operator's distribution system.	As a "distributor" will already extend to an ENSP based on amendments to definition of "distributor" (see above), the extended definition that encompasses customers of retailers who are connected to exempt network operators is required for the retail support arrangements. It does not extend to customers in an exempt transmission network, or a customer of an exempt seller within an exempt network.
2(1)	Insert a new definition of local embedded network retailer to refer to the retailer registered under the NER as the local embedded network retailer for the embedded network.	Under the NER, it is proposed that at registration, an ENSP will nominate a local embedded network retailer (who can be a general retailer or the holder of an off-market retailer authorisation). The local embedded network retailer is used in the designated retailer definition referred to above.
5(1)	Amend the definition of customer to remove references to retailers in paragraphs (a) and (b) so that the definition relates to a customer to whom energy is sold for premises, or who proposes to purchase energy for premises.	The effect of the proposed amendment is to include as a customer a person supplied by an exempt seller (or not yet supplied at all) within a distribution system (including an embedded network), rather than restricting it to authorised retailers only.
New 32(e)	Insert a new paragraph (e) to allow rules to be made to exempt specified classes of retailers from the obligations of retailers under Division 3 of Part 2 (dealing with standing offers for small customers) or the NERR.	While off-market retailers for customers in embedded networks will be required to publish standing offers, this proposed change allows flexibility to modify the application of Division 3 of Part 2 under the NERR if new classes of retailer are specified through the authorisation arrangements. For off-market retailers in embedded networks, the exemptions are principally expected to relate to the publication of price changes in a newspaper and frequency with which prices may be changed.
54(1)	Amend the section to refer to the financially responsible retailer for a	This proposed change is consistent with the change to the definition of financially responsible

Section	Proposed amendment	Purpose of proposed amendment
	<i>connection to</i> energised premises, rather than a financially responsible retailer for energised premises.	retailer. This is a consequential change.
61(3)(b)	Amend this provision to allow the AER Retail Pricing Information Guidelines for presentation of standing and market offer prices to have different provisions for different classes of retailer authorisation.	This proposed change is intended to give the AER guidance that it can have different provisions for different retailer classes (including for off-market retailers), and in particular, those types of market offers to be provided for the purposes of the price comparator maintained by the AER under section 62 of the NERL.
117(1)	<p>In paragraph (a), insert wording to allow the required information to differ depending on the class of authorisation that is applied for.</p> <p>In paragraph (b), insert similar wording to allow the entry criteria for an applicant for a retailer authorisation to differ depending on the class of authorisation that is applied for.</p> <p>In paragraph (c), insert wording to allow the information on the surrender, transfer or revocation of retailer authorisations to vary by class of authorisation.</p>	These proposed amendments are intended to give guidance to the AER that the guidelines may permit different criteria for different types of retailer authorisation.
237(2) (a) and (a)(i)	Extend the subject matter of the NERR by replacing two references to “distributors and retailers” with shared customers to “persons” with shared customers.	This proposed change to the subject matter of the NERR is needed as shared customers under the proposed changes include the shared customer of an exempt ENSP and a retailer.
New 317(3)	Extend the distributor - retailer mutual indemnity to exempt network operators by inserting a definition of distributor in new subsection 3 which includes an exempt network operator in relation to a shared customer of the exempt network operator and a retailer.	This proposed change reflects the extended definition of “shared customer” in the NERL (see above), and extends the retailer mutual indemnity obligation to exempt network operators who have a shared customer with a retailer.

Table 2c – NERL

Update the exemptions framework in the NERL to streamline the retail exemption framework by narrowing exemptions granted to circumstances where costs of registration outweigh benefits to consumers, permitting rules to be made in the NERR to specify classes of retailer authorisation and allowing the NERR to modify how provisions in the NERL relating to standard offers apply to retailers of a specified class.

Section	Proposed amendment	Purpose of proposed amendment
2(1)	<p>In the definition of <i>AER exempt selling regulatory function or power</i>:</p> <ul style="list-style-type: none"> • amend limbs (a) and (b) by deleting the word “individual”; • amend limb (c) to remove the references to deemed exemptions and registrable exemptions, and refer instead to classes of exemptions, including any associated exemption conditions; and • include a new limb (e) making reference to a decision whether to grant, vary or revoke relief from an exemption condition. 	<p>These are consequential changes arising from the changes to the exempt selling provisions, and the proposed new framework which removes the concept of individual, deemed or registrable classes of exemptions.</p> <p>It is proposed that in the NERR, the AER can determine categories of registrable exemption falling within broad classes defined in the NERR. The proposed NERR classes are based on the AER’s current deemed exempt seller regime (so excluding those exempt retailers that are now required to be registered as off-market retailers).</p> <p>The categories of exempt sellers in the NERR include those persons selling to occupants of holiday accommodation on a short term basis, temporarily selling energy on construction sites, selling energy to related body corporates, selling energy as a supplementary supply through a power purchase agreement, selling energy to customers for premises where the person is exempt under jurisdictional energy legislation etc. It is considered that these broad classes based on the AER’s current framework should address all current retailer exemption applications. The NERR can be amended in the future to consider any other broad classes not otherwise covered.</p>
38(a)	<p>Include a reference to exempt sellers in limb (a) of this provision, so that the requirement that a retailer obtains explicit informed consent for customer transfers includes those customers transferring to the retailer from an exempt seller (as well as those transferring from another retailer).</p>	<p>As it is possible that an exempt seller that is not an authorised retailer or an off-market retailer can sell electricity to customers with a registered NMI (as under proposed changes to Chapter 7 of the NER, all customers in registered embedded networks will require NMIs, with exempt ENSPs subject to this requirement if an embedded network manager is appointed), those customers can also change retailers from the exempt seller to another retailer. It follows that this provision should extend to the transfer of those customers among retailers.</p> <p>The effect of the NERL and NEL changes are that the financially responsible retailer for a child connection point at the creation of an embedded</p>

Section	Proposed amendment	Purpose of proposed amendment
		network is the retailer nominated by the ENSP at the point of registration. Following that, the financially responsible retailer for the child connection point will be whichever retailer was the last seller for that particular child connection point.
110(1)	Amend to allow exemptions in accordance with Part 5, Division 6 of the NERL as well as in accordance with the NERR.	This is a consequential change to provide clarity to participants that the AER is to exercise its exemption powers in accordance with the new proposed provisions in the NERL as well as with the NERR.
110(2)	Amend section 110(2) by removing all reference to the 3 kinds of exemptions, and replace with a subsection providing that the AER may only decide to grant an exemption under subsection (1) where criteria for grant of the exemption in the NERR are satisfied.	This proposed change allows for the NERR to be more prescriptive about when exemptions may be granted. This also reflects the exemptions framework approach to remove the concept of individual, deemed and registrable exemptions as discussed in the definition of AER exempt selling regulatory function or power above.
New 110A	Insert a new provision that: <ul style="list-style-type: none"> allows the AER to decide, in relation to a particular exempt seller, to revoke an exemption under s. 111, or to revoke an exemption with the consent of or at the request of the exempt seller; and allows the NERR to provide for the revocation of an exemption in relation to a class of exempt sellers in the circumstances specified in the NERR. 	In addition to allowing for revocation by consent, this proposed provision is intended to allow for the NERR to revoke an exemption in relation to a class of exempt sellers when the class is amended or removed (for example, to remove a class of exemption listed in the NERR so that class of retailer requires registration under the NERL and NERR). The changes to the AER's exemption determination required for this to occur will be subject to consultation. Grandfathering or transitional issues will be considered as part of that process.
111(1)	Amend this section to remove references to the three kinds of exemptions, such that the AER may decide to revoke an exemption in relation to a particular exempt seller in accordance with this section 111.	This proposed amendment is a consequential change arising from changes to s110, and the removal of the three categories of exemption.
111(2)	Amend this section to refer to a material failure by the seller to comply with the exemption conditions applicable to its exemption.	This proposed amendment is a consequential change arising from the replacement of the previous broad category of 'conditions' with enforceable 'exemption conditions'.

Section	Proposed amendment	Purpose of proposed amendment
112(1)	Amend this section to allow the AER to impose conditions on an exemption or class of exemptions in accordance with the NERR and the exempt selling guidelines.	This is a drafting change for clarity purposes. It has the same effect as the current drafting.
New 112(1A)	Insert a new subsection allowing the NERR to impose, or require the AER to impose, conditions on an exemption or class of exemptions.	This proposed change allows for the NERR to be more prescriptive about the conditions applicable to exemptions. In the proposed changes to the NERR, no prescribed conditions currently apply.
New 112(1B)	Insert a new subsection that, without limiting subsections (1) or (1A), allows for conditions imposed under s. 112 to: <ul style="list-style-type: none"> • be of general or limited application, or • vary according to the persons, times, places or circumstances to which they are expressed to apply. 	This proposed change is to provide the AER flexibility when determining the types of conditions that it can place on an individual exemption or class of exemption.
New 112(1C)	Insert a new subsection that allows a condition imposed under s. 112 to provide that the exemption only takes effect in respect of a person or class on or after a condition has been satisfied, or for so long as the condition is satisfied.	This proposed change permits conditions to have ongoing obligations, rather than act merely as a precondition for receiving an exemption under the NERL and NERR.
112(2)	Amend this subsection to provide that an exempt seller must comply with exemption conditions applicable to its exemption. (Note: This subsection is currently a civil penalty provision.)	This proposed change is to ensure that exemption conditions are enforceable, and breaches of the conditions are treated as civil penalties.
112(3)	Delete this provision.	Section 112(3) is proposed to be deleted as exemption conditions will be part of the NERR (i.e. an exemption condition will relieve a party from complying with certain rules, but require them to comply with others).
New 112A	Insert a new provision on relief in relation to exemption conditions, which specifies that the NERR may provide for the AER to:	This proposed new provision allows the AER to grant relief from mandatory exemption conditions, to provide flexibility where mandatory conditions are specified in the NERR and so subject to rule change processes under the NERL.

Section	Proposed amendment	Purpose of proposed amendment
	<ul style="list-style-type: none"> • modify the application of an exemption condition to an exempt seller or class or exempt sellers, or • determine that an exemption condition does not apply to an exempt seller or class of exempt sellers generally or at specified times or in specified circumstances. <p>The provision should also specify that the AER may only decide to grant relief where criteria for the grant of relief in the NERR are satisfied.</p>	
New 113(c)	Insert a new subsection that allows the NERR to provide for conditions applicable to exemptions and the grant of relief from those conditions.	This proposed amendment is a consequential change to reflect amendments in sections 111-112, and to make clear that the NERR can make provisions regarding conditions applicable to exemptions and the granting of relief.
114(2)	Revise this provision to delete paragraphs (2)(a) and (b), and provide instead for the AER to take into account factors specified in the NERR for the purposes of this section.	<p>This proposed amendment provides for factors to be stipulated in the NERR which the AER is to take into account when performing its exempt selling regulatory functions, including how certain exemption classes are determined by the AER. The proposed amendments to the NERR include under proposed rule 150(2) a number of activities of persons for which a class of exemption can be determined. This includes activities relating to the sale of metered energy to occupants of holiday accommodation temporarily selling energy to construction sites; selling energy to a related body corporate; selling energy as a supplementary supply through power purchase agreements; as well as selling energy to customers for premises where exempt under jurisdictional energy legislation from requiring retailer authorisation.</p> <p>These activities reflect the current deemed exemption framework under the AER's retailer exemption guideline, with those retailers formerly subject to registrable exemptions now required to be registered as off-market retailers under the proposed changes.</p>
114(3)	Delete the references to the exempt seller related factors and the customer related factors.	The amendments to the NERR include replacing the factors otherwise found in s115 and s116 into broad classes under new provisions in NERR factors that can be included in the NERR.

Section	Proposed amendment	Purpose of proposed amendment
115	Delete this provision.	See explanation above in relation to the proposed change to section 114(2).
116	Delete this provision.	See explanation above in relation to the proposed change to section 114(2).

Table 2d – NERL

Enhance consumer protections through requiring all authorised retailers to provide an appropriate set of consumer protections for off-market customers, modifying the ROLR scheme to apply to off-market customers, and requiring ENSPs to provide connection services to their customers.

Section	Proposed amendment	Purpose of proposed amendment
23(5) and (8)	<p>Add new subsection (8) providing that a variation of the standing offer prices applicable to an off-market connection point takes effect at the time provided for in the NERR, if that time is different to the time provided for in subsection (5).</p> <p>Make subsection (5) subject to subsection (8).</p>	<p>This proposed amendment is intended to allow the NERR to permit off-market retailers to change standing offer prices more frequently than every six months.</p> <p>Refer to the proposed NERR changes for the proposed rule.</p>
2(1)	Amend the definition of associate to include a reference to exempt sellers, next to each reference to “retailer”.	This is a consequential change to reflect the extension of the energy marketing rules to the associates of exempt sellers.
53(3)	Amend this provision to include a failure of an associate of an exempt seller to comply with the Energy Marketing Rules to be taken as a failure of the exempt seller to comply with those rules.	This proposed amendment makes it clear that where the Energy Marketing Rules extend to exempt sellers, the associate of the exempt seller is required to comply.
New 56A	Insert new section 56A “Use of prepayment meter at a parent connection point” to provide that despite section 56, a person must not sell energy using a prepayment meter system at a parent connection point.	This proposed provision has the effect of banning the use of prepayment meter systems at the parent connection point of an embedded network. This is to reduce the possibility of supply interruptions to child connection points within an embedded network.
66(1) and new 66(3)	<p>Insert new subsection (3) specifying that an embedded network service provider is only required to establish a new connection for premises or to provide a service relating to a connection alteration for premises located in its embedded network area.</p> <p>Amend subsection (1) to provide that the distributor’s obligations under that subsection are subject to subsection (3) (as well as subject to the energy laws).</p>	The definition of customer connection services includes a service relating to a new connection for premises and a service relating to a connection alteration for premises within an embedded network area. The proposed amendment is not to require embedded network service providers to extend their networks due to the operation of these provisions, but only to provide relevant customer connection services for premises located within their current embedded network area.

Section	Proposed amendment	Purpose of proposed amendment
122	Amend the definition of default RoLR to add a second limb such that, for an off-market connection point, default RoLR has the meaning set out in section 122A.	<p>The proposed additional limb of this definition is needed to make reference to section 122A, which provides that the default RoLR for an off-market connection point is the FRMP for the parent connection point, or where the FRMP for the parent connection point is a failed retailer, it is the default RoLR for the parent connection point determined under Division 2 of the NERL.</p> <p>The RoLR provisions applicable to on-market connection points within an embedded network are unchanged.</p>
122	Amend the definition of designated RoLR to include reference to a designated RoLR under section 122A(3).	This is a consequential amendment to reflect that the designated RoLR for the purposes of s132(1) (the designation of registered RoLR for a RoLR event) may be different for off-market connection points in accordance with s122A.
New 122A	<p>Insert new provision on default RoLR for an off-market connection point, which provides that:</p> <ul style="list-style-type: none"> • Division 2 of Part 6 does not apply to an off-market connection point (where the financially responsible retailer is an off-market retailer). • For an off-market connection point, the default RoLR is either: (a) the financially responsible Market Participant under the NER for the parent connection point, or (b) at any time the person in (a) is a failed retailer, the default RoLR for the parent connection point determined under Division 2 of the NERL. • If a RoLR event occurs in relation to an off-market child connection point where the financially responsible retailer is an off-market retailer, for the purposes of section 132(1), the default RoLR for the off-market child connection point is taken to be appointed as the designated RoLR for the off-market child connection point in respect of 	<p>This proposed new section is needed to reflect RoLR obligations as they apply to off-market connection points where electricity is sold by off-market retailers.</p> <p>The approach taken is to acknowledge that the most appropriate default RoLR for a failed off-market retailer will be the FRMP for the parent connection point that the off-market retailer on-sells electricity from. Where that FRMP is a failed retailer, the default RoLR for the off-market connection point is then to become the default RoLR for the parent connection point as determined under Division 2.</p> <p>Where an embedded network is connected to another embedded network (sometimes known as 'pancaked' embedded networks), the parent connection point is the parent connection point that connects the series of embedded networks to the Local Network Service Provider's network.</p>

Section	Proposed amendment	Purpose of proposed amendment
	that event.	
136(2)(c))	Amend subsection 136(2)(c) to provide that the RoLR notice provided by the AER must specify the registered RoLR or registered RoLR appointed by the notice (or taken to be appointed), subject to section 122A(3).	This is a consequential amendment due to the new provision relating to the operation of RoLR for off-market connection points.
140(2)	<p>Amend section 140(2) to provide:</p> <ul style="list-style-type: none"> at (a), for electricity—in the case of any connection point where the failed retailer was as at the transfer date responsible for appointing a Metering Coordinator, the designated RoLR becomes, by force of this Law, the person responsible for appointing the Metering Coordinator at (b), for electricity—in the case of any connection point in respect of which there is as at the transfer date a metering coordination agreement in force between the failed retailer and a Metering Coordinator, the designated RoLR becomes, by force of this Law, party to that agreement in place of the failed retailer <p>and to delete (c).</p>	These are consequential changes to reflect that under the proposed changes to the NER, all retailers (on and off-market, but excluding exempt sellers) are required to appoint Metering Coordinators (which in turn, facilitates the registration of the NMI for the customers meter with AEMO). This clause is proposed to be amended to reflect that at the time of transfer of responsibility, the designated RoLR is responsible for appointing the Metering Coordinator and where a Metering Coordinator is already appointed, the designated RoLR becomes party to that agreement. As a consequence of deleting clause (c), clauses 7.2.3 and 7.2.5 of the NER are no longer required.
140(8)	Amend subsection 140(8) to delete the definitions of Local Network Service Provider , metering installation , Metering Provider and responsible person and insert new definitions of Metering Coordinator (defined by reference to the NER) and metering coordination agreement (being an agreement under which a retailer appoints a Metering Coordinator to perform the functions of a Metering	This reflects amendments to the NER relating to the appointment of Metering Coordinators by all registered retailers.

Section	Proposed amendment	Purpose of proposed amendment
	Coordinator under the NER).	
New 286(6)	Insert a new subsection 286(6) providing that the AER Performance Reporting Procedures and Guidelines may vary according to the persons or circumstances to which they are expressed to apply.	This proposed amendment is to allow the AER to limit what it requires from off-market retailers or ENSPs in order to enable the procedures and guidelines to be proportionate to the nature of the activities undertaken by more groups of regulated entities.

Table 2e – NERL

Improve the AER's ability to monitor and enforce exemption conditions, and expand information collection provisions to apply to embedded networks (excluding exempt network operators).

Section	Proposed amendment	Purpose of proposed amendment
2(1)	Add exempt sellers to the definition of " regulated entity ".	This is a consequential change to extend the monitoring and enforcement regime to exempt sellers.
204(1)	Amend this provision to extend the AER's functions and powers to cover exemption conditions in paragraphs (a), (b), (c) and (d).	The proposed changes are needed to extend the AER's monitoring, compliance and enforcement regimes to exempt sellers and in particular, compliance with exemption conditions.
217(1)	Amend this provision to extend the AER's obligations when it decides not to investigate a reported breach to a reported breach of exemption conditions.	This is a consequential change to extend obligations to inform persons of decisions not to investigate breaches, institute proceedings or serve infringement notices arising from being given information regarding a breach or possible breach of an exemption condition.
272, 273(1), 274(1), 275(1), 276(1) and (2), 280(b), 281(2)(a), 289(1) and (2) as a new provision, 291(1), (2) and (3), 292(2)(c), 294, 305, 309	In each of these provisions, include reference to exemption conditions (as an addition to the existing references to the NERL and NERR, etc).	The monitoring, compliance and enforcement regimes in Parts 12 and 13 are proposed to extend to compliance with exemption conditions. Information provision requirements from exempt retailers will be determined by the AER in accordance with its guidelines (subject to the proposed amendment to s282 – see below).
276(2)	Add a reference to an exempt seller after the first reference to a retailer, and change subsequent references to "retailer" to "person".	The purpose of these proposed changes is to allow the AER to require an exempt seller (as well as a retailer) to carry out a compliance audit in relation to its obligations under the NERR or exemption conditions relating to marketing.
282(1)	Amend this provision to exclude exempt sellers from the obligation to provide to the AER information and data about their performance.	In general a regulated entity is to include an exempt seller. However this provision requiring a regulated entity to submit information to the AER is not intended to apply to exempt sellers because such a requirement is not proportionate given the narrow classes of exempt seller intended to

Section	Proposed amendment	Purpose of proposed amendment
		be available under the new arrangements. The AER otherwise has discretionary powers to require an exempt seller to undertake a compliance audit under section 276(1).
Heading before section 291	Amend the heading to include a reference to exemption conditions (as an addition to the existing reference to the NERL and NERR, etc).	This is a consequential amendment to reflect that Division 3 also applies with regard to exemption conditions.

CHAPTER 2

2. **Registered Participants, ~~and~~ Registration and Network Exemptions**

Part A Registered Participants and Registration

2.1 **Registered Participants**

2.1.1 **Purpose**

This ~~Chapter-Part~~ sets out and describes the various categories of *Registered Participants* and the registration procedures. It also sets out the fees payable by *Registered Participants*.

2.1.2 **General**

- (a) **[Deleted]**
- (b) **[Deleted]**
- (c) The different categories of *Registered Participants* have different obligations under the *Rules*.
- (d) Rules 2.2 to 2.7 set out the *Registered Participant* categories and requirements which a person must satisfy in order to be registered by AEMO in relation to each of those *Registered Participant* categories.
- (e) Each prospective *Registered Participant* must apply to AEMO for registration in accordance with rule 2.9.
- (e1) Rule 2.9A sets out the process to be followed in order to transfer a *Registered Participant's* registration to another person.
- (f) Each *Registered Participant* must pay to AEMO the prescribed fees determined in accordance with the provisions of rule 2.11.

2.2 **Generator**

2.2.1 **Registration as a Generator**

- (a) Subject to clause 2.2.1(c), a person must not engage in the activity of owning, controlling or operating a *generating system* that is *connected* to a *transmission or distribution system* unless that person is registered by AEMO as a *Generator*.
- (b) **[Deleted]**
- (c) AEMO may, in accordance with guidelines issued from time to time by AEMO, exempt a person or class of persons from the requirement to register as a *Generator*, subject to such conditions as AEMO deems appropriate, where (in AEMO's opinion) an exemption is not inconsistent with the *national electricity objective*.

Note:

A person who is exempt from registration as a *Generator*, may register with AEMO as a *Small Generation Aggregator* under rule 2.3A.

- (d) Without limitation, an exemption may be given which only relieves a person or class of persons from the requirement to register as a *Generator* in relation to certain specified *generating systems* or classes of *generating systems*.
- (e) To be eligible for registration as a *Generator*, a person must:
 - (1) obtain the approval of *AEMO* to classify each of the *generating units* that form part of the *generating system* that the person owns, operates or controls, or from which it otherwise sources electricity, as:
 - (i) a *scheduled generating unit*;
 - (ii) a *semi-scheduled generating unit*; or
 - (iii) a *non-scheduled generating unit*;
 - (2) classify the *generating units* in accordance with *AEMO*'s approval as referred to in subparagraph (1); and
 - (3) satisfy *AEMO* that each *generating system* will be capable of meeting or exceeding its *performance standards*.
- (f) Except in relation to a proposed *generating unit*, a person must also classify each of those *generating units* as either a *market generating unit* or a *non-market generating unit*.
- (f1) A *Generator* may also classify one or more of its *generating units* as an *ancillary service generating unit* where it has obtained the approval of *AEMO* to do so.
- (g) Nothing in clause 2.2.1(e) or (f) requires the classification of any *generating unit* which forms part of a *generating system* in respect of which an exemption under clause 2.2.1(c) applies.

2.2.2 Scheduled Generator

- (a) A *generating unit* which has a *nameplate rating* of 30 MW or greater or is part of a group of *generating units connected* at a common *connection point* with a combined *nameplate rating* of 30 MW or greater must be classified as a *scheduled generating unit* unless *AEMO* approves its classification as:
 - (1) a *semi-scheduled generating unit* under clause 2.2.7(b); or
 - (2) a *non-scheduled generating unit* in accordance with clause 2.2.3(b).
- (b) A person must not classify a *generating unit* as a *scheduled generating unit* unless it has obtained the approval of *AEMO* to do so. *AEMO* must approve the classification if it is satisfied that the person:
 - (1) has submitted data in accordance with schedule 3.1; and
 - (2) has adequate communications and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses.
- (b1) In relation to an application under clause 2.2.2(b) to classify as a *scheduled generating unit* a *generating unit* with a *nameplate rating* of less than 30 MW, or a *generating unit* that is part of a group of *generating units connected* at a common *connection point* with a combined *nameplate rating* of less than 30 MW, *AEMO* may approve the classification on such terms and conditions as *AEMO* considers appropriate.

- (c) A person must comply with any terms and conditions imposed by *AEMO* as part of an approval under clause 2.2.2(b1).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) **[Deleted]**
- (e) A *Generator* is taken to be a *Scheduled Generator* only in so far as its activities relate to any *scheduled generating unit*.
- (f) A *Scheduled Generator* must operate any *scheduled generating unit* in accordance with the co-ordinated *central dispatch* process operated by *AEMO* under the provisions of Chapter 3.
- (g) As described in Chapter 3, a *Scheduled Generator* must notify *AEMO* of the availability of each *scheduled generating unit* in respect of each *trading interval*.
- (h) A *Scheduled Generator* may submit to *AEMO* a schedule of *dispatch offers* for each *scheduled generating unit* in respect of each *trading interval* for *dispatch* by *AEMO*.

2.2.3 Non-Scheduled Generator

- (a) A *generating unit* with a *nameplate rating* of less than 30 MW (not being part of a group of *generating units* described in clause 2.2.2(a)) must be classified as a *non-scheduled generating unit* unless *AEMO* approves its classification as:
 - (1) a *scheduled generating unit* under clause 2.2.2(b); or
 - (2) a *semi-scheduled generating unit* under clause 2.2.7(b).
- (b) A person must not classify a *generating unit* as a *non-scheduled generating unit* unless the person has obtained the approval of *AEMO* to do so. *AEMO* must approve the classification if it is satisfied that:
 - (1) the primary purpose for which the relevant *generating unit* operates is local use and the aggregate *sent out generation* at its *connection point* rarely, if ever, exceeds 30 MW; or
 - (2) the physical and technical attributes of the relevant *generating unit* are such that it is not practicable for it to participate in *central dispatch*.
- (c) If, in relation to an application under paragraph (b), in *AEMO*'s opinion it is necessary for any reason (including *power system security*) for the relevant *Generator* to comply with some of the obligations of a *Scheduled Generator* or *Semi-Scheduled Generator* for that *generating unit*, *AEMO* may approve the classification on such terms and conditions as *AEMO* considers reasonably necessary.
- (d) A person must comply with any terms and conditions imposed by *AEMO* under paragraph (c).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (e) A *Generator* is taken to be a *Non-Scheduled Generator* only in so far as its activities relate to a *non-scheduled generating unit*.
- (f) Subject to clause 3.8.2(e), the *non-scheduled generating units* of a *Generator* do not participate in the co-ordinated *central dispatch* process operated by AEMO.

2.2.4 Market Generator

- (a) A *generating unit* whose *sent out generation* is not purchased in its entirety by the *Local Retailer* or by a *Customer* located at the same *connection point* must be classified as a *market generating unit*.
- (b) A *Generator* is taken to be a *Market Generator* only in so far as its activities relate to any *market generating units*.
- (c) A *Market Generator* must sell all *sent out generation* through the *spot market* and accept payments from AEMO for *sent out generation* at the *spot price* applicable at the *connection point* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) A *Market Generator* must purchase all electricity *supplied* through the *national grid* to the *Market Generator* at that *connection point* from the *spot market* and make payments to AEMO for such electricity supplied at the *connection point* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

2.2.5 Non-Market Generator

- (a) A *generating unit* whose *sent out generation* is purchased in its entirety by the *Local Retailer* or by a *Customer* located at the same *connection point* must be classified as a *non-market generating unit*.
- (b) A *Generator* is taken to be a *Non-Market Generator* only in so far as its activities relate to any *non-market generating unit*.
- (c) A *Non-Market Generator* is not entitled to receive payment from AEMO for *sent out generation* except for any compensation that may be payable to it as a *Directed Participant* or *Affected Participant*.

2.2.6 Ancillary services generating unit

- (a) If the *Market Generator* in respect of a *generating unit* wishes to use that *generating unit* to provide *market ancillary services* in accordance with Chapter 3, then the *Market Generator* must apply to *AEMO* for approval to classify the *generating unit* as an *ancillary service generating unit*.
- (b) An application under clause 2.2.6(a) must be in the form prescribed by *AEMO* and specify the *market ancillary services* which the *Market Generator* wishes to provide using the relevant *generating unit*.
- (c) *AEMO* must, within 5 *business days* of receiving an application under clause 2.2.6(a), advise the applicant of any further information or clarification which is required in support of its application if, in *AEMO*'s reasonable opinion, the application:
 - (1) is incomplete; or
 - (2) contains information upon which *AEMO* requires clarification.
- (d) If the further information or clarification required pursuant to clause 2.2.6(c) is not provided to *AEMO*'s satisfaction within 15 *business days* of the request, then the *Market Generator* will be deemed to have withdrawn the application.
- (e) If *AEMO* is reasonably satisfied that:
 - (1) the *generating unit* is able to be used to provide the *market ancillary services* referred to in the application in accordance with the *market ancillary service specification*; and
 - (2) the *Market Generator* has adequate communication and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses,then *AEMO* must approve the classification in respect of the particular *market ancillary services*.
- (f) If *AEMO* approves the classification of a *generating unit* as an *ancillary service generating unit*, then *AEMO* may impose on the relevant *Market Generator* such terms and conditions as *AEMO* considers necessary to ensure that the provisions of the *Rules* applying to *market ancillary services* can be met.
- (g) A *Market Generator*:
 - (1) must comply with any terms and conditions imposed by *AEMO* under clause 2.2.6(f);

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) must ensure that the *market ancillary services* provided using the relevant *ancillary services generating unit* are provided in accordance with the co-ordinated *central dispatch* process operated by *AEMO* under the provisions of Chapter 3 and in accordance with the *market ancillary service specification*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (3) may submit to *AEMO market ancillary service offers* in respect of the *ancillary service generating unit* in accordance with the provisions of Chapter 3; and
- (4) if the *Market Generator* submits a *market ancillary service offer* in respect of the relevant *ancillary service generating unit*, must comply with the *dispatch instructions* from *AEMO* in accordance with the *Rules*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (h) A *Market Generator* with an *ancillary service generating unit* must only sell the *market ancillary services* produced using that *ancillary service generating unit* through the *spot market* in accordance with the provisions of Chapter 3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i) A *Market Generator* is not entitled to receive payment from *AEMO* for *market ancillary services* except where those *market ancillary services* are produced using an *ancillary service generating unit* in accordance with Chapter 3 or pursuant to a *direction* or *clause 4.8.9 instruction*.

2.2.7 Semi-Scheduled Generator

- (a) A *generating unit* which has a *nameplate rating* of 30 MW or greater or is part of a group of *generating units connected* at a common *connection point* with a combined *nameplate rating* of 30 MW or greater, must be classified as a *semi-scheduled generating unit* where the output of the *generating unit* is *intermittent* unless *AEMO* approves its classification as:
 - (1) a *scheduled generating unit* under clause 2.2.2(b); or
 - (2) a *non-scheduled generating unit* under clause 2.2.3(b).
- (b) A person must not classify a *generating unit* as a *semi-scheduled generating unit* unless the person has obtained the approval of *AEMO* to do so.
- (c) *AEMO* must approve a request for classification as a *semi-scheduled generating unit* if it is satisfied that the output of the *generating unit* is *intermittent* and that the person:
 - (1) has submitted data in accordance with schedule 3.1;
 - (2) has submitted an *energy conversion model* which contains the information described in the guidelines referred to in paragraph (d); and

- (3) has adequate communications and telemetry to support the issuing of *dispatch instructions* and the audit of responses.
- (d) *AEMO* must develop and *publish* guidelines in consultation with *Semi-Scheduled Generators* and such other person that *AEMO*, acting reasonably, considers appropriate setting out the information to be contained in *energy conversion models*. Any amendments to the guidelines are also to be made in consultation with *Semi-Scheduled Generators* and such other person that *AEMO*, acting reasonably, considers appropriate.
- (e) In relation to an application under paragraph (b) to classify a *generating unit* with a *nameplate rating* of less than 30 MW, or a *generating unit* that is part of a group of *generating units connected* at a common *connection point* with a combined *nameplate rating* of less than 30 MW, as a *semi-scheduled generating unit*, *AEMO* may approve the classification on such terms and conditions as *AEMO* considers appropriate.
- (f) A person must comply with any terms and conditions imposed by *AEMO* as part of an approval under paragraph (e).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (g) A *Generator* is taken to be a *Semi-Scheduled Generator* only in so far as its activities relate to a *semi-scheduled generating unit*.
- (h) A *Semi-Scheduled Generator* must operate a *semi-scheduled generating unit* in accordance with the co-ordinated *central dispatch* process operated by *AEMO* under the provisions of Chapter 3.
- (i) At the time that a person makes a request for *AEMO* to classify a *semi-scheduled generating unit* under paragraph (c), that person may request to register two or more *generating units* as one *semi-scheduled generating unit* when the *generating units*:
 - (1) are connected at a single site with:
 - (i) the same *intra-regional loss factor*; or
 - (ii) if two *intra-regional loss factors* are determined for the site under clause 3.6.2(b)(2), the same two *intra-regional loss factors*;
 - (2) each have a capacity of not more than 6MW; and
 - (3) have similar *energy conversion models*,and *AEMO* must approve the request unless, in *AEMO's* opinion, registering the relevant *generating units* as one *semi-scheduled generating unit* could adversely impact on *power system security*.
- (j) Notwithstanding that one or more of the conditions set out in paragraph (i) may not have been fulfilled by the *Semi-Scheduled Generator*, *AEMO* may approve a request received under paragraph (i) if registration as a single *semi-scheduled generating unit* would not materially distort *central dispatch* or adversely affect *power system security*.

- (k) Where *AEMO* approves a request to register two or more *generating units* as one *semi-scheduled generating unit* in accordance with paragraph (i) or (j), the *generating units* will be taken to be one *semi-scheduled generating unit* for the purposes of the *Rules*.
- (l) For the avoidance of doubt, a *Semi-Scheduled Generator* which operates two or more *semi-scheduled generating units* that could have been registered as a single *semi-scheduled generating unit* under paragraph (i) but were not so registered, may subsequently aggregate those *generating units* in accordance with clause 3.8.3.

2.3 Customer

2.3.1 Registration as a Customer

- (a) A *Customer* is a person so registered by *AEMO* and who engages in the activity of purchasing directly from the market electricity supplied through a *transmission or distribution system* to a *connection point*.
- (b) To be eligible for registration as a *Customer*, a person must satisfy *AEMO* (acting reasonably) that:
 - (1) the person intends to classify within a reasonable period of time its electricity purchased at one or more *connection points* as a *first-tier load*, a *second-tier load* or a *market load* or an *intending load*; or
 - (2) registration is for the purpose of acting as a *RoLR*.
- (c) A person must not engage in the activity of purchasing electricity directly from the *market* at any *connection point*, unless that person is registered by *AEMO* as a *Market Participant* and that *connection point* is classified as one of that person's *market connection points*.
- (d) A person who engages in the activity of purchasing electricity at any *connection point* otherwise than directly from the *market* may, but is not required to, apply for registration by *AEMO* as a *First-Tier Customer*, a *Second-Tier Customer* or an *Intending Participant* provided that person is entitled to classify its electricity purchased at that *connection point* based on the threshold criteria set out in clause 2.3.1(e).
- (e) A person may not classify its electricity purchased at any *connection point* unless the person satisfies the requirements of the *participating jurisdiction* in which the *connection point* is situated so that (subject to compliance with the *Rules*) the person is permitted to purchase electricity in the *spot market* in relation to that *connection point*.
- (f) A *Market Customer* may classify one or more of its *market loads* as an *ancillary service load* in accordance with clause 2.3.5.

2.3.2 First-Tier Customer

- (a) If any electricity supplied through the *national grid* is purchased by a person at a *connection point* directly and in its entirety from the *Local Retailer*, the *load* at that *connection point* may be classified by that person as a *first-tier load*.

- (b) A *Customer* is taken to be a *First-Tier Customer* only in so far as its activities relate to any *first-tier load*.
- (c) A *First-Tier Customer* must not participate in the *spot market* for any *first-tier load*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

2.3.3 Second-Tier Customer

- (a) Subject to clause 2.3.3(d), if any electricity *supplied* through the *national grid* is purchased by a person at a *connection point* other than directly from the *Local Retailer* or the *spot market* all electricity purchased by that person at that *connection point* may be classified by that person as a *second-tier load*.
- (b) A *Customer* is taken to be a *Second-Tier Customer* only in so far as its activities relate to any *second-tier load*.
- (c) A *Second-Tier Customer* must not participate in the *spot market* for any of its *second-tier loads*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) A person's purchase of electricity at a *connection point* may only be classified as a *second-tier load* while a *Market Customer*, from whom the person directly or indirectly purchases the electricity, classifies the *connection point* as one of its *market loads*.

2.3.4 Market Customer

- (a) If electricity, *supplied* through the *national grid* to any person *connected* at a *connection point*, is purchased other than from the *Local Retailer* that *load* at the *connection point* may be classified by that person or, with the consent of that person, by some other person as a *market load*.
- (b) A *Customer* is taken to be a *Market Customer* only in so far as its activities relate to any *market load* and only while it is also registered with *AEMO* as a *Market Customer*.
- (c) A *Market Customer* must purchase all electricity *supplied* at that *connection point* from the *spot market* and make payments to *AEMO* for electricity supplied at the *connection point* as determined for each *trading interval* in accordance with provisions of Chapter 3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) A *Market Customer* may request *AEMO* to classify any of its *market loads* as a *scheduled load*.

- (e) *AEMO* must classify a *market load* as a *scheduled load* if it is satisfied that the *Market Customer*:
 - (1) has submitted data in accordance with schedule 3.1;
 - (2) has adequate communications and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses; and
 - (3) has requested that the *load* be so classified and has not withdrawn that request.
- (f) A *Market Customer* may submit *dispatch bids* in respect of *scheduled loads* in accordance with the provisions of Chapter 3.
- (g) A *Market Customer* who submits *dispatch bids* for *scheduled loads* and makes its *scheduled loads* available for *central dispatch* must comply with the *dispatch instructions* from *AEMO* in accordance with the *Rules*.
- (h) A *Customer* who is also a *Local Retailer* must classify any *connection point* which *connects* its *local area* to another part of the *power system* as a *market load*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i) If electricity, supplied through the national grid to a parent connection point is purchased by an off-market retailer (including from the Local Retailer), the load at the parent connection point must be classified by the off-market retailer or, with the consent of that person, by some other person as a market load.

Note

The AEMC proposes to recommend that this clause be classified as a civil penalty provision under the National Electricity (South Australia) Regulations.

2.3.5 Ancillary services load

- (a) If a *Market Ancillary Service Provider* in respect of a *load*, or the *Market Customer* in respect of a *market load*, wishes to use that *load* or *market load* to provide *market ancillary services* in accordance with Chapter 3, then the *Market Ancillary Service Provider* or *Market Customer* (as the case may be) must apply to *AEMO* for approval to classify the *load* or *market load* as an *ancillary service load*.
- (b) An application under paragraph (a) must be in the form prescribed by *AEMO* and:
 - (1) specify the *market ancillary services* which the *Market Ancillary Service Provider* in respect of a *load* or *Market Customer* in respect of a *market load* (as the case may be) wishes to provide using the relevant *load* or *market load*; and
 - (2) in the case of an application made by a *Market Ancillary Service Provider*, not be in respect of a *market load* that is a *scheduled load*.
- (c) *AEMO* must, within 5 *business days* of receiving an application under paragraph (a), advise the applicant of any further information or clarification

which is required in support of its application if, in *AEMO's* reasonable opinion, the application:

- (1) is incomplete; or
 - (2) contains information upon which *AEMO* requires classification.
- (d) If the further information or clarification required pursuant to paragraph (c) is not provided to *AEMO's* satisfaction within 15 *business days* of the request, then the *Market Ancillary Service Provider* or *Market Customer* (as applicable) will be deemed to have withdrawn the application.
- (e) If *AEMO* is reasonably satisfied that:
- (1) the *load* is able to be used to provide the *market ancillary services* referred to in the application in accordance with the *market ancillary service specification*;
 - (1A) the *Market Ancillary Service Provider* or the *Market Customer* (as the case may be) has an arrangement with the *retail customer* at the relevant *connection point* for the supply of *market ancillary services*; and
 - (2) the *Market Ancillary Service Provider* or the *Market Customer* (as the case may be) has adequate communications and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses,
- then *AEMO* must approve the classification in respect of the particular *market ancillary services*.
- (f) If *AEMO* approves the classification of a *load* as an *ancillary service load*, then *AEMO* may impose on the relevant *Market Ancillary Service Provider* or *Market Customer* (as the case may be) such terms and conditions as *AEMO* considers necessary to ensure that the provisions of the *Rules* applying to *market ancillary services* can be met.
- (g) A *Market Ancillary Service Provider* and *Market Customer* (as applicable):
- (1) must comply with any terms and conditions imposed by *AEMO* under paragraph (f);

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) must ensure that the *market ancillary services* provided using the relevant *ancillary services load* are provided in accordance with the co-ordinated *central dispatch* process operated by *AEMO* under the provisions of Chapter 3 and in accordance with the *market ancillary service specification*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (3) may submit to *AEMO market ancillary service offers* in respect of the *ancillary service load* in accordance with the provision of Chapter 3; and
- (4) if the *Market Ancillary Service Provider* or *Market Customer* (as applicable) submits a *market ancillary service offer* in respect of the relevant *ancillary service load*, must comply with the *dispatch instructions* from *AEMO* in accordance with the *Rules*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (h) A *Market Ancillary Service Provider* or *Market Customer* (as applicable) with an *ancillary service load* must only sell the *market ancillary services* produced using that *ancillary service load* through the *spot market* in accordance with the provisions of Chapter 3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i) A *Market Ancillary Service Provider* or *Market Customer* (as applicable) is not entitled to receive payment from *AEMO* for *market ancillary services* except where those *market ancillary services* are produced using an *ancillary service load* in accordance with Chapter 3 or pursuant to a *direction* or *clause 4.8.9 instruction*.
- (j) A *Market Ancillary Service Provider* and *Market Customer* (as applicable) must immediately notify *AEMO* if a *load* it has classified as an *ancillary service load* ceases to meet the requirements for classification under this clause 2.3.5.

2.3A Small Generation Aggregator

2.3A.1 Registration

- (a) A person who intends to supply electricity from one or more *small generating units* to a *transmission or distribution system* may, upon application for registration by that person in accordance with rule 2.9, be registered by *AEMO* as a *Small Generation Aggregator*.
- (b) To be eligible for registration as a *Small Generation Aggregator*, a person must satisfy *AEMO* that the person intends to classify, within a reasonable amount of time, one or more *small generating units* each as a *market generating unit*, with each *market generating unit* having a separate *connection point*.
- (c) A person must not engage in the activity of selling electricity directly to the *market* at any *connection point*, unless that person is registered by *AEMO* as a *Market Participant* and that *connection point* is classified as one of that person's *market connection points*.
- (d) A person must not classify a *small generating unit* as a *market generating unit* for electricity supplied from any *connection point* unless the person

satisfies the requirements of the *participating jurisdiction* in which the *connection point* is situated so that (subject to compliance with the *Rules*) the person is permitted to supply electricity in the *spot market* in relation to that *connection point*.

- (e) A *Market Small Generation Aggregator* must classify each *small generating unit* from which it proposes to supply electricity as a *market generating unit*, with each *market generating unit* having a separate *connection point*.
- (f) A *Market Small Generation Aggregator's* activities only relate to *small generating units* it has classified as *market generating units*, and only while it is also registered with AEMO as a *Small Generation Aggregator*.
- (g) A *Market Small Generation Aggregator* must sell all *sent out generation* through the *spot market* and accept payments from AEMO for all *sent out generation* at the *spot price* applicable at the *connection point* for which it is *financially responsible* as determined for each *trading interval* in accordance with the provisions of Chapter 3.
- (h) A *Market Small Generation Aggregator* must purchase all electricity *supplied* through the *national grid* to the *Market Small Generation Aggregator* at that *connection point* from the *spot market* and make payments to AEMO for such electricity *supplied* at the *connection point* for which it is *financially responsible* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

2.3AA Market Ancillary Service Provider

2.3AA.1 Registration

- (a) A person must not engage in the activity of offering and providing *market ancillary services* in accordance with Chapter 3 as a *Market Ancillary Service Provider* unless that person is registered by AEMO as a *Market Ancillary Service Provider*.
- (b) To be eligible for registration as a *Market Ancillary Service Provider*, a person must:
 - (1) obtain the approval of AEMO to classify *load connected* to a *transmission or distribution system* that it wishes to use to provide *market ancillary service* by:
 - (i) identifying units of *load* under its ownership, operation or control;
 - (ii) demonstrating how *load* identified in (i) are under its ownership, operation or control; and
 - (iii) demonstrating that the *load* identified in (i) has the required equipment to be used to provide *market ancillary service*;
 - (2) satisfy AEMO that each *load* referred to in subparagraph (1) will be capable of meeting or exceeding the relevant *performance standards* and specifications to AEMO's satisfaction.

- (c) A *Market Ancillary Service Provider* may classify the *load* referred to in subparagraph (b)(1) as an *ancillary service load* in accordance with clause 2.3.5 where it has obtained the approval of AEMO to do so.
- (d) A *Market Ancillary Service Provider's* activities only relate to *loads* it has classified (in its capacity as a *Market Ancillary Service Provider*) as *ancillary service loads*, and only while it is also registered with AEMO as a *Market Ancillary Service Provider*.

2.4 Market Participant

2.4.1 Registration as a category of Market Participant

- (a) A *Market Participant* is a person registered by AEMO as any one or more of the following categories:
 - (1) *Market Customer*;
 - (1A) *Market Small Generation Aggregator*;
 - (1B) *Market Ancillary Service Provider*;
 - (2) *Market Generator*;
 - (3) *Market Network Service Provider*.
- (b) A *Market Participant* may only participate in the *market* in the category in which it has been registered.
- (c) A *Market Participant* may only participate in any of the *markets* or trading activities conducted by AEMO if that *Market Participant* satisfies the relevant *prudential requirements* set out in Chapter 3 applicable to the relevant trading activity.

2.4.2 Eligibility

To be eligible to be registered as any category of *Market Participant*, a person must:

- (a) satisfy AEMO that it is and will be able to satisfy the *prudential requirements* as set out in rule 3.3 applicable to all *Market Participants* and those applicable to the relevant category of *Market Participant* in which that person wishes to participate in the *market*;
- (b) satisfy AEMO that it meets any relevant requirements imposed under relevant *jurisdictional electricity legislation*;
- (c) satisfy AEMO that it is also registered:
 - (1) as a *Generator*, for registration as a *Market Generator*;
 - (2) as a *Customer*, for registration as a *Market Customer*;
 - (2A) as a *Small Generation Aggregator*, for registration as a *Market Small Generation Aggregator*; or
 - (3) as a *Network Service Provider*, for registration as a *Market Network Service Provider*;
- (d) satisfy AEMO that it is complying and will comply with other relevant obligations set out in the *Rules*; and

- (e) pay the prescribed fees determined in accordance with rule 2.11.

2.4A Metering Coordinator

2.4A.1 Registration as a Metering Coordinator

- (a) A *Metering Coordinator* is a person so registered by AEMO who engages in the coordination and provision of *metering* services at a *connection point*.
- (b) AEMO may exempt a *Transmission Network Service Provider* from satisfying one or more registration requirements when registering as a *Metering Coordinator* for *transmission network connection points* on its *transmission network*, subject to such conditions as AEMO deems appropriate, where (in AEMO's reasonable opinion) the exemption is not inconsistent with the *national electricity objective*.
- (c) Subject to clause 2.4A.2(b), AEMO must not register a *Market Customer* as a *Metering Coordinator*.
- (d) A person who is registered with AEMO as a *Metering Coordinator* is:
 - (1) except as specified in subparagraph (2), a *Registered Participant* for the purposes of the *Rules*; and
 - (2) not a *Registered Participant* for the purposes of Part A of Chapter 5 of the *Rules*, unless the person is also registered in another category of *Registered Participant*.

2.4A.2 Eligibility

- (a) To be eligible for registration as a *Metering Coordinator*, a person must:
 - (1) subject to paragraph (b), not be a *Market Customer* or an off-market retailer;
 - (2) satisfy AEMO that it is complying with and will comply with the *Rules* and the procedures authorised under the *Rules*;
 - (3) in respect of a *Metering Coordinator* who is appointed, or is proposed to be appointed, as *Metering Coordinator* at a *small customer metering installation*, have appropriate processes in place to determine that a person seeking access to a service listed in the *minimum services specification* is an *access party* in respect of that service;
 - (4) subject to paragraph (c), ensure that there is an appropriate security control management strategy and associated infrastructure and communications systems for the purposes of preventing unauthorised local access or remote access to *metering installations*, services provided by *metering installations* and *energy data* held in *metering installations*;
 - (5) have insurance as considered appropriate by AEMO; and
 - (6) pay the prescribed fees determined in accordance with rule 2.11.
- (b) Clause 2.4A.1(c) and subparagraph (a)(1) do not apply to:

- (1) a person who is only appointed, or is proposed to be only appointed, as *Metering Coordinator* in respect of one or more *connection points* or proposed *connection points* on a *transmission network*; or
 - (2) a *Generator* who is only appointed, or is proposed to be only appointed, as *Metering Coordinator* in respect of one or more *connection points* or proposed *connection points* that *connect* a *Generator's generating unit* to a *distribution network*.
- (c) Subparagraph (a)(4) does not apply to a *Generator* who is only appointed, or is proposed to be only appointed, as *Metering Coordinator* in respect of one or more *connection points* or proposed *connection points* that *connect* a *Generator's generating unit* to a *distribution network*.

2.4B Off-market retailer

2.4B.1 Registration as an off-market retailer

- (a) An off-market retailer is a person so registered by AEMO.
- (b) To be eligible for registration as an off-market retailer, a person must:
 - (1) hold an off-market retailer authorisation within the meaning of the *National Energy Retail Rules*;
 - (2) satisfy AEMO that it is complying with and will comply with Chapter 7 and instruments authorised under Chapter 7 in relation to the sale of electricity to customers at off-market connection points in an embedded network; and
 - (3) pay the prescribed fees determined in accordance with rule 2.11.
- (c) A person who is registered with AEMO as an off-market retailer is:
 - (1) a *Registered Participant* for the purposes of the *National Electricity Law*;
 - (2) except as specified in subparagraph (3), not a *Registered Participant* for the purposes of the *Rules*, unless the person is also registered in another category of *Registered Participant*; and
 - (3) despite subparagraph (2), taken to be a *Registered Participant* for the purposes of:
 - (a) rules 2.7, 2.9, 2.9A, 2.10 and 2.11;
 - (b) Chapter 8; and
 - (c) any other Chapter or rule that provides for an off-market retailer to be taken to be a *Registered Participant* for the purposes of the Chapter or rule; and
 - (4) entitled to receive any information which AEMO is required to publish or otherwise make available to *Registered Participants* (other than confidential information in respect of one or more other *Registered Participants*).

2.5 Network Service Provider

2.5.1 Registration as a Network Service Provider

- (a) Subject to clause 2.5.1(d) and Part B, a person must not engage in the activity of owning, controlling or operating a *transmission or distribution system* unless that person is registered by AEMO as a *Network Service Provider*.

Note

A Network Service Provider who classifies its distribution system as an embedded network under clause 2.5.4 will be an Embedded Network Service Provider. A person who is exempt from registration will be an Exempt Network Operator.

- (b) **[Deleted]**

- (c) **[Deleted]**

- (d) The AER may, in accordance with the AER Exempt Network Guidelines guidelines issued from time to time by the AER and subject to and in accordance with Part B, exempt any person or class of persons who engages or engage in the activity of owning, controlling or operating a transmission or distribution system is or are required to register as a Network Service Provider from:

- (1) the requirement to register as a *Network Service Provider*; or
- (2) the operation of Chapter 5.5

~~where (in the AER's opinion) an exemption is not inconsistent with the national electricity objective.~~

- ~~(d1) An exemption granted by the AER under paragraph (d):~~

- ~~(1) is, if the exemption relates to a person who owns, controls or operates an embedded network, deemed to be subject to the ENM conditions unless:~~

- ~~(i) the embedded network the subject of the exemption is located in a participating jurisdiction in which persons connected, or proposed to be connected, to the embedded network are not afforded the right to a choice of retailer; or~~
- ~~(ii) the AER has made a determination under paragraph (d2); and~~

- ~~(2) may be subject to such other conditions as the AER deems appropriate.~~

- ~~(d2) If the AER considers that the likely costs of complying with ENM conditions outweigh the likely benefits to persons connected, or proposed to be connected, to the embedded network, the AER may, when granting an exemption under paragraph (d), determine to exempt that person or class of persons from the requirement to comply with the ENM conditions until such time as an ENM conditions trigger occurs.~~

- ~~(d3) An exemption granted by the AER under paragraph (d) is, if the exemption relates to a person who owns, controls or operates a large dedicated connection asset, deemed to be subject to the condition that the person must comply with clause 5.2A.6(c), clause 5.2A.8 and rule 5.5, as if that person were a Dedicated Connection Asset Service Provider.~~

- ~~(d4) A person granted an exemption under paragraph (d3) must comply with the deemed conditions and any other conditions imposed by the AER for that exemption.~~

Note

~~This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)~~

- ~~(e) The AER must develop and issue guidelines for the exemptions described in clause 2.5.1(d) pursuant to the Rules consultation procedures and in accordance with those procedures consult with Registered Participants and authorities responsible for administering the jurisdictional electricity legislation.~~
- ~~(e1) Without limitation, an exemption may be given which only relates to certain specified transmission or distribution systems or classes of transmission or distribution systems.~~
- ~~(f) Prior to granting any exemption under clause 2.5.1(d), the AER must consult with the authorities responsible for administering the jurisdictional electricity legislation in the participating jurisdictions in which any transmission systems or distribution systems owned, operated or controlled by persons or class of persons under exemption consideration are located.~~
- ~~(g) Without limitation, an exemption may be given which only relieves a person or class of persons from either or both of the matters described in clause 2.5.1(d)(1) or (2) in relation to certain specified transmission or distribution systems or classes of transmission or distribution systems.~~

2.5.1A Dedicated Connection Asset Service Provider

- (a) This clause 2.5.1A has no application to the *declared transmission system* of an *adoptive jurisdiction*.
- (b) A *Transmission Network Service Provider* must classify any parts of its *transmission system* that are *dedicated connection assets* into *large dedicated connection assets* and *small dedicated connection assets*.

Note

A *third party DCA* is defined for the purposes of Chapter 2 to be a *transmission system*.

- (c) A *Transmission Network Service Provider* wishing to classify a *dedicated connection asset* must apply to do so in its application under rule 2.9 or separately by submitting a notice to AEMO in the form prescribed for this purpose by AEMO. The *Transmission Network Service Provider* must provide sufficient evidence to satisfy AEMO that the *dedicated connection asset* is appropriately classified as a *large dedicated connection asset* or *small dedicated connection asset* (as applicable).
- (d) If AEMO receives an application for classification under paragraph (d), it may approve or reject the application. AEMO must approve the classification of a *dedicated connection asset* if it is satisfied, based on the evidence that it is provided by the *Transmission Network Service Provider*, that the part of the *transmission system* is a *large dedicated connection asset* or *small dedicated connection asset* (as applicable).

- (e) Nothing in paragraph (b) requires the classification of any *dedicated connection asset* which forms part of a *transmission system* in respect of which an exemption under paragraph 2.5.1(d) applies.
- (f) A *Dedicated Connection Asset Service Provider* is:
 - (1) only required to comply with a rule that is expressed to apply to a *Network Service Provider* or a *Transmission Network Service Provider* in those capacities where the rule expressly provides that it applies to a *Dedicated Connection Asset Service Provider*; and
 - (2) required to comply with all rules which are expressed to apply to a *Registered Participant*.
- (g) A *Transmission Network Service Provider* is taken to be a *Dedicated Connection Asset Service Provider* only in so far as its activities relate to any of its *dedicated connection assets*.

2.5.2 Market Network Service

- (a) A *Network Service Provider* may classify a *network service* as a *market network service* if and only if the following conditions are satisfied and continue to be satisfied:
 - (1) the relevant *network service* is to be provided by *network elements* which comprise a *two-terminal link* and do not provide any *transmission service* which is subject to a *revenue determination* or any *direct control service*;
 - (2) the *Network Service Provider* is registered under clause 2.5.1 in respect of the *network elements* which provide the relevant *market network service*;
 - (3) the relevant *network service*:
 - (A) has not ever been a *transmission service* to which a *transmission determination* has applied or a *direct control service*; or
 - (B) is ineligible to be such a service;
 - (4) the *connection points* of the relevant *two-terminal link* are assigned to different *regional reference nodes*; and
 - (5) the relevant *two-terminal link* through which the *network service* is provided:
 - (A) does not form part of a *network loop*; or
 - (B) is an *independently controllable two-terminal link*,
and has a registered *power transfer capability* of at least 30 MW.
- (b) A *market network service* is not a prescribed transmission service or a *direct control service* and a *Network Service Provider* is not entitled to impose charges for a *market network service* under Chapter 6 or Chapter 6A.
- (c) If an existing *network service* ceases to be classified as a *market network service*, the AER may at its discretion determine the service to be a *prescribed transmission service* or a *direct control service*. In that case, the AER may

make consequential changes to the relevant transmission determination or distribution determination (as the case requires) to accommodate the service.

- (d) A *Network Service Provider* is taken to be a *Market Network Service Provider* only in so far as its activities relate to the provision of *market network services*.
- (e) For the avoidance of doubt, a *Registered Participant* may apply to the AEMC for a *participant derogation* from the conditions specified in clause 2.5.2(a).

2.5.3 Scheduled Network Service

- (a) All *market network services* must be classified as *scheduled network services*.
- (b) A *network service* must not be classified as a *scheduled network service* unless it is also a *market network service*.
- (c) A *Network Service Provider* is taken to be a *Scheduled Network Service Provider* only in so far as its activities relate to the provision of *scheduled network services*.
- (d) AEMO may impose on a *Scheduled Network Service Provider* such terms and conditions as AEMO considers necessary to ensure that the provisions of the *Rules* applying to *scheduled network services* can be met.
- (e) A *Scheduled Network Service Provider*:
 - (1) must comply with any terms and conditions imposed by AEMO under clause 2.5.3(d);

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) must ensure that the *scheduled network services* are provided in accordance with the co-ordinated *central dispatch* process operated by AEMO under the provisions of Chapter 3;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (3) must ensure that AEMO is notified of the availability of the *scheduled network services* in accordance with the provisions of Chapter 3; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (4) must submit to AEMO a schedule of *dispatch offers* for the *scheduled network services* in accordance with the provisions of Chapter 3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

2.5.4 Embedded Network Service Provider

- (a) A Network Service Provider who has classified its distribution system as an embedded network and whose classification has been accepted by AEMO must be registered as an Embedded Network Service Provider.
- (b) A Network Service Provider wishing to classify a distribution system as an embedded network must apply to do so in its application under rule 2.9 or separately by submitting a notice to AEMO in the form prescribed for this purpose by AEMO. The Network Service Provider must in its application:
 - (1) provide sufficient evidence to satisfy AEMO that the distribution system is appropriately classified as an embedded network;
 - (2) include a description of the embedded network area for the embedded network, including information reasonably required by AEMO for this purpose; and
 - (3) nominate a retailer to be the local embedded network retailer for the embedded network for the purposes of the NERL and include evidence satisfactory to AEMO that the retailer has consented to the nomination.
- (c) If AEMO receives an application for classification under paragraph (b), it may approve or reject the classification. AEMO must approve the classification if it is satisfied, based on the evidence that it is provided by the Network Service Provider, that the conditions in paragraph (d) are satisfied.
- (d) A Network Service Provider may classify its distribution system as an embedded network only if the following conditions are satisfied and continue to be satisfied:
 - (1) the relevant distribution system is connected to either a distribution system (including an embedded network) or a transmission system that forms part of the national grid;
 - (2) the Network Service Provider does not own, operate or control a distribution system to which a distribution determination applies or has applied; and
 - (3) the Network Service Provider is not a Local Network Service Provider.
- (e) A Network Service Provider is taken to be an Embedded Network Service Provider only insofar as its activities relate to the provision of distribution service by means of an embedded network.
- (f) For the avoidance of doubt, a Registered Participant may apply to the AEMC for a participant derogation from the conditions specified in paragraph (d).
- (g) An Embedded Network Service Provider is:
 - (1) a Registered Participant for the purposes of the National Electricity Law;
 - (2) a Registered Participant for the purposes of the Rules; and
 - (3) despite subparagraph (2), only required to comply with a rule that is expressed to apply to a Network Service Provider or a Distribution Network Service Provider in those capacities where:

- (i) the rule expressly provides that it applies to an *Embedded Network Service Provider*; or
 - (ii) the Chapter or Part of a Chapter in which the rule occurs is expressed to apply to an *Embedded Network Service Provider*.
- (h) AEMO must publish a register that includes for each *embedded network*:
 - (1) the identity of the *Embedded Network Service Provider*;
 - (2) a general description of the *embedded network area*;
 - (3) the identity of the *local embedded network retailer* for the *embedded network*; and
 - (4) any other relevant information AEMO considers appropriate.
- (i) An *Embedded Network Service Provider* may from time to time by application to AEMO amend the registration details referred to in paragraph (h), with effect from the time the application is accepted by AEMO or a later time agreed with AEMO.

2.5A Trader

- (a) A *Trader* is a person so registered by AEMO in order to participate in *auctions* under rule 3.18.
- (b) A person who is registered by AEMO as a *Trader* is:
 - (1) a *Registered Participant* for the purposes of the *National Electricity Law* and rules 2.9, 2.10, 2.11, 3.18, 8.2, 8.9 and subparagraph (3), and clause 3.13.5A;
 - (2) is to be treated as a *Market Participant* for the purposes of clause 3.3.1 and rule 3.15 (as applied and modified by clause 3.18.4) provided that a person who is registered by AEMO as a *Trader* is not to be regarded as a *Market Participant* for the purposes of clauses 3.3.1(a) and 3.15.1(b); and
 - (3) entitled to receive any information which AEMO is required to *publish* or otherwise make available to *Registered Participants* (other than *confidential information* in respect of one or more other *Registered Participants*),but is not otherwise a *Registered Participant* for the purposes of the *Rules* unless they are also registered in another category of *Registered Participant*.
- (c) To be eligible for registration as a *Trader*, a person must:
 - (1) have an office in Australia to which all communications and notices may be addressed and at which a representative of the person is present at all times during business hours;
 - (2) where the person is not resident in, or does not have a permanent establishment in, Australia, appoint a person (an **agent**) who is:
 - (i) a natural person or company;
 - (ii) resident in Australia; and

- (iii) authorised to accept service of process and notices on behalf of that person,
and provide *AEMO* with a certified copy of the instrument, executed by the agent, under which the agent is so appointed and which specifies the agent's address;
- (3) be a “wholesale client”, as that term is defined in section 761G(4) of the *Corporations Act 2001* of the Commonwealth; and
- (4) enter into an *auction participation agreement* and, where the person is required to appoint an agent for the purposes of rule 2.5A(c)(2), the person must ensure that the agent is a party to the *auction participation agreement*.

2.5B Reallocator

- (a) A *Reallocator* is a person so registered by *AEMO* in order to participate in *reallocation transactions* under clause 3.15.11.
- (b) A person who is registered with *AEMO* as a *Reallocator* is:
 - (1) a *Registered Participant* for the purposes of rules 2.5B(b)(3), 2.9, 2.10, 2.11, 8.2 and 8.9;
 - (2) taken to be a *Market Participant* for the purposes of rules 3.3 and 3.15 but is not regarded as a *Market Participant* for the purposes of clauses 3.3.2(a) and 3.15.1(b); and
 - (3) entitled to receive any information *AEMO* is required to *publish* or otherwise make available to *Registered Participants* (other than *confidential information* in respect of other *Registered Participants*),
but is not otherwise a *Registered Participant* or a *Market Participant* for the purposes of the *Rules* unless the person is also registered in another category of *Registered Participant* or *Market Participant*.
- (c) To be eligible for registration as a *Reallocator*, a person must be a “wholesale client”, as that term is defined in section 761G(4) of the *Corporations Act 2001* of the Commonwealth.

2.6 Special Participant

- (a) A *Special Participant* is a person who is either of the following:
 - (1) *System Operator*: - an agent engaged, or a delegate appointed, by *AEMO* under clause 4.3.3 to carry out some or all of *AEMO*'s rights, functions and obligations under Chapter 4.
 - (2) *Distribution System Operator*: - a person who is responsible, under the *Rules* or otherwise, for controlling or operating any portion of a *distribution system* (including being responsible for directing its operations during *power system emergencies*).
- (b) A person must be registered by *AEMO* in this category to perform these functions.

2.7 Intention to Commence Activities or Functions

- (a) Any person intending to act in any *Registered Participant* category may, on application for registration by that person in accordance with rule 2.9, be registered by *AEMO* as an *Intending Participant* if that person can reasonably satisfy *AEMO* that it intends to carry out an activity in respect of which it must or may be registered as a *Registered Participant*.
- (b) *AEMO* may from time to time require a person registered by *AEMO* as an *Intending Participant* to satisfy *AEMO* that it continues to meet the criteria for registration in rule 2.7(a). If the *Intending Participant* is unable to satisfy *AEMO* that it continues to meet those criteria then it will cease to be registered as an *Intending Participant* on the date specified by *AEMO* by written notice to the *Intending Participant* concerned.
- (c) An *Intending Participant* is taken to be an *Intending Participant* only in so far as its activities relate to its intention to commence an activity in respect of which it must or may be registered as a *Registered Participant*.
- (d) As a *Registered Participant*, an *Intending Participant* may exercise such rights and is bound by such obligations under the *Rules* as are specified by *AEMO* (on the basis of whether the *Intending Participant* intends to become a *Customer*, *Generator*, *Network Service Provider* or *Special Participant*) and approved by the *AEMC*.

2.8 Registered Participant Rights and Obligations

2.8.1 Rights and obligations

- (a) A *Registered Participant* must not act in any one of the categories listed in rules 2.2 to 2.7 unless the *Registered Participant* is registered by *AEMO* in that category in accordance with the requirements of the *Rules*.
- (a1) A *Registered Participant* must comply with the provisions of the *Rules* applicable to that *Registered Participant*.
- (b) A *Registered Participant* may act in more than one of the categories described in rules 2.2 to 2.7 provided that the *Registered Participant* is registered by *AEMO* in relation to each of the relevant *Registered Participant* categories.

2.9 Application to be Registered as a Registered Participant

2.9.1 Applications for Registration

- (a) Applications to be registered in any category of *Registered Participant* must be submitted to *AEMO* in the form prescribed by *AEMO*.
- (b) *AEMO* must, within 5 *business days* of receiving an application, advise the applicant of any further information or clarification which is required in support of its application if, in *AEMO*'s reasonable opinion, the application:
 - (1) is incomplete; or
 - (2) contains information upon which *AEMO* requires clarification.

- (c) If the further information or clarification required pursuant to clause 2.9.1(b) is not provided to *AEMO*'s satisfaction within 15 *business days* of the request, the person will be deemed to have withdrawn the application.

2.9.2 Registration as a Registered Participant

- (a) In this clause 2.9.2:
receiving date means the later date of *AEMO* receiving:
 - (1) an application for registration referred to in clause 2.9.1;
 - (2) further information or clarification referred to in clause 2.9.1(b); or
 - (3) in relation to an application for registration as a *Generator*, the information requested under clause S5.2.4(b).
- (b) *AEMO* must, within 15 *business days* of the receiving date, determine that an applicant is to be registered in the category of *Registered Participant* applied for if *AEMO* is reasonably satisfied that:
 - (1) the applicant meets the eligibility requirements specified for the category of *Registered Participant* to which the application relates;
 - (2) if the application relates to registration in one of the categories of *Market Participant*, the applicant is and will be able to fulfil the applicable financial obligations under Chapter 3 of the *Rules*; and
 - (3) the applicant has demonstrated an ability to comply with the *Rules*.
- (c) If *AEMO* determines that an applicant does not satisfy the requirements referred to in paragraph (b), *AEMO* must determine that the applicant is not qualified to be registered as a *Registered Participant* in the relevant category and provide reasons for that determination.

2.9.3 Registration as an Intermediary

- (a) A person (the "*applicant*"—) who is required to be registered under the *National Electricity Law* or under the *Rules* as a *Generator* or a *Network Service Provider* (including as an *Embedded Network Service Provider*) may apply to *AEMO* or the *AER* respectively for an exemption from that requirement to register.
- (b) *AEMO* or the *AER* (as the case may be) must allow that exemption if:
 - (1) the applicant notifies *AEMO* or the *AER* (as the case may be) of the identity of a person (an "*intermediary*") to be registered instead of the applicant;
 - (2) the applicant provides *AEMO* or the *AER* (as the case may be) with the written consent of the *intermediary* to act as *intermediary* in a form reasonably acceptable to *AEMO* or the *AER*; and
 - (3) **[Deleted]**
 - (4) *AEMO* or the *AER* (as the case may be) notifies the applicant that it approves of the *intermediary*.
- (c) *AEMO* or the *AER* (as the case may be) must approve an *intermediary* if the applicant establishes to *AEMO*'s reasonable satisfaction that, from a technical

perspective, the *intermediary* can be treated for the purpose of the *Rules* as the applicant with respect to the relevant *generating system*, *distribution system* or *transmission system* with which the applicant is associated.

- (d) If the exemption is granted by *AEMO* or the *AER* (as the case may be) then:
 - (1) provided the *intermediary* satisfies all relevant registration requirements that the applicant would have been required to satisfy, *AEMO* must register the *intermediary* as a *Registered Participant* as if it were the applicant;
 - (2) the *intermediary* will be considered for the purposes of the *Rules* to be the applicant;
 - (3) all references in the *Rules* to the applicant will be deemed to be references to the *intermediary* (unless the context requires otherwise);
 - (4) all acts, omissions, statements, representations and notices of the *intermediary* in its capacity as a *Registered Participant* under the *Rules* will be deemed to be the acts, omissions, statements, representations and notices of the applicant;
 - (5) the *intermediary* and the applicant will be jointly and severally liable for the acts, omissions, statements, representations and notices of the *intermediary* in its capacity as a *Registered Participant* under the *Rules*; and
 - (6) *AEMO* or any other *Registered Participant* may fulfil any obligations to the applicant under the *Rules* by performing them in favour of the *intermediary*.
- (e) The applicant may revoke the appointment of the *intermediary* by giving notice of such revocation to *AEMO*, whereupon *AEMO* must advise the *AER* that such notice has been given.
- (f) At 4.30 am, 2 *business days* after *AEMO* receives notice of such revocation, the *intermediary* will cease to be considered the applicant's *intermediary* for the purposes of the *Rules* and the applicant will not be liable under clause 2.9.3(d)(5) for any acts, omissions, statements, representations or notices of the *intermediary* occurring after that time.
- (g) If the applicant revokes the appointment of an *intermediary*, the exemption granted by *AEMO* or the *AER* (as the case may be) to the applicant as contemplated by clause 2.9.3(b) ceases at the time the *intermediary* ceases to be the applicant's *intermediary* in accordance with clause 2.9.3(f).
- (h) The applicant may notify *AEMO* or the *AER* (as the case may be) that the *intermediary* is the applicant's *intermediary* for part only of the applicant's business (provided that that part represents one or more discrete *generating systems*, *distribution systems* or *transmission systems*).
- (i) Nothing in the *Rules* requires the *intermediary* to be the agent of the applicant.

2.9A Transfer of Registration

2.9A.1 Definitions

In this rule 2.9A:

Transferor means a *Registered Participant* wishing to transfer its registration to another person in accordance with rule 2.9A.

Transferee means the person to whom a *Registered Participant* wishes to transfer its registration in accordance with rule 2.9A.

2.9A.2 Applications for Transfer of Registration

- (a) If a Transferor wishes to transfer its registration to the Transferee, then the Transferor and Transferee must apply to *AEMO* for approval to do so.
- (b) An application under clause 2.9A.2(a) must be submitted to *AEMO* by the Transferor and Transferee in the form prescribed by *AEMO*.
- (c) *AEMO* must, within 5 *business days* of receiving an application under clause 2.9A.2(a), advise the Transferor and Transferee of any further information or clarification which is required in support of its application if, in *AEMO*'s reasonable opinion, the application:
 - (1) is incomplete; or
 - (2) contains information upon which *AEMO* requires clarification.
- (d) If the further information or clarification required pursuant to clause 2.9A.2(c) is not provided to *AEMO*'s satisfaction within 15 *business days* of the request, then the Transferor and Transferee will be deemed to have withdrawn the application.

2.9A.3 Approval for Transfer of Registration

- (a) *AEMO* must, within 15 *business days* of receiving an application under clause 2.9A.2(a), determine to transfer the registration if *AEMO* is reasonably satisfied that:
 - (1) the Transferor is not in breach of any of its obligations under the *Rules*;
 - (2) with the exception of any requirements that apply to the classification of *facilities* to which the application relates, the Transferee meets the eligibility requirements specified in the *Rules* for the category of *Registered Participant* to which the application relates;
 - (3) the classification of the *facilities* to which the application relates has previously been approved by *AEMO* in accordance with the *Rules*;
 - (4) the *performance standards* applicable to the *facilities* to which the application relates have previously been registered by *AEMO* in accordance with the *Rules*;
 - (5) if the application relates to the transfer of a registration in one of the categories of *Market Participant*, the Transferee is and will be able to fulfil the applicable financial obligations under Chapter 3 of the *Rules*; and
 - (6) the Transferee has demonstrated an ability to comply with the *Rules*.

- (b) If *AEMO* approves the application, then *AEMO* may impose such terms and conditions as *AEMO* considers appropriate, or vary the terms and conditions of the registration on its transfer.
- (c) If *AEMO* determines that the application does not satisfy any of the requirements referred to in clause 2.9A.3(a), *AEMO* must reject the application and provide reasons in writing to the Transferor and Transferee for that rejection.
- (d) If an application is made for transfer of the registration of a *Market Customer* that is a *retailer*:
 - (1) *AEMO* must, before deciding the application, consult with the *AER* about the application; and
 - (2) the period of 15 *business days* allowed for deciding the application under paragraph (a) is extended by the period reasonably required for the consultation; and
 - (3) *AEMO* must notify the *AER* of its decision on the application.

2.10 Ceasing to be a Registered Participant

2.10.1 Notification of intention

- (a) A person may notify *AEMO* in writing that it wishes to cease to be registered in any category of *Registered Participant* or that it wishes to terminate any of its classifications of *loads*, *generating units* or *network services*.
- (b) A person is not entitled to notify *AEMO* that it wishes to cease to be registered in relation to any category for which that person is required to be registered under the *National Electricity Law* or under the *Rules*.
- (c) In any notice given under clause 2.10.1(a), the *Registered Participant* must specify a date upon which it wishes to cease to be so registered or for an existing classification to be terminated and, in the case of a *Market Participant*, the date upon which it will cease to *supply* or acquire electricity or trade directly in the *market* and whether entirely or in relation to one or more *connection points* or *market network services*.
- (d) *AEMO* may reject a notice from a *Market Customer* that it wishes to terminate its classification of a *connection point* as one of its *market loads* or otherwise cease to be a *Market Customer* in relation to any of its *market loads* unless *AEMO* is satisfied that:
 - (1) another person has classified the *connection point* as one of its *market loads* and is registered as a *Market Customer*;
 - (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments to *AEMO* for electricity *supplied* to that *connection point*; or
 - (3) the *load* at that *connection point* will be *disconnected* on and from the date specified and, taking into consideration any relevant guidelines and procedures specified by the relevant *participating jurisdiction* to *AEMO*, that *disconnection* is not inappropriate.

- (d1) *AEMO* may reject a notice from a *Market Small Generation Aggregator* which states that it wishes to terminate its classification of a *small generating unit* as a *market generating unit*, or otherwise cease to be a *Market Small Generation Aggregator* in relation to any of its *market generating units*, unless *AEMO* is satisfied that:
- (1) another person has classified the *small generating unit* as one of its *market generating units* and that person is registered as a *Small Generation Aggregator* and a *Market Small Generation Aggregator*;
 - (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments with *AEMO* for electricity *supplied* to the *connection points* of the *market generating units*; or
 - (3) the *small generating unit* at that *connection point* will be *disconnected* on and from the date specified in the notice, and, after having regard to any relevant guidelines and procedures specified by the relevant *participating jurisdictions* to *AEMO*, *disconnection* is appropriate.
- (e) Upon receiving a notice which complies with clause 2.10.1 from a person who wishes to cease to be registered in any category of *Market Participant*, or to terminate the classification of any of its *market loads*, *market generating units*, or *market network services*, *AEMO* must deliver a notice to the *AER* and the *AEMC* and notify all *Registered Participants* stating that:
- (1) *AEMO* has received a notice under clause 2.10.1(a); and
 - (2) the person who gave the notice has stated that, from the date specified in the notice, the person intends to cease *supplying* or acquiring electricity or trading directly in the *market* and whether entirely or in relation to certain *connection points* or *market network services*.
- (f) If a *Market Customer* that is a *retailer* gives a notice under this clause, *AEMO* must, before deciding whether to reject the notice under paragraph (d), consult with the *AER*.

2.10.2 Ceasing Participation

- (a) A *Market Participant* must cease all trading in the *market* as specified in a notice that is properly given under clause 2.10.1(a) and is not rejected under clause 2.10.1(d).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) A person ceases to be a *Registered Participant* for the purposes of the *Rules* when all payments due to be paid to or by it under the *Rules* have been made.
- (c) The fact that a person has ceased to be registered in any category of *Registered Participant* or has terminated any classifications contemplated under this Chapter does not affect any obligation or liability of that person under the *Rules* which arose prior to the cessation of its registration or the termination of the classification.

2.10.3 Liability after cessation

A *Registered Participant* which is subject to a liability under the *Rules* remains subject to that liability after and despite ceasing to be a *Registered Participant* regardless of when the claim is made.

2.11 Participant Fees

2.11.1A Application

For the purposes of rule 2.11 only, *Third Party B2B Participants* (other than *Third Party B2B Participants* who are also *Embedded Network Managers*) who are not otherwise *Registered Participants* are deemed to be *Registered Participants*.

2.11.1 Development of Participant fee structure

- (a) *AEMO* must develop, review and publish, in consultation with *Registered Participants* and *interested parties* and such other persons as *AEMO* thinks appropriate, in accordance with the *Rules consultation procedures*, the structure (including the introduction and determination) of *Participant fees* for such periods as *AEMO* considers appropriate.
- (ab) In determining *Participant fees*, *AEMO* must have regard to the *national electricity objective*.
- (b) The structure of *Participant fees* must, to the extent practicable, be consistent with the following principles:
 - (1) the structure of *Participant fees* should be simple;
 - (2) *Participant fees* should recover the budgeted revenue requirements for *AEMO* determined under clause 2.11.3 on a basis where:
 - (i) the following principles are relevant to the recovery of recurrent expenditure:
 - (A) if *AEMO* recovers an excess of revenue over expenditure from the provision of a particular service in a financial year, it may roll over the excess to a later financial year (or later financial years) so as to reduce revenue requirements in the later financial year (or years);
 - (B) *AEMO* may recover a shortfall of revenue as against expenditure for the provision of a particular service in a later financial year or later financial years;
 - (C) *AEMO* may take any other action it considers desirable to smooth the impact of actual or anticipated cost variations on the users of a service provided by *AEMO*;
 - (ii) capital expenditures (incurred after *market commencement*) are recovered through the depreciation or amortisation of the assets acquired by the capital expenditure in a manner that is consistent with generally accepted accounting principles;
 - (iii) costs of transition are recovered over a period of 4 years from the *changeover date*.

- (iv) notwithstanding clauses 2.11.1(b)(2)(i), (ii) and (iii), expenditure incurred by, and depreciation and amortisation charged to, *AEMO* associated with a *declared NEM project* are recovered from the start date and over the period determined for that *declared NEM project* under clauses 2.11.1(bb) or 2.11.1(bd). Amounts associated with a *declared NEM project* determined in accordance with this clause are to be recovered through an additional *Participant fee* determined in accordance with clauses 2.11.1(bb) or 2.11.1(bd) until the next general determination of all *Participant fees* is made under clause 2.11.1(a);
 - (3) the components of *Participant fees* charged to each *Registered Participant* should be reflective of the extent to which the budgeted revenue requirements for *AEMO* involve that *Registered Participant*;
 - (4) *Participant fees* should not unreasonably discriminate against a category or categories of *Registered Participants*; and
 - (5) the fixed component of *Participant fees* for a *Market Ancillary Services Provider* who is registered with *AEMO* solely for the purpose of providing *market ancillary services*, may be zero.
- (ba) *AEMO* may determine any of the following projects to be a *declared NEM project*:
- (1) a major reform or development (including an anticipated reform or development) of the *market*; or
 - (2) a major change (including an anticipated change) to a function, responsibility, obligation or power of *AEMO* under the *Rules*; or
 - (3) a major change (including an anticipated change) to any of the computer software or systems that *AEMO* uses in the performance of any of its functions, responsibilities, obligations or powers under the *Rules*.
- (bb) When *AEMO* determines a project to be a *declared NEM project* under clause 2.11.1(ba), it must also determine the start date for recovery and the period or periods over which recovery will occur for the *declared NEM project*. *AEMO* must also determine the structure of an additional *Participant fee* to be used in the recovery of costs associated with a *declared NEM project* until the next general determination of all *Participant fees* is made under clause 2.11.1(a).
- (bc) In making determinations under clauses 2.11.1(ba) and (bb), *AEMO* must comply with the *Rules consultation procedures*.
- (bd) The introduction and facilitation of full retail competition is taken to have been determined to be a *declared NEM project* under clause 2.11.1(ba) and *AEMO* will be entitled to recover through *Participant fees* expenditure incurred by, and depreciation and amortisation charged to, *AEMO* in respect of full retail competition. The period or periods over which recovery will occur for this *declared NEM project* will be determined by *AEMO* using the *Rules consultation procedures*. If any amounts associated with the introduction and facilitation of full retail competition are to be recovered prior to the next general determination of all *Participant fees* under clause

2.11.1(a), such recovery must be through an additional *Participant fee* determined using the *Rules consultation procedures*.

- (c) The components of the *Participant fees* may include, but are not limited to:
- (1) registration fees, comprising an annual fee payable by each person for each *Registered Participant* category in which they are registered;
 - (2) *ancillary service fees*, to recover *AEMO's* budgeted revenue requirements in relation to its procurement of *non-market ancillary services*;
 - (3) *power system* operations fees, to recover *AEMO's* budgeted revenue requirements in relation to its *power system* operation activities described in clause 2.11.3(b)(2);
 - (4) *metering* fees to recover *AEMO's* budgeted revenue requirements for the collection, storage and processing of *metering data*;
 - (5) billing and *settlements* fees, to recover *AEMO's* budgeted revenue requirements as described in clause 2.11.3(b)(4); and
 - (5A) *NTP function* fees to recover *AEMO's* budgeted revenue requirement as described in clause 2.11.3(b)(4A);
 - (5B) *additional advisory function* fees to recover *AEMO's* budgeted revenue requirement as described in clause 2.11.3(b)(4B);
 - (6) administration fees, to recover the remainder of *AEMO's* budgeted revenue requirements;
- and each component of the *Participant fees* may take into account adjustments which may be appropriate in light of the matters described in clauses 2.11.3(b)(7) or (8).
- (d) In undertaking the process described in clause 2.11.1(a) *AEMO* must consider other fee structures in existence which it thinks appropriate for comparison purposes.
- (e) *AEMO* must publish to *Registered Participants* and to such other persons as *AEMO* thinks appropriate, the structure of *Participant fees* determined, the methods used in determining the structure and an assessment of the extent to which the structure complies with the principles set out in clause 2.11.1(b) at least 3 months prior to the implementation of the structure.

2.11.2 Payment of Participant fees

- (a) *AEMO* may charge a *Registered Participant* the relevant components of *Participant fees* in accordance with the structure of *Participant fees* by giving the *Registered Participant* a statement setting out the amount payable by that *Registered Participant* and the date for payment.
- (b) In the case of a *Market Participant*, *AEMO* may, alternatively, include the relevant amount in the statements described in clause 3.15.15.
- (c) A *Registered Participant* must pay to *AEMO* the net amount stated to be payable by that *Registered Participant* in a statement issued under clause 2.11.2(a) or in accordance with clause 2.11.2(b) to meet *AEMO's* budgeted

revenue requirements by the date specified for payment, whether or not the *Registered Participant* disputes the net amount payable.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

2.11.3 Budgeted revenue requirements

- (a) *AEMO* must prepare and *publish* before the beginning of each *financial year* a budget of the revenue requirements for *AEMO* for that *financial year*.
- (b) The budget prepared by *AEMO* under clause 2.11.3(a) must take into account and separately identify projected revenue requirements in respect of:
 - (1) *AEMO's* procurement of *non-market ancillary services*;
 - (2) *AEMO's* expenditures in relation to its *power system* operation activities, including meeting its obligations in terms of *power system security* and the facilitation and operation of the central bidding and dispatch processes in accordance with the *Rules*;
 - (2A) *AEMO's* expenditures in relation to *inter-network tests*;
 - (3) *AEMO's* expenditures in the collection, storage and processing of *metering data*;
 - (4) *AEMO's* expenditures in the facilitation of the billing and *settlement* of *market transactions*;
 - (4A) *AEMO's* expenditures in carrying out *NTP functions*;
 - (4B) *AEMO's* expenditures in carrying out additional advisory functions;
 - (5) *AEMO's* other expenditure requirements, operating costs and margin so far as they relate to the electricity industry;
 - (5A) the proportion of *AEMO's* residual expenditures allocated to the electricity industry under paragraph (c).
 - (6) *AEMO's* consumer advocacy funding obligation under rule 8.10;
 - (7) any revenue shortfall or excess from each of the requirements specified under clause 2.11.3(b)(1)-(5) from the previous *financial year*; and
 - ~~(7A)~~ *AEMO's* expenditure in relation to *B2B costs*;
 - (8) the funding requirements of the *Participant compensation fund* in accordance with rule 3.16 (which requirements must only be recovered from *Scheduled Generators*, *Semi-Scheduled Generators* and *Scheduled Network Service Providers*).
- (c) *AEMO* must allocate expenditures that cannot be specifically related to electricity activities or gas activities (**residual expenditures**) between the electricity and gas industries in a manner that:
 - (1) ensures that the total amount of the residual expenditures is allocated appropriately between the electricity and the gas industries; and

- (2) ensures that each industry bears an allocation at least equal to the amount by which residual expenditures would be reduced if services were no longer provided to that industry; and
- (3) promotes the efficient use of electricity and gas services.
- (d) AEMO's expenditures in carrying out *declared network functions* are to be recovered through fees charged as a *Transmission Network Service Provider* and not through *participant fees*.

2.12 Interpretation of References to Various Registered Participants

- (a) A person may register in more than one of the categories of *Registered Participant*.
- (b) Notwithstanding anything else in the *Rules*, a reference to:
 - (1) a "*Generator*" applies to a person registered as a *Generator* only in so far as it is applicable to matters connected with the person's *scheduled generating units, semi-scheduled generating units, non-scheduled generating units, market generating units* or *non-market generating units*;
 - (1A) a "*Small Generation Aggregator*" applies to a person registered as a "*Small Generation Aggregator*" only in so far as it is applicable to matters connected with the person's *small generating units* or *market generating units*;
 - (1B) a "*Market Ancillary Service Provider*" applies to a person registered as a "*Market Ancillary Service Provider*" only in so far as it is applicable to matters connected with the person's *ancillary service load*;
 - (2) a "*Scheduled Generator*", "*Semi-Scheduled Generator*", "*Non-Scheduled Generator*", "*Market Generator*" or "*Non-Market Generator*" applies to a person only in so far as it is applicable to matters connected with the person's *scheduled generating units, semi-scheduled generating units, non-scheduled generating units, market generating units* or *non-market generating units* respectively;
 - (3) a "*Customer*" applies to a person registered as a *Customer* only in so far as it is applicable to matters connected with the person's *first-tier loads, second-tier loads* or *market loads*;
 - (4) a "*First Tier Customer*", "*Second Tier Customer*" or "*Market Customer*" applies to a person only in so far as it is applicable to matters connected with the person's *first-tier loads, second-tier loads* or *market loads* respectively;
 - (4A) a "*Trader*" applies to a person only in so far as it is applicable to matters connected with the person's activities as a *Trader*;
 - (4B) a "*Reallocator*" applies to a person only in so far as it is applicable to matters connected with the person's activities as a *Reallocator*;
 - (5) subject to clause 2.5.1A(f) and clause 2.5.4(e), a "*Network Service Provider*" applies to a person registered as a *Network Service Provider* only in so far as it is applicable to matters connected with the person's

network services, including market network services and scheduled network services;

- (5A) a “*Dedicated Connection Asset Service Provider*” applies to a person only in so far as it is applicable to matters connected with the person’s *dedicated connection assets*;
- (6) a “*Market Network Service Provider*” or “*Scheduled Network Service Provider*” applies to a person only in so far as it is applicable to matters connected with the person’s *market network services* or *scheduled network services* respectively;
- (7) a “*Market Participant*” applies to a person who is a *Market Participant* and:
 - (i) where that person is registered as a *Market Generator*, in so far as it is applicable to matters connected with the person’s *market generating units* or *ancillary services generating units*; and
 - (i1) where that person is registered as a *Market Small Generation Aggregator*, in so far as it is applicable to matters connected with the person’s *market generating units*; and
 - (i2) where that person is registered as a *Market Ancillary Service Provider*, in so far as it is applicable to matters connected with the person’s *ancillary service load*; and
 - (ii) where that person is registered as a *Market Customer*, in so far as it is applicable to matters connected with the person’s *market loads* or *market ancillary service loads*; and
 - (iii) where that person is registered as a *Market Network Service Provider*, in so far as it is applicable to matters connected with the person’s *market network services*; and
 - (iv) where that person is registered in any category of *Market Participant* additional to a *Market Generator* and/or a *Market Customer* and/or a *Market Network Service Provider*, to the extent to which the reference would otherwise apply to the person if it were not taken to be a *Market Generator*, *Market Customer* or *Market Network Service Provider*; and
- (8) a “*Registered Participant*” applies to a person who is registered under Chapter 2 and:
 - (i) where that person is registered as a *Generator*, in so far as it is applicable to matters connected with any of the *Generator’s scheduled generating units, semi-scheduled generating units, non-scheduled generating units, market generating units and non-market generating units*;
 - (ii) where that person is registered as a *Customer*, in so far as it is applicable to matters connected with any of the *Customer’s first-tier loads, second-tier loads or market loads*; and
 - (iii) where that person is registered in any other *Registered Participant* category, to the extent to which the reference would

apply to the person if it were not registered in another *Registered Participant* category.

- (c) In rule 2.12, "*matter*" includes any assets, liabilities, acts, omissions or operations (whether past, present or future).

Part B Network exemptions

2.13 General

2.13.1 Application of this Part

- (a) This Part applies in respect of *network exemptions* granted by the AER to a person (***Exempt Network Operator***) who owns, operates or controls a *transmission system* or a *distribution system*.
- (b) In the case of a person who owns, operates or controls a *distribution system*, the AER must only grant a *network exemption* by making a determination under clause 2.14.2.

2.13.2 AER Exempt Network Guidelines

- (a) This rule applies to the *AER Exempt Network Guidelines* referred to in section 13G of the *National Electricity Law*.
- (b) The *AER Exempt Network Guidelines* must, in addition to providing information about *network exemptions*, include provisions concerning:
- (1) procedures for applying for the grant, variation or revocation of a *network exemption* or a derogation under clause 2.15.4;
 - (2) guidance on the available classes of *network exemption*, and any associated *exemption conditions* that are to apply;
 - (3) guidance on the assessment of applications for a derogation under clause 2.15.4; and
 - (4) any other matters that the AER considers relevant.

2.13.3 Public Register of Exempt Network Operators

- (a) For the purposes of section 13F of the *National Electricity Law*, the *Public Register of Exempt Network Operators* must include the following particulars:
- (1) the names and business addresses of *Exempt Network Operators* granted a *network exemption* under clause 2.14.1;
 - (2) a list of the classes of persons in respect of whom a *network exemption* is available on registration; and
 - (3) the names and business addresses of *Exempt Network Operators* who have registered with the AER as belonging to a class of persons subject to a *network exemption*.
- (b) The *Public Register of Exempt Network Operators* may include other particulars and information relating to *Exempt Network Operators* and associated matters that the AER considers relevant.

2.14 Network exemptions

2.14.1 Network exemptions for transmission systems

- (a) The AER may grant a *network exemption* to a particular person who owns, operates or controls a *transmission system*.
- (b) The AER may only grant a *network exemption* under paragraph (a) where (in the AER's opinion) the *network exemption* is not inconsistent with the *national electricity objective*.
- (c) A *network exemption* under paragraph (a):
 - (1) comes into force from the date on which the instrument of exemption is issued by the AER or (if later) conditions of the exemption coming into force are satisfied; and
 - (2) may be revoked in accordance with the *National Electricity Law*.
- (d) Prior to granting a *network exemption* under paragraph (a), the AER must consult with the authorities responsible for administering the *jurisdictional electricity legislation* in the *participating jurisdictions* in which any *transmission or distribution systems* owned, operated or controlled by the person are located.
- (e) Without limitation, a *network exemption* under paragraph (a) may be given that:
 - (1) only relates to certain specified *transmission systems* or classes of *transmission systems*; or
 - (2) only relieves a person from either or both of the matters described in clause 2.5.1(d)(1) or (2) in relation to certain specified *transmission systems* or classes of *transmission systems*.

2.14.2 Network exemptions determination for distribution systems

- (a) Subject to paragraph (b), the AER may determine a class of persons who own, operate or control a *distribution system* and in respect of whom a *network exemption* applies on registration on the *Public Register of Exempt Network Operators*.
- (b) The AER must only determine a class for the purposes of paragraph (a) where the *distribution system* owned, operated or controlled by a person who is a member of the class is used primarily for the provision of a *distribution service* in respect of any of the following activities:
 - (1) an activity specified under *jurisdictional electricity legislation* as one for which an exemption from the obligation to hold a *distribution licence* or equivalent instrument issued under the legislation is available;
 - (2) the supply of electricity by a person in the class to a related body corporate of the person or to an entity controlled by, or under common control with, the person (where “related body corporate” and “control” have the meaning in the *Corporations Act 2001* of the Commonwealth);

- (3) the supply of electricity to occupants of holiday accommodation (including caravans and like accommodation) on a short-term basis;
 - (4) the supply of electricity by means of an electric vehicle charging station;
 - (5) the provision of electric traction systems for passenger or freight vehicles and associated infrastructure (such as rail networks) but not including supply for commercial or retail activities associated with the provision of passenger or freight services;
 - (6) owning, controlling or operating a generating system where the person so doing is exempt from the requirement to register with AEMO under clause 2.2 in relation to that activity and not supplying services under a network support agreement or demand management services and not otherwise required to be registered with AEMO;
 - (7) the supply of metered or unmetered energy to non-residential customers, including public and private educational institutions, but only where the person providing the supply is a Government agency other than a housing authority; and
 - (8) an activity incidental to an activity in subparagraphs (2) to (7).
- (c) In defining a class in a determination under paragraph (a), the AER may exclude from the class an activity otherwise falling within the scope of an activity in paragraph (b), including by specifying:
 - (1) the circumstances in which a person qualifies for the class or is excluded from it;
 - (2) criteria that must be satisfied to be a member of the class;
 - (3) restrictions as to the time from which the class is, or ceases to be, available; or
 - (4) any other matter the AER considers appropriate.
- (d) The AER may amend a determination under this clause.
- (e) In making or amending a determination under this clause, the AER must comply with the Rules consultation procedures.
- (f) Prior to making a determination under paragraph (a), the AER must consult with the authorities responsible for administering the jurisdictional electricity legislation in the participating jurisdictions in which any transmission or distribution systems owned, operated or controlled by the class of persons under exemption consideration are located.

2.14.3 Registration for a network exemption

- (a) A particular person is subject to a network exemption only if:
 - (1) the person is a member of one or more classes of persons specified in a determination made under clause 2.14.2; and
 - (2) the person registers in accordance with the determination on the Public Register of Exempt Network Operators.

- (b) A network exemption comes into force in relation to a member of a class of persons specified in the determination made under clause 2.14.2 as a network exemption from the date the person registers for the network exemption on the Public Register of Exempt Network Operators.
- (c) If a person ceases to be a member of a class of persons for whom a network exemption is available under a determination made under clause 2.14.2, the network exemption is taken to be revoked in respect of that person with effect from the time the person ceases to be a member of the class.
- (d) If a person ceases to be a member of a class of persons for whom a network exemption is available by reason of an amendment to a determination made under clause 2.14.2, the network exemption is taken to be revoked in respect of that person with effect from the time the amendment takes effect or a later time specified in the determination.

2.15 Exemption conditions

2.15.1 Exemption conditions for transmission network exemptions

- (a) The AER may impose exemption conditions on a network exemption granted under clause 2.14.1.
- (b) Exemption conditions may be imposed when the network exemption is granted or during the currency of the network exemption.
- (c) The AER may vary or revoke an exemption condition imposed under paragraph (a).

2.15.2 Class exemption conditions

- (a) The AER may impose exemption conditions on a class determined by the AER in a determination made under clause 2.14.2 by specifying the exemption conditions as part of the determination.
- (b) The AER may impose exemption conditions when the determination under clause 2.14.2 is first made or during the currency of the determination.
- (c) Without limitation, an exemption condition may require an Exempt Network Operator or class of Exempt Network Operators to abide by specified obligations derived from energy laws and applicable to a person who owns, operates or controls a transmission or distribution system, with any modifications specified in the exemption condition.
- (d) The AER may, by way of amendment of a determination made under clause 2.14.2, vary or revoke an exemption condition applicable under the determination.
- (e) Subject to the terms of the determination imposing or varying an exemption condition:
 - (1) an exemption condition imposed during the currency of the determination applies to persons who already are Exempt Network Operators under the determination (as well as to persons who afterwards become Exempt Network Operators under the determination); and

- (2) an exemption condition varied during the currency of the determination applies as varied to persons who already are *Exempt Network Operators* under the determination (as well as to persons who afterwards become *Exempt Network Operators* under the determination).
- (f) Subject to the terms of the amending determination that revokes an exemption condition, a revoked exemption condition ceases to apply to persons who are already *Exempt Network Operators* under the determination (as well as to persons who afterwards become *Exempt Network Operators* under the determination).

2.15.3 Deemed exemption conditions

- (a) A network exemption:
 - (1) is, if the network exemption relates to a person who owns, controls or operates an embedded network, deemed to be subject to the ENM conditions unless:
 - (i) the embedded network the subject of the exemption is located in a participating jurisdiction in which persons connected, or proposed to be connected, to the embedded network are not afforded the right to a choice of retailer; or
 - (ii) the AER has made a determination under paragraph (b); and
 - (2) may be subject to such other conditions as the AER deems appropriate.
- (b) If the AER considers that the likely costs of complying with ENM conditions outweigh the likely benefits to persons connected, or proposed to be connected, to the embedded network, the AER may, on application by a person under clause 2.15.4 or in relation to a class of persons in a determination made under clause 2.14.2, determine to exempt that person or class of persons from the requirement to comply with the ENM conditions until such time as an ENM conditions trigger occurs.
- (c) A network exemption that relates to a person who owns, controls or operates an embedded network is deemed to be subject to a condition that the Exempt Network Operator must comply with Part 5 of the NERR as if the Exempt Network Operator were a distributor within the meaning of that Part.
- (d) A network exemption that relates to a person who owns, controls or operates an embedded network is deemed to be subject to the condition that the Exempt Network Operator must comply with the provisions in Chapter 6B applicable to Exempt Network Operators.
- (e) A network exemption that relates to a person who owns, controls or operates a large dedicated connection asset is deemed to be subject to the condition that the person must comply with clause 5.2A.6(c), clause 5.2A.8 and rule 5.5, as if that person were a Dedicated Connection Asset Service Provider.

2.15.4 Relief from exemption conditions

- (a) A person may apply to the AER for a derogation from an exemption condition specified in a determination made under clause 2.14.2 or applicable under clause 2.15.3.

-
- (b) An application must be made in accordance with the *AER Exempt Network Guidelines*.
 - (c) The AER may grant a derogation referred to in paragraph (a) where (in the AER's opinion) the grant of the derogation is not inconsistent with the *national electricity objective*.

CHAPTER 3

3. Market Rules

3.1 Introduction to Market Rules

3.1.1 Purpose

This Chapter sets out the procedures which govern the operation of the *market* relating to the wholesale trading of electricity and the provision of *ancillary services* and includes provisions relating to:

- (a) *prudential requirements* to be met for participation in the *market*;
- (b) the operation of the *spot market*;
- (c) bidding and *dispatch*;
- (d) *spot price* determination;
- (d1) the determination of *ancillary service prices*;
- (e) *AEMO* clearing house and trading functions;
- (f) *market* information requirements and obligations;
- (g) the conditions and procedures for *market suspension*; and
- (h) *settlements*.

3.1.1A Definitions

In this Chapter:

credit limit procedures means the procedures developed, *published* and maintained by *AEMO* under clause 3.3.8.

credit period means the sum of the payment period and the reaction period as determined by *AEMO*.

maximum credit limit means the minimum amount of *credit support* a *Market Participant* must provide to *AEMO* for the relevant credit period, as determined by *AEMO* in accordance with clause 3.3.8.

outstandings limit means *AEMO's* estimate of the maximum value that a *Market Participant's outstandings* can reach over the payment period if the *Market Participant* has lodged *credit support* equal to the maximum credit limit.

payment period means the number of days in a *billing period* plus the number of days until payment is due with respect to transactions for that *billing period*.

prudential margin means the allowance made by *AEMO* in determining a *Market Participant's* maximum credit limit for the accrual of the *Market Participant's outstandings* during the reaction period.

prudential probability of exceedance means the probability of the *Market Participant's* maximum credit limit being exceeded by its *outstandings* at the end of the reaction period following the *Market Participant* exceeding its outstandings limit on any day, and failing to rectify this breach.

prudential settings means the maximum credit limit, outstandings limit and prudential margin as determined by *AEMO* in accordance with clause 3.3.8.

prudential standard means the value of the prudential probability of exceedance, expressed as a percentage, and as specified under clause 3.3.4A, to be used by *AEMO* to determine the prudential settings to apply to *Market Participants*.

reaction period means a period of 7 days. It represents, for the purpose of calculating the prudential settings, the time from the day that a *Market Participant's outstandings* exceeds its *trading limit* to when the *Market Participant* is suspended from trading under clause 3.15.21(c) if the exceedance is not rectified.

3.1.2 [Deleted]

3.1.3 [Deleted]

3.1.4 Market design principles

(a) This Chapter is intended to give effect to the following market design principles:

- (1) minimisation of *AEMO* decision-making to allow *Market Participants* the greatest amount of commercial freedom to decide how they will operate in the *market*;
- (2) maximum level of *market* transparency in the interests of achieving a very high degree of *market* efficiency, including by providing accurate, reliable and timely forecast information to *Market Participants*, in order to allow for responses that reflect underlying conditions of supply and demand;
- (3) avoidance of any special treatment in respect of different technologies used by *Market Participants*;
- (4) consistency between *central dispatch* and pricing;
- (5) equal access to the market for existing and prospective *Market Participants*;
- (6) *market ancillary services* should, to the extent that it is efficient, be acquired through competitive market arrangements and as far as

practicable determined on a dynamic basis. Where dynamic determination is not practicable, competitive commercial contracts between *AEMO* and service providers should be used in preference to bilaterally negotiated arrangements;

- (7) the relevant action under section 116 of the *National Electricity Law* or direction under clause 4.8.9 must not be affected by competitive market arrangements;
 - (8) where arrangements require participants to pay a proportion of *AEMO* costs for *ancillary services*, charges should where possible be allocated to provide incentives to lower overall costs of the *NEM*. Costs unable to be reasonably allocated this way should be apportioned as broadly as possible whilst minimising distortions to production, consumption and investment decisions; and
 - (9) where arrangements provide for *AEMO* to acquire an *ancillary service*, *AEMO* should be responsible for settlement of the service.
- (a1) **[Deleted]**
 - (a2) **[Deleted]**
 - (b) This Chapter is not intended to regulate anti-competitive behaviour by *Market Participants* which, as in all other markets, is subject to the relevant provisions of the *Competition and Consumer Act 2010* (Cth) and the Competition Codes of *participating jurisdictions*.

3.1.5 Time for undertaking action

The provisions of clause 1.7.1(l) do not apply to this Chapter and, under the provisions of this Chapter, an event which is required to occur on or by a stipulated *day* must occur on or by that *day* whether or not a *business day*.

3.2 AEMO's Market Responsibilities

3.2.1 Market functions of AEMO

- (a) *AEMO* must operate and administer the *market* in accordance with this Chapter.
- (b) *AEMO* must establish, maintain and *publish* a register of all current *Market Participants*.
- (c) *AEMO* must:
 - (1) establish procedures for consultation with *Registered Participants* in respect of the manner in which *AEMO* fulfils its functions and obligations under the *Rules*; and

- (2) *publish* annually performance indicators to monitor *AEMO's* performance in respect of its *market* management functions.

3.2.2 Spot market

AEMO must do all things necessary to operate and administer a *spot market* for the sale and purchase of electricity and *market ancillary services* in accordance with this Chapter including:

- (a) the provision of facilities for the receipt and processing of *dispatch bids*, *dispatch offers* and *market ancillary service offers* for the *spot market*;
- (b) the management of a centralised national *dispatch* process, including the publication of *pre-dispatch schedules* and *spot price forecasts*;
- (c) the determination and publication of *spot prices* at each *regional reference node* for each *trading interval*;
- (c1) the determination and publication of *ancillary service prices* at each *regional reference node* for each *dispatch interval*;
- (d) the compilation and publication of *spot market* trading statistics;
- (e) the identification of *regions* and *regional reference nodes* for *spot price* and *ancillary service price* determination;
- (f) the determination and publication of *inter-regional loss factors* and *intra-regional loss factors*;
- (g) the suspension of the *spot market* under conditions prescribed in rule 3.14; and
- (h) the collection and dissemination of information necessary to enable the *market* to operate efficiently.

3.2.3 Power system operations

- (a) Subject to Chapter 4, *AEMO* must manage the day to day operation of the *power system*, using its reasonable endeavours to maintain *power system security* in accordance with this Chapter.
- (b) *AEMO* must perform *projected assessment of system adequacy processes (PASA)* in accordance with rule 3.7, *publish* the details of these assessments in accordance with rule 3.13 and implement an escalating series of *market interventions* in accordance with this Chapter to maintain *power system security*.

3.2.4 Non-market ancillary services function

- (a) *AEMO* must determine the *market's* requirements for *non-market ancillary services* in accordance with rule 3.11.

- (b) *AEMO* must use reasonable endeavours to acquire *non-market ancillary services* in accordance with rule 3.11.

3.2.5 [Deleted]

3.2.6 Settlements

AEMO must provide a financial *settlements* service in accordance with rule 3.15, including billing and clearance for all *market* trading.

3.3 Prudential Requirements

3.3.1 Market Participant criteria

Each *Market Participant* must whilst participating in the *market*:

- (a) be resident in, or have a permanent establishment in, Australia;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) [Deleted].
- (c) not be immune from suit in respect of the obligations of the *Market Participant* under the *Rules*; and
- (d) be capable of being sued in its own name in a court of Australia.

3.3.2 Credit support

Where at any time a *Market Participant* does not meet the *acceptable credit criteria*, the *Market Participant* must procure that *AEMO* holds the benefit of *credit support* in respect of that *Market Participant*. A *credit support* is an obligation in writing which:

- (a) is from an entity (the *Credit Support Provider*) which meets the *acceptable credit criteria* and which is not itself a *Market Participant*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) is a guarantee or bank letter of credit in a form prescribed by *AEMO*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) is duly executed by the *Credit Support Provider* and delivered unconditionally to *AEMO*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) constitutes valid and binding unsubordinated obligations of the *Credit Support Provider* to pay to *AEMO* amounts in accordance with its terms which relate to obligations of the relevant *Market Participant* under the *Rules*; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (e) permits drawings or claims by *AEMO* to a stated certain amount.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.3.3 Acceptable credit criteria

Where the *Rules* require that an entity meet the *acceptable credit criteria*, this means that the entity must:

- (a) be either:
 - (1) any entity under the prudential supervision of the Australian Prudential Regulation Authority; or
 - (2) a central borrowing authority of an Australian State or Territory which has been established by an Act of Parliament of that State or Territory;
- (b) be resident in, or have a permanent establishment in, Australia;
- (c) not be an externally administered body corporate (as defined in the Corporations Act) or under a similar form of administration under any laws applicable to it in any jurisdiction;
- (d) not be immune from suit;
- (e) be capable of being sued in its own name in a court of Australia; and
- (f) have an *acceptable credit rating*.

3.3.4 Acceptable credit rating

- (a) *AEMO* may from time to time, after complying with the *Rules consultation procedures*, determine what constitutes an *acceptable credit rating* for the purposes of the *Rules*, including (without limitation) determining which organisations publishing ratings will be used for this purpose, which of the type of ratings issued will be used for this purpose, and which level of rating is to be acceptable.
- (b) Until varied by determination of *AEMO*, an *acceptable credit rating* is either:
 - (1) a rating of A-1 or higher for short term unsecured counterparty obligations of the entity, as rated by Standard and Poor's (Australia) Pty. Limited; or
 - (2) a rating of P-1 or higher for short term unsecured counterparty obligations of the entity, as rated by Moodys Investor Service Pty. Limited.
- (c) Any determination of *AEMO* which varies what constitutes an *acceptable credit rating* will take effect from such date (not being earlier than 30 *business days* after the date of notification of the determination to *Market Participants*) as *AEMO* specifies by notice to the *Market Participants*.

3.3.4A Prudential standard

The prudential standard is 2%.

3.3.5 Amount of credit support

A *Market Participant* which does not meet the *acceptable credit criteria* must procure that at all times the aggregate undrawn or unclaimed amounts of then current and valid *credit support* held by *AEMO* in respect of the *Market Participant* is not less than the current maximum credit limit for that *Market Participant*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.3.6 Changes to credit support

- (a) If:
 - (1) a *credit support* provided to *AEMO* by a *Market Participant* under this rule 3.3 (called the **existing credit support**), is due to expire or terminate; and

- (2) after that *credit support* expires or terminates the total *credit support* held by AEMO in respect of that *Market Participant* will be less than the *Market Participant's* maximum credit limit,

then at least 10 *business days* prior to the time at which the existing *credit support* is due to expire or terminate the *Market Participant* must procure a replacement *credit support* which will become effective upon expiry of the existing *credit support* such that it complies with the requirements of this rule 3.3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) Where a *credit support* otherwise ceases to be current or valid, whether by reason of the *Credit Support Provider* ceasing to meet the *acceptable credit criteria* or any other reason, the *Market Participant* must procure the replacement of that *credit support* so as to comply with its obligation to maintain aggregate undrawn current and valid *credit support* of not less than the current maximum credit limit for that *Market Participant*. The *Market Participant* must procure that the replacement *credit support* is issued to AEMO within 24 hours after the *Market Participant* first becomes aware that the *credit support* has ceased to be current or valid (whether by reason of the *Market Participant's* own knowledge or a notification by AEMO).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.3.7 Drawings on credit support

- (a) If AEMO exercises its rights under a *credit support* provided by a *Market Participant* under this rule 3.3 in accordance with clause 3.15.21(b)(2), then AEMO must notify the *Market Participant*.
- (b) If, as a result of AEMO exercising its rights under a *credit support* provided by a *Market Participant* under this rule 3.3 in accordance with clause 3.15.21(b)(2), the remaining *credit support* held by AEMO in respect of that *Market Participant* is less than the *Market Participant's* maximum credit limit then, within 24 hours of receiving a notice under clause 3.3.7(a), the *Market Participant* must procure for AEMO additional *credit support* complying with the requirements of this rule 3.3, such that the aggregate undrawn and valid *credit support* held by AEMO in respect of the *Market Participant* is not less than the amount of *credit support* which that *Market Participant* is required to provide under this rule 3.3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.3.8 Credit limit procedures and prudential settings

Credit limit procedures

- (a) This clause sets out the framework for the establishment and determination of the prudential settings for *Market Participants* in the *NEM*.
- (b) The objective of the credit limit procedures is to establish the process by which *AEMO* will determine the prudential settings for each *Market Participant* so that the prudential standard is met for the *NEM*.
- (c) *AEMO* must develop, and, at all times, *publish* and maintain the credit limit procedures that details the methodology to be used by it to determine the prudential settings to apply to *Market Participants*.
- (d) In developing the methodology to be used by *AEMO* to determine the prudential settings to apply to *Market Participants*, *AEMO* must take into consideration the following factors:
 - (1) the *regional reference price* for the *region* for which the prudential settings are being calculated;
 - (2) the time of year;
 - (3) the volatility of *load* and *regional reference price* for the *regions*;
 - (4) *AEMO's* estimate of the *generation* and *load* for each *Market Participant*;
 - (5) the relationship between average *load* and *peak load* for each *Market Participant*;
 - (6) any *prospective reallocations* for the period being assessed;
 - (7) the correlation between *energy*, *reallocations* and the *regional reference price*;
 - (8) the statistical distribution of any accrued amounts that may be owed to *AEMO*;
 - (9) the relevant time period for which the prudential settings are being calculated; and
 - (10) any other factors *AEMO* considers relevant having regard to the objective of the credit limit procedures under paragraph (b).
- (e) **[Deleted]**

- (f) At least once a year, *AEMO* must review, prepare and *publish* a report on the effectiveness of the methodology developed under this clause in achieving the objective of the credit limit procedures under paragraph (b), with any recommendations for the enhancement of the methodology.
- (g) Subject to paragraph (h), *AEMO* must comply with the *Rules consultation procedures* when making or amending the credit limit procedures.
- (h) *AEMO* may make minor or administrative amendments to the credit limit procedures without complying with the *Rules consultation procedures*.

Prudential settings

- (i) *AEMO* must determine the prudential settings to apply to *Market Participants* in accordance with:
 - (1) the objective of the credit limit procedures under paragraph (b); and
 - (2) the credit limit procedures.
- (j) The outstandings limit and prudential margin are interdependent, and *AEMO* must determine these simultaneously to meet the prudential standard for the *NEM*.
- (k) The maximum credit limit for a *Market Participant* is the dollar amount determined by *AEMO* using the following formula:

$$\text{MCL} = \text{OSL} + \text{PM}$$

where:

MCL is the maximum credit limit;

OSL is the outstandings limit; and

PM is the prudential margin.

- (k1) The prudential margin for a *Market Participant* must not be a negative amount.
- (l) *AEMO* must review the prudential settings that apply to each *Market Participant* no later than a year after the last determination or review of the *Market Participant's* prudential settings.
- (m) At any time, and for any reason that is consistent with objective of the credit limit procedures under paragraph (b), *AEMO* may change the prudential settings that apply to a *Market Participant*, provided that any change to the *Market Participant's* prudential settings applies no earlier than one *business day* after the date *AEMO* notifies the *Market Participant* of changes to its prudential settings.

- (n) *AEMO* must notify, in writing, the *Market Participant* of any determination or change of a *Market Participant's* prudential settings, and provide reasons for that determination or change.

3.3.8A Security Deposits

At any time, a *Market Participant* may provide a security deposit to *AEMO* to secure payment of any amount which may become payable in respect of a *billing period*.

3.3.9 Outstandings

At any time the *outstandings* of a *Market Participant* is the dollar amount determined by the formula:

$$OS = - (A + B + SDA)$$

where:

OS is the amount of the *outstandings* of the *Market Participant*;

A is the aggregate of the net *settlement amounts* payable in respect of *billing periods* prior to the current *billing period* which remain unpaid by, or to, the *Market Participant* whether or not the *payment date* has yet been reached;

B is the net *settlement amount* payable by, or to, the *Market Participant* in respect of *transactions* for *trading intervals* that have already occurred in the current *billing period*; and

SDA is the balance (if any) of the *Market Participant* in the security deposit fund, in which case a credit balance will be a positive amount and a debit balance will be a negative amount.

The amounts to be used in this calculation will be the actual *settlement amounts* for *billing periods* where *final statements* have been issued by *AEMO* or *AEMO's* reasonable estimate of the *settlement amounts* for *billing periods* (where *final statements* have not been issued by *AEMO*).

Note:

Where the value of *outstandings* of a *Market Participant* is a negative amount the absolute value of the *outstandings* amount will, for the purposes of rule 3.3, be treated as if it were an amount payable by *AEMO* to the *Market Participant*.

3.3.10 Trading limit

The *trading limit* for a *Market Participant* is the dollar amount determined by *AEMO* using the following formula

$$TL = CS - PM$$

where:

TL is the *trading limit*;

CS is the *credit support* provided by the *Market Participant*; and

PM is the prudential margin determined by *AEMO* in accordance with clause 3.3.8

Note:

If the prudential margin exceeds the *credit support*, the *trading limit* will have a negative value.

3.3.11 Call notices

(a) If at any time the *outstandings* of a *Market Participant* is greater than the *trading limit* for that *Market Participant*, *AEMO* may do either or both of the following:

- (1) give the *Market Participant* an “*interim statement*” covering any *transactions* for *trading intervals* not already the subject of issued *preliminary statements* or *final statements* or another *interim statement*, notwithstanding that the usual time for the issue of a *preliminary statement* or *final statement* for those *trading intervals* has not been reached; and
- (2) give the *Market Participant* a notice (a *call notice*) that specifies an *invoiced amount*, the current maximum credit limit for the *Market Participant*, the current *trading limit* for the *Market Participant*, and the *call amount*, where:

Call Amount = the higher of:

(OS – TypA); and

(OS – TL)

except where the formula produces a negative result, in which case the *call amount* is zero,

where:

OS is the *outstandings* for the *Market Participant* as at the date of the issue of the *call notice*; and

TypA is the *typical accrual* for the *Market Participant* as at the date of the issue of the *call notice*; and

TL is the *trading limit* for the *Market Participant* as at the date of the issue of the *call notice*.

Note:

If the value of *outstandings* of a *Market Participant* has a negative value and the *trading limit* also has a negative value, the *outstandings* will be greater than the *trading limit* if the absolute value of the *trading limit* is greater than the absolute value of the *outstandings*, in

which case *AEMO* may exercise its powers under either or both of clauses 3.3.11(a)(1) or 3.3.11(a)(2).

- (b) *AEMO* may, in its absolute discretion, cancel a *call notice* or *interim statement* issued under this clause at any time. The cancellation of a *call notice* or *interim statement* does not affect *AEMO*'s rights to issue a further *call notice* or *interim statement* on the same grounds that gave rise to *AEMO* issuing the cancelled *call notice* or *interim statement*.

3.3.12 Typical accrual

- (a) The *typical accrual* for a *Market Participant* at any time is the amount which *AEMO* determines would have been the *outstandings* of the *Market Participant* at that time had the *spot prices* and *ancillary service prices* and the *trading amounts* of the *Market Participant* been at the level of the average *spot price* and *ancillary service prices* and average *trading amounts* of the *Market Participant* used by *AEMO* for the purposes of the most recent determination of the maximum credit limit of the *Market Participant*.

Note:

The value of the *typical accrual* of a *Market Participant* will be a negative amount if the average *settlement amount* of the *Market Participant* is a positive amount.

- (b) *AEMO* must, on request from a *Market Participant*, provide that *Market Participant* with details of any *typical accrual* for that *Market Participant*.

3.3.13 Response to Call Notices

- (a) Subject to clause 3.3.13(b), where *AEMO* has given a *call notice* to a *Market Participant*, the *Market Participant* must before 11.00 am (Sydney time) on the next *business day* following the issue of the *call notice* either:
 - (1) agree with *AEMO* to an increase in the *Market Participant's* maximum credit limit by an amount not less than the *call amount*, and provide to *AEMO* additional *credit support* where, by virtue of the increase in the maximum credit limit, the *Market Participant* no longer complies with its obligations under clause 3.3.5;
 - (2) (where clause 3.3.13(a)(1) is not satisfied) pay to *AEMO* in cleared funds a security deposit of an amount not less than the *call amount*;
 - (3) lodge a *reallocation request* of an amount which is not less than the *call amount* and which is accepted by *AEMO*; or
 - (4) provide to *AEMO* any combination of clauses 3.3.13(a)(1), (2) and (3) such that the aggregate of the amount which can be drawn under the additional *credit support* provided and the amount of the security deposit paid and the amount of the *reallocation request* accepted by *AEMO* is not less than the *call amount*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) If *AEMO* gives a *call notice* to a *Market Participant* after 1:00 pm (Sydney time), then *AEMO* is deemed to have given that *call notice* on the next *business day* for the purposes of this clause.

3.3.13A Application of monies in the security deposit fund

- (a) Subject to clauses 3.3.13A(b) and (e), *AEMO* may apply money from the security deposit fund recorded as a credit balance in the name of a *Market Participant* in payment of monies owing by that *Market Participant* to *AEMO*:

- (1) in respect of any *final statement* previously given to that *Market Participant* which has not been fully paid by the appointed time on the due date and remains unpaid; or
- (2) at the time of issuing any *final statement*,

in which case *AEMO* may set off all, or part of, any amount by which a *Market Participant* is in credit in the security deposit fund at that time against any amounts owing to *AEMO* under the *final statement*.

- (b) Subject to clause 3.3.13A(c):
 - (1) a *Market Participant* may, by giving notice at least one *business day* prior to the due time for the issue of a *final statement*, seek agreement with *AEMO* on the arrangements to apply to the application of security deposits paid by that *Market Participant* under clause 3.3.8A against amounts owing to *AEMO* under a particular *final statement* or *final statements*; and
 - (2) *AEMO* must apply the security deposits in accordance with an agreement reached under clause 3.3.13A(b)(1).

If agreement is not reached between *AEMO* and the *Market Participant* under this clause, then *AEMO* has a discretion to apply the security deposit funds of that *Market Participant* in payment of moneys that the *Market Participant* owes *AEMO* as set out in clauses 3.3.13A(a)(1) and (2).

- (c) Despite any agreement under clause 3.3.13A(b), if a *default event* occurs in relation to a *Market Participant*, then *AEMO* has a discretion as to which amounts owing to *AEMO* under *final statements* it applies or partially applies security deposits paid by that *Market Participant* under clause 3.3.8A.
- (d) In the case of security deposits paid by a *Market Participant* in the security deposit fund under clause 3.3.13, *AEMO* has a discretion as to which *final statements* it applies or partially applies those monies against.

- (e) However, in exercising its discretion in clauses 3.3.13A(b), (c) or (d), if a *Market Participant* pays *AEMO* a security deposit, then *AEMO* must apply any remaining portion of the security deposit (taking into account deductions for any liabilities or expenses of the security deposit fund) against the longest outstanding amounts owing to *AEMO* under *final statements* issued not later than the *final statement* for the *billing period* in which the security deposit was paid to *AEMO*. If, for any reason, *AEMO* has not fully applied such security deposit within this time, then *AEMO* must apply the remainder to amounts owing to *AEMO* under the next *final statement* or *statements* until it has been fully applied.
- (f) If:
 - (1) a *Market Participant* has a credit balance in the security deposit fund and ceases, or intends to cease, being a *Market Participant*; and
 - (2) that *Market Participant* has paid all money owing to *AEMO* and *AEMO* reasonably considers that the *Market Participant* will not owe any money to *AEMO* in the future arising from that person's activities as a *Market Participant*,then *AEMO* must return any credit balance for that *Market Participant* in the security deposit fund to that *Market Participant* (subject to deduction for any liabilities and expenses of the security deposit fund).
- (g) If, for any reason, there is a debit balance in the security deposit fund for a *Market Participant*, then the *Market Participant* must pay that amount to *AEMO*. For this purpose, *AEMO* may:
 - (1) include that amount in the next *final statement*; or
 - (2) issue an account to that *Market Participant* for payment of that debit balance and the *Market Participant* must pay that amount within 2 *business days*.

3.3.14 Potential value of a transaction

At any time, the *potential value* of a *transaction*, or of any bid or offer by a *Market Participant* to effect a *transaction*, under which the *trading amount* payable to *AEMO* is determined by reference to one or more specified *regional reference prices* or *ancillary service prices*, is the dollar amount determined by this procedure:

- (a) the *transaction* is first tested to determine the *trading amount* which would result for the *Market Participant* if the *regional reference price* or *ancillary service price* applicable to the *transaction* was equal to the *scheduled high price*;
- (b) the *transaction* is then tested to determine the *trading amount* which would result for the *Market Participant* if the *regional reference price* or *ancillary*

service price applicable to the *transaction* was equal to the *scheduled low price*;

- (c) if the *trading amount* resulting for both tests is a positive amount or zero, then the *potential value* of the *transaction* is zero;
- (d) if the *trading amount* resulting for either test is a negative amount, then the *potential value* of the *transaction* is the absolute value of the negative amount (or, where both tests produce a negative amount, the *potential value* of the *transaction* is the absolute value of the most negative amount).

3.3.15 Trading margin

At any time, the *trading margin* for a *Market Participant* is a dollar amount equal to the amount by which its *trading limit* exceeds its current *outstandings* due to *AEMO* and if the *outstandings* are equal to or exceed the *trading limit*, the *trading margin* is zero.

3.3.16 Limitation on entry of transactions

- (a) A *Market Participant* must not submit any bid or offer to effect any *transaction* with *AEMO* where the *potential value* of that *transaction*, plus the *potential value* of all other *uncompleted transactions*, exceeds the *trading margin* for the *Market Participant*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) A *transaction* is an *uncompleted transaction* if some or all of the *trading intervals* to which that *transaction* relates have not yet occurred.

3.3.17 Scheduled prices

- (a) The *scheduled high price* and the *scheduled low price* are amounts determined by *AEMO* in its absolute discretion from time to time as a basis upon which to determine the *potential value* of a *transaction* in accordance with clause 3.3.14.
- (b) *AEMO* may determine different *scheduled high prices* and *scheduled low prices* for each *region*.
- (c) The *scheduled high price* for energy and market ancillary services cannot be greater than the *market price cap* and the *scheduled low price* for:
 - (i) *energy*, cannot be less than the *market floor price*; and
 - (ii) *market ancillary services*, cannot be less than zero.
- (d) *AEMO* must notify all *Market Participants* without delay of any determination of *scheduled high prices* and *scheduled low prices*.

- (e) For *Market Participants* who do not trade in the *spot market*, the *scheduled high price* shall be the *market price cap* and the *scheduled low price* shall be zero.

3.3.18 Additional credit support

- (a) Where at any time the aggregate *potential value* of a *Market Participant's uncompleted transactions* exceeds the *trading margin* for the *Market Participant* (including without limitation where this is a result of a redetermination of *scheduled high prices* or *scheduled low prices*) the *Market Participant* must provide to AEMO additional *credit support* satisfying the criteria in clause 3.3.2 for an amount not less than the amount by which the *trading margin* is exceeded. The *Market Participant* must procure that the additional *credit support* is provided to AEMO within 24 hours after AEMO has notified the *Market Participant* that additional *credit support* is required.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) *Credit support* required pursuant to this clause 3.3.18 is in addition to and not inclusive of the *credit support* which a *Market Participant* is required to procure pursuant to other provisions of the *Rules*.

3.3.19 Consideration of other Market Participant transactions

- (a) For the purposes of determining the *prudential requirements* to be satisfied by *Market Participants* in accordance with this rule 3.3, AEMO must consult with *Market Participants* and any other person AEMO considers appropriate.
- (b) AEMO is not required to meet its obligations under clause 3.3.19(a) in any way which increases AEMO's risks in the collection of moneys owed to it in accordance with any of the provisions of the *Rules*.

3.4 Spot Market

3.4.1 Establishment of spot market

- (a) AEMO must establish and operate a *spot market* as a mechanism for:
 - (1) balancing electricity *supply* and demand;
 - (2) acquiring *market ancillary services*; and
 - (3) setting a *spot price* for electricity at each *regional reference node* and *market connection point* for each *trading interval* and *ancillary service prices* at each *regional reference node* for each *dispatch interval*.

- (b) *AEMO* must determine and *publish* in accordance with rule 3.9:
 - (1) a *spot price* for *energy* to apply at each *regional reference node* in each *trading interval*; and
 - (2) *ancillary service prices* to apply at each *regional reference node* for each *dispatch interval*.

3.4.2 Trading day and trading interval

- (a) A *trading interval* is a 30 minute period ending on the hour or on the half hour.
- (b) A *trading interval* is identified by the *time* at which it ends.
- (c) The *trading day* in the *spot market* will be the 24 hour period commencing at 4.00 am *Eastern Standard Time*.

3.4.3 Spot market operations timetable

- (a) *AEMO* must operate the *spot market* according to the *timetable* which must be approved by the *AEMC* and *published* by *AEMO* following compliance with the *Rules consultation procedures*.
- (b) If *AEMO* wishes to change the *timetable* at any time, it may do so following compliance with the *Rules consultation procedures*.
- (c) If *AEMO* amends the *timetable* in accordance with paragraph (b), *AEMO* must:
 - (1) *publish* the amended *timetable*; and
 - (2) operate the *spot market* according to the *timetable* as amended.

3.5 Regions

3.5.1 [Deleted]

3.5.2 [Deleted]

3.5.3 [Deleted]

3.5.4 [Deleted]

3.5.5 [Deleted]

3.5.6 [Deleted]

3.6 Network Losses and Constraints

3.6.1 Inter-regional losses

- (a) *Inter-regional losses* are *electrical energy losses* due to a notional transfer of electricity through *regulated interconnectors* from the *regional reference node* in one *region* to the *regional reference node* in an adjacent *region*.
- (b) *Inter-regional loss factors*:
 - (1) describe the *marginal electrical energy losses* for electricity transmitted through *regulated interconnectors* from a *regional reference node* in one *region* to the *regional reference node* in an adjacent *region* for a particular time period and a defined range of operating conditions;
 - (2) to apply between each pair of adjacent *regional reference nodes* are to be determined as part of the *central dispatch* process using *inter-regional loss factor* equations derived in accordance with the methodology determined by *AEMO* pursuant to clause 3.6.1(c); and
 - (3) are to be used in the *central dispatch* process as a notional adjustment to relate the prices of electricity at *regional reference nodes* in adjacent *regions* so as to reflect the cost of *inter-regional losses*.
- (c) *AEMO* must determine, *publish* and maintain, in accordance with the *Rules consultation procedures*, a methodology for the determination of *inter-regional loss factor* equations for a *financial year*, describing *inter-regional loss factors* between each pair of adjacent *regional reference nodes* in terms of significant variables.
- (d) In preparing the methodology for the determination of *inter-regional loss factor* equations referred to in clause 3.6.1(c), *AEMO* must implement the following principles:
 - (1) *Inter-regional loss factor* equations are to apply for a *financial year*.

- (2) *Inter-regional loss factor* equations must be suitable for use in *central dispatch*.
- (3) *Inter-regional loss factors* are determined as part of the *central dispatch* process using *inter-regional loss factor* equations. The *inter-regional loss factors* must:
 - (i) as closely as is reasonably practicable, describe the *marginal electrical energy losses* for electricity transmitted through the relevant *regulated interconnector* between the 2 relevant *regional reference nodes* in adjacent *regions* for each *trading interval* of the *financial year* in respect of which the relevant *inter-regional loss factor* equations apply; and
 - (ii) aim to minimise the impact on the *central dispatch* process of *generation* and *scheduled load* as compared to the *dispatch* of *generation* and *scheduled load* which would result from a fully optimised dispatch process taking into account the effect of losses.
- (4) *Inter-regional loss factor* equations are determined using forecast *load* and *generation* data and, if required, modelled *load* and *generation* data for the *financial year* in which the *inter-regional loss factor* equations are to apply. The forecast *load* and *generation* data and modelled *load* and *generation* data, if any, used must be that *load* and *generation* data prepared by AEMO pursuant to clause 3.6.2A.
- (5) *Inter-regional loss factor* equations are determined by applying regression analysis to the *load* and *generation* data referred to in clause 3.6.1(d)(4) to determine:
 - (i) the variables which have a significant effect on the *marginal electrical energy losses* for electricity transmitted through each *regulated interconnector* for both directions of flow on those *regulated interconnectors*; and
 - (ii) the parameters that represent the relationship between each of those variables and the *marginal electrical energy losses*.
- (e) AEMO must determine the *inter-regional loss factor* equations used to calculate *inter-regional loss factors* in each *financial year* in accordance with the methodology prepared and *published* by AEMO under clause 3.6.1(c).
- (f) AEMO must *publish* the *inter-regional loss factor* equations determined under clause 3.6.1(e) by 1 April prior to the *financial year* in which they are to apply.

3.6.2 Intra-regional losses

- (a) *Intra-regional losses* are *electrical energy losses* that occur due to the transfer of electricity between a *regional reference node* and *transmission network connection points* in the same *region*.
- (b) *Intra-regional loss factors*:
 - (1) notionally describe the *marginal electrical energy losses* for electricity transmitted between a *regional reference node* and a *transmission network connection point* in the same *region* for a defined time period and associated set of operating conditions;
 - (2) will be either:
 - (i) two *intra-regional loss factors* where *AEMO* determines, in accordance with the methodology determined under clause 3.6.2(d), that one *intra-regional loss factor* does not, as closely as is reasonably practicable, describe the average of the *marginal electrical energy losses* for electricity transmitted between a *transmission network connection point* and the *regional reference node* for the *active energy* generation and consumption at that *transmission network connection point*; or
 - (ii) one static *intra-regional loss factor* in all other circumstances;
 - (2A) must be determined in accordance with the methodology determined by *AEMO* under clause 3.6.2(d) for each *transmission network connection point*;
 - (2B) apply for a *financial year*; and
 - (3) may, with the agreement of the *AER*, be averaged over an adjacent group of *transmission network connection points* within a single *region*. If averaging is used, the relevant *transmission network connection points* will be collectively defined as a *virtual transmission node* with a *loss factor* calculated as the volume weighted average of the *transmission loss factors* of the constituent *transmission network connection points*.
- (b1) If *AEMO* determines two *intra-regional loss factors* for a *transmission network connection point* under clause 3.6.2(b)(2), *AEMO* must apply the *intra-regional loss factors* in *central dispatch* and *spot market transactions* in accordance with the procedure determined by *AEMO* under clause 3.6.2(d1).
- (c) An *intra-regional loss factor* is to be used as a price multiplier that can be applied to the *regional reference price* to determine the *local spot price* at each *transmission network connection point* and *virtual transmission node*.
- (d) *AEMO* must determine, *publish* and maintain, in accordance with *Rules consultation procedures*, a methodology for the determination of

intra-regional loss factors to apply for a *financial year* for each *transmission network connection point*.

- (d1) *AEMO* must determine, *publish* and maintain, in consultation with *Registered Participants*, a procedure that includes a description of the manner in which *AEMO* will, if two *intra-regional loss factors* apply to a *transmission network connection point*, apply two *intra-regional loss factors* in *central dispatch* and *spot market transactions*. The procedure determined under this paragraph (d1) must describe how *AEMO* will identify and measure the *generation* and *load* at each *transmission network connection point* and apply the relevant *intra-regional loss factor* against that *generation* or *load*.
- (e) In preparing the methodology referred to in clause 3.6.2(d), *AEMO* must implement the following principles:
 - (1) *Intra-regional loss factors* are to apply for a *financial year*.
 - (2) An *intra-regional loss factor* must, as closely as is reasonably practicable, describe the average of the *marginal electrical energy losses* for electricity transmitted between a *transmission network connection point* and the *regional reference node* in the same *region* for each *trading interval* of the *financial year* in which the *intra-regional loss factor* applies.
 - (2A) *Intra-regional loss factors* must aim to minimise the impact on the *central dispatch* process of *generation* and *scheduled load* compared to that which would result from a fully optimised dispatch process taking into account the effect of losses.
 - (3) Forecast *load* and *generation* data for the *financial year* for which the *intra-regional loss factor* is to apply must be used. The forecast *load* and *generation* data used must be that *load* and *generation* data prepared by *AEMO* pursuant to clause 3.6.2A.
 - (4) The *load* and *generation* data referred to in clause 3.6.2(e)(3) must be used to determine *marginal loss factors* for each *transmission network connection point* for each *trading interval* in the *financial year* to which the *load* and *generation* data relates.
 - (5) An *intra-regional loss factor* for a *transmission network connection point* is determined using a volume weighted average of the *marginal loss factors* for the *transmission network connection point*.
 - (6) In determining an *intra-regional loss factor* for a *transmission network connection point*, flows in *network elements* that solely or principally provide *market network services* will be treated as invariant, as the methodology is not seeking to calculate the marginal losses within such *network elements*.

- (f) *AEMO must calculate intra-regional loss factors for each transmission network connection point for each financial year in accordance with the methodology prepared and published by AEMO under clause 3.6.2(d).*
- (f1) *By 1 April in each year, AEMO must publish the intra-regional loss factors revised under clause 3.6.2(f) and to apply for the next financial year.*
- (g) *AEMO must, in accordance with the Rules consultation procedures, determine, publish and maintain the methodology which is to apply to the calculation of average transmission loss factors, determined in accordance with clause 3.6.2(b)(3), for each virtual transmission node proposed by a Distribution Network Service Provider.*
- (h) *As soon as practicable after the publication of the methodology referred to in clause 3.6.2(g), and thereafter by 1 April in each year, AEMO must calculate and publish the transmission loss factors for each virtual transmission node, determined in accordance with clause 3.6.2(b)(3), that are to apply for the next financial year.*
- (i) *Notwithstanding clauses 3.6.2(a) to (f1), AEMO must:*
 - (1) *determine an intra-regional loss factor in the financial year in which an intra-regional loss factor is to apply for a transmission network connection point which is established in that financial year in accordance with the procedure for establishing connection set out in rule 5.3, provided that AEMO did not determine an intra-regional loss factor for the transmission network connection point pursuant to clause 3.6.2(f1) in the financial year preceding that in which the connection point is established; or*
 - (2) *revise an intra-regional loss factor in the financial year in which an intra-regional loss factor is to apply for a transmission network connection point which is modified in that financial year in accordance with the procedure for modifying connection set out in rule 5.3, provided that, in AEMO's reasonable opinion, the modification to that connection point results in a material change in the capacity of the connection point.*
- (j) *AEMO must, where required to determine an intra-regional loss factor for an established or modified transmission network connection point under clause 3.6.2(i), do so as far as practicable in accordance with the methodology published by AEMO pursuant to clause 3.6.2(d).*
- (k) *For the purposes of clause 3.6.2(j), the forecast load and generation data used to calculate an intra-regional loss factor for the transmission network connection point must be determined using the forecast load and generation data determined by AEMO under clause 3.6.2A for other transmission network connection points in the same region for that financial year adjusted to take into account the effect of the established or modified connection point. Notwithstanding this clause 3.6.2(k), Registered Participants must comply with their obligations with respect to the*

provision of information to *AEMO*, for the purpose of determining new or revised *intra-regional loss factors* for *connection points* that are established or modified during the *financial year* in which the *intra-regional loss factors* are to apply, specified by the methodology developed and *published* by *AEMO* under clause 3.6.2A.

- (l) In the case of a *connection point* that is established in the *financial year* in which an *intra-regional loss factor* is to apply:
 - (1) an *intra-regional loss factor* determined by *AEMO* in accordance with clause 3.6.2(i) will apply from the time an *intra-regional loss factor* is determined and *published* by *AEMO*; and
 - (2) *AEMO* must use reasonable endeavours to determine and *publish* an *intra-regional loss factor* at least 45 *business days* prior to the commencement of operation of the established *connection point*, where the relevant *Registered Participants* comply with any applicable requirements and deadlines for the provision of information to *AEMO* specified by the methodology *published* by *AEMO* under clause 3.6.2A.
- (m) In the case of a *connection point* that is modified in the *financial year* in which an *intra-regional loss factor* is to apply:
 - (1) an *intra-regional loss factor* determined by *AEMO* in accordance with clause 3.6.2(i) will apply from the date when the modification to the *connection point* takes effect; and
 - (2) *AEMO* must use reasonable endeavours to *publish* an *intra-regional loss factor* at least 45 *business days* prior to the date when the modification to the *connection point* takes effect, where the relevant *Registered Participants* comply with any applicable requirements and deadlines for the provision of information to *AEMO* specified by the methodology *published* by *AEMO* under clause 3.6.2A.
- (n) For the avoidance of doubt, where *AEMO* determines an *intra-regional loss factor* for a *transmission network connection point* under clause 3.6.2(i), which is to apply in the *financial year* in which the *transmission network connection point* is established or modified, the *intra-regional loss factors* for all other *transmission network connection points* for that *financial year*, determined in accordance with clauses 3.6.2(a) to (g), must remain unchanged.

3.6.2A Load and generation data used to determine inter-regional loss factor equations and intra-regional loss factors

- (a) *AEMO* must prepare *load* and *generation* data for each *financial year* to be used in both the determination of *inter-regional loss factor* equations under clause 3.6.1 and *intra-regional loss factors* under clause 3.6.2 in accordance with the methodology determined, *published* and maintained by *AEMO* for this purpose, under clause 3.6.2A(b).

- (b) *AEMO* must determine, *publish* and maintain, in accordance with the *Rules consultation procedures*, a methodology for:
 - (1) forecasting the *load* and *generation* data to be used in both the determination of *inter-regional loss factor* equations and *intra-regional loss factors*, including new or revised *intra-regional loss factors* for *connection points* that are established or modified, respectively, during the *financial year* in which the *intra-regional loss factors* are to apply;
 - (2) modelling additional *load* and *generation* data, where required, to be used in determining *inter-regional loss factor* equations; and
 - (3) the collection of relevant data from *Registered Participants*, including without limitation deadlines for the provision of that data by *Registered Participants*.
- (c) The methodology developed and *published* by *AEMO* under clause 3.6.2A(b) must specify information reasonably required by *AEMO* to fulfil its obligations under clause 3.6.2A, including without limitation historic *load* and *generation* data, forecast *energy* and *maximum demand* data for a *connection point* and forecast data for any new *loads*. In particular, the methodology must specify information to be provided by *Registered Participants* that is in addition to the information provided by those *Registered Participants* under other provisions of the *Rules*.
- (d) In preparing the methodology for forecasting and modelling *load* and *generation* data under clause 3.6.2A(b), *AEMO* must implement the following principles:
 - (1) The forecast *load* and *generation* data must be representative of expected *load* and *generation* in the *financial year* in which the *inter-regional loss factor* equations or *intra-regional loss factors* are to apply having regard to:
 - (i) actual *load* and *generation* data available for a 12 month period defined by the methodology with the objective to use the most recent *load* and *generation* data practicable;
 - (ii) projected *load* growth between each calendar month to which the actual *load* and *generation* data referred to in clause 3.6.2A(d)(1)(i) relates and the same calendar month in the *financial year* for which the forecast *load* and *generation* data is determined; and
 - (iii) the projected *network* configuration and projected *network* performance for the *financial year* in which the *inter-regional loss factor* equation or *intra-regional loss factor*, as the case may be, is to apply.
 - (2) Additional modelled *load* and *generation* data sets must only be used:

- (i) in the determination of *inter-regional loss factor* equations under clause 3.6.1; and
 - (ii) where the range of forecast *load* and *generation* data is not sufficient to derive *inter-regional loss factor* equations to apply over the full range of transfer capability of the *regulated interconnector*.
- (e) *Registered Participants* must comply with the obligations to provide information set out in the methodology developed and *published* by AEMO under this clause 3.6.2A, including the deadlines for the provision of that information and any other obligations with respect to the provision of that information set out in the methodology.

3.6.2B Distribution losses on embedded networks

- (1) In clause 3.6.3, except where expressly excluded, a reference to a *Distribution Network Service Provider* includes a reference to an *Embedded Network Service Provider*.
- (2) The AER must in accordance with the *Rules consultation procedures* develop, *publish* and maintain a guideline to provide information and guidance to *Embedded Network Service Providers* about:
 - (1) the application of clause 3.6.3 to *Embedded Network Service Providers* and *embedded networks*;
 - (2) the determination of *distribution loss factors* for *child connection points*; and
 - (3) the AER's approach to assessment and approval of methodologies proposed by *Embedded Network Service Providers* for determining a *site specific distribution loss factor* under clause 3.6.3(g1)(1)(ii).

3.6.3 Distribution losses

- (a) *Distribution losses* are *electrical energy losses* incurred in the conveyance of electricity over a *distribution network*.
- (b) *Distribution loss factors*:
 - (1) notionally describe the *average electrical energy losses* for electricity transmitted on a *distribution network* between a *distribution network connection point* and a *transmission network connection point* or *virtual transmission node* for the financial year in which they apply;
 - (2) will be either:
 - (i) a *site specific distribution loss factor* derived in accordance with the methodology determined by the AER or the *Distribution Network Service Provider* pursuant to clause 3.6.3(h), for each *distribution network connection point* of the following types:

- (A) a *connection point* for an *embedded generating unit* with actual *generation* of more than 10MW, based on the most recent data available for a consecutive 12 month period at the time of determining the *distribution loss factor*. Where relevant data is not available for a consecutive 12 month period as a *distribution network connection point* is newly established or has been modified, a *Network Service Provider* may determine whether an *embedded generating unit* has *generation* of more than 10MW, based on its best projection of *generation* in the *financial year* in which the *distribution loss factor* is to apply, taking into account the terms of the relevant *connection agreement*;
 - (B) a *connection point* for an end-user with actual or forecast *load* of more than 40GWh or an electrical demand of more than 10MW, based on the most recent data available for a consecutive 12 month period at the time of determining the *distribution loss factor*. Where relevant data is not available for a consecutive 12 month period as a *distribution network connection point* is newly established or has been modified, a *Network Service Provider* may determine whether an end-user has *load* of more than 40GWh or forecast *peak load* of more than 10MW, based on its best projection of *load* in the *financial year* in which the *distribution loss factor* is to apply, taking into account the terms of the relevant *connection agreement*;
 - (C) a *connection point* for a *Market Network Service Provider*; and
 - (D) a *connection point* between two or more *distribution networks*; or
- (ii) derived, in accordance with the methodology determined by the AER or the *Distribution Network Service Provider* pursuant to clause 3.6.3(h), using the volume weighted average of the *average electrical energy loss* between the *transmission network connection point* or *virtual transmission node* to which it is assigned and each *distribution network connection point* in the relevant *voltage* class (determined in accordance with clause 3.6.3(d)(2)) assigned to that *transmission network connection point* or *virtual transmission node*, for all *connection points* on a *distribution network* not of a type described in clause 3.6.3(b)(2)(i);

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (3) are to be used in the settlement process as a notional adjustment to the electrical *energy*, expressed in MWh, flowing at a *distribution network connection point* in a *trading interval* to determine the *adjusted gross energy* amount for that *connection point* in that *trading interval*, in accordance with clause 3.15.4.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b1) Where a *Generator*, or a *Small Generation Aggregator*, meets the reasonable cost of the *Distribution Network Service Provider* in performing the necessary calculation in respect of a *generating unit* of up to 10MW or 40GWh per annum capacity, the *Distribution Network Service Provider* must calculate a site specific *distribution loss factor* that, notwithstanding any other provision of the *Rules* to the contrary, for the purposes of the *Rules* is to apply in respect of that *generating unit* on the same basis as applies for a *generating unit* of more than 10MW or 40GWh per annum capacity as though the *generating unit* were a unit of more than 10MW or 40GWh per annum capacity.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) Each *Distribution Network Service Provider* must assign each *connection point* on its *distribution network*, of a type described in clause 3.6.3(b)(2)(i), to a single *transmission network connection point* taking into account normal *network* configurations and predominant *load* flows.
- (d) Each *Distribution Network Service Provider* must assign each *connection point* on its *distribution network*, not of a type described in clause 3.6.3(b)(2)(i):
 - (1) where practicable, to a single *transmission network connection point* or otherwise, to a *virtual transmission node*, taking into account normal *network* configurations and predominant *load* flows; and
 - (2) to a class of *distribution network connection points* based on the location of, *voltage* of and pattern of electrical *energy* flows at the *distribution network connection point*.
- (e) So far as practicable, the assignment of *connection points* on the *distribution network* to:
 - (1) *transmission network connection points* under clause 3.6.3(c); or
 - (2) *transmission network connection points* or *virtual transmission nodes* and a class of *distribution network connection points* under clause 3.6.3(d),

must be consistent with the geographic boundaries of the *pricing zones* for use in *distribution service* pricing, and the *voltage* levels incorporated within those *pricing zones*.

- (f) The assignment of *connection points* on a *distribution network*:
- (1) to a single *transmission network connection point* under clause 3.6.3(c); or

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) to a *transmission network connection point* or *virtual transmission node* and a class of *distribution network connection points* under clause 3.6.3(d),

is subject to the approval of the AER and the *Distribution Network Service Provider* must inform AEMO of such approved assignments.

- (g) *Distribution loss factors* must be determined by a *Distribution Network Service Provider* for all *connection points* on its *distribution network* either individually, for all ~~*connection points*~~ assigned to a single *transmission network connection point* under clause 3.6.3(c), or collectively, for all *connection points* assigned to a *transmission network connection point* or a *virtual transmission node* and a particular *distribution network connection point* class under clause 3.6.3(d), in accordance with:

- (1) the methodology developed, *published* and maintained by the AER for the determination of *distribution loss factors*; or
- (2) where the AER has not *published* a methodology under clause 3.6.3(g)(1);

~~(i) unless paragraph (ii) applies,~~ the methodology developed, *published* and maintained by the *Distribution Network Service Provider* for the determination of *distribution loss factors*; ~~and~~

~~(ii) in the case of an *Embedded Network Service Provider* in relation to a *child connection point* on its *embedded network*, paragraph (g1).~~

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(g1) For a *child connection point* on an *embedded network*, for the purposes of subparagraph (g)(2)(ii):

- (1) for connection points assigned to a single transmission network connection point under clause 3.6.3(c), the distribution loss factor must be determined by applying:
 - (i) the methodology for the determination of distribution loss factors referred to in paragraph (g) published by the Local Network Service Provider for the area in which the embedded network is located and as applicable to the parent connection point at or through which the embedded network is connected to the Local Network Service Provider's distribution system; or
 - (ii) a methodology agreed between the Embedded Network Service Provider and the Distribution Customer at the child connection point and approved by the AER; and
 - (2) for connection points assigned to a transmission network connection point or a virtual transmission node and a particular distribution network connection point class under clause 3.6.3(d), the distribution loss factor must be:
 - (i) the distribution loss factor that would be applied to the child connection point if it were connected to the distribution network of the Local Network Service Provider; or
 - (ii) if the distribution loss factor cannot readily be ascertained under subparagraph (i), the distribution loss factor applicable to the parent connection point for the embedded network.
- (h) The methodology for the determination of *distribution loss factors* referred to in clause 3.6.3(g) must be developed having regard to the following principles:
 - (1) The aggregate of the *adjusted gross energy* amounts for a *distribution network*, determined in accordance with clause 3.15.4 using the *distribution loss factors* for the *financial year* in which the *distribution loss factors* are to apply should equal, as closely as is reasonably practicable, the sum of:
 - (i) the amount of electrical *energy*, expressed in MWh, flowing at all *connection points* in the *distribution network* in the *financial year* in which the *distribution loss factors* are to apply; and
 - (ii) the total *electrical energy losses* incurred on the *distribution network* in the *financial year* in which the *distribution loss factors* are to apply.
 - (2) The methodology used to determine *distribution loss factors* for a *financial year* should incorporate provisions requiring a *Distribution Network Service Provider* to undertake a reconciliation between the aggregate of the *adjusted gross energy* amounts for its *distribution network* for the previous *financial year* determined in accordance with clause 3.15.4 using the *distribution loss factors* that applied for

connection points in that *distribution network* in the previous *financial year* and the sum of:

- (i) the amount of electrical *energy*, expressed in MWh flowing, at all *connection points* in its *distribution network* in the previous *financial year*; and
 - (ii) the total *electrical energy losses* incurred on its *distribution network* in the previous *financial year*.
- (3) The *distribution loss factor* for a *distribution network connection point*, other than those described in clause 3.6.3(b)(2)(i), is determined using a volume weighted average of the *average electrical energy loss* between the *transmission network connection point* or *virtual transmission node* to which it is assigned and each *distribution network connection point* in the relevant class of *distribution network connection points* assigned to that *transmission network connection point* or *virtual transmission node* for the *financial year* in which the *distribution loss factor* is to apply.
- (4) The *distribution loss factor* for a *distribution network connection point* described in clause 3.6.3(b)(2)(i) is determined using the *average electrical energy loss* between the *distribution network connection point* and the *transmission network connection point* to which it is assigned in the *financial year* in which the *distribution loss factor* is to apply.
- (5) In determining the *average electrical energy losses* referred to in clauses 3.6.3(h)(3) and (4), the *Distribution Network Service Provider* must use the most recent actual *load* and *generation* data available for a consecutive 12 month period but may adjust this *load* and *generation* data to take into account projected *load* and / or *generation* growth in the *financial year* in which the *distribution loss factors* are to apply.
- (6) In determining *distribution loss factors*, flows in *network elements* that solely or principally provide *market network services* will be treated as invariant, as the methodology is not seeking to calculate the *marginal losses* within such *network elements*.
- (i) Each year the *Distribution Network Service Provider* must determine the *distribution loss factors* to apply in the next *financial year* in accordance with clause 3.6.3(g) and provide these to AEMO for *publication* by 1 April. Before providing the *distribution loss factors* to AEMO for *publication*, the *Distribution Network Service Provider* must obtain the approval of the AER for the *distribution loss factors* it has determined for the next *financial year*.

3.6.4 Network constraints

- (a) Conveyance of electricity between *regions* through a *regulated interconnector* is *constrained* when for operational reasons it is not

acceptable for the *regulated interconnector* to transfer the level of electricity between *regions* that would be transferred if the limitation was removed and the condition impacts on the *dispatch* of other *regulated interconnectors*, *generation*, *scheduled network services* or *loads*.

- (a1) Conveyance of electricity between *regions* by means of a *scheduled network service* is *constrained* when the *dispatch* of the relevant *scheduled network service* is limited by the notified available capacity or *ramp rate* and the limitation impacts on the *dispatch* of *generation*, *regulated interconnectors*, other *scheduled network services* or *loads*.
- (b) Conveyance of electricity within a *region* is *constrained* when for operational reasons it is not acceptable for a *network* to transfer the level of electricity between different parts of the *region* that would be transferred if the limitation was removed and the condition impacts on the *dispatch* of *generation*, *scheduled network services* or *loads*.
- (c) For every *trading interval* AEMO must record any *constraints* including a description and the duration of the *constraint*.
- (d) Any *constraints* which occur within a *region* or between *regions* must be taken into account in the *dispatch* process under clause 3.8.10.

3.6.5 Settlements residue due to network losses and constraints

- (a) *Settlements residue* will be allocated, and distributed or recovered by AEMO in accordance with the following principles:
 - (1) full effect is to be given to the *jurisdictional derogations* contained in Chapter 9 relating to *settlements residue*;
 - (2) the portion of the *settlements residue* attributable to *regulated interconnectors* (as adjusted to take into account the effect of any applicable *jurisdictional derogations* referred to in subparagraph (1)) will be distributed or recovered in accordance with rule 3.18;
 - (3) the remaining *settlements residue*, including the portion of *settlements residue* due to *intra-regional loss factors*, will be distributed to or recovered from the appropriate *Transmission Network Service Providers* (which will not include *Market Network Service Providers*);
 - (3A) **[Deleted]**
 - (4) if the *settlements residue* arising in respect of a *trading interval*, after taking into account any relevant adjustment in accordance with clauses 5.7.7(aa)(3) or (ab), is a negative amount then, in respect of the *billing period* in which the negative *settlements residue* arises then:
 - (i) AEMO must recover the amount from the appropriate *Transmission Network Service Provider* at a payment time, interval, and by a method, determined by AEMO following

- consultation with *Transmission Network Service Providers*. *AEMO* may determine that the appropriate *Transmission Network Service Provider* is to pay the negative *settlements residue* amount by a date prior to the date for payment of *final statements* under clause 3.15.16;
- (ii) the appropriate *Transmission Network Service Provider* must pay the negative *settlements residue* amount in accordance with *AEMO's* determination under subparagraph (4)(i);
- (4A) if interest costs are incurred by *AEMO* in relation to any unrecovered negative *settlements residue* amount referred to in subparagraph (4), then, in respect of the *billing period* in which the negative *settlements residue* arises then:
- (i) *AEMO* must recover the interest costs from the appropriate *Transmission Network Service Provider* at a payment time, interval, and by a method, determined by *AEMO* following consultation with *Transmission Network Service Providers*. *AEMO* may determine that the appropriate *Transmission Network Service Provider* is to pay the interest cost amount by a date prior to the date for payment of *final statements* under clause 3.15.16; and
 - (ii) the appropriate *Transmission Network Service Provider* must pay the interest cost amount in accordance with *AEMO's* determination under subparagraph (4A)(i);
- (4B) for the purposes of subparagraphs (3), (4) and (4A), the appropriate *Transmission Network Service Provider* is:
- (i) in the case of *inter-regional settlements residue*:
 - (A) if there is more than one *Transmission Network Service Provider* in the importing region, the *Co-ordinating Network Service Provider*; or
 - (B) if there is no *Co-ordinating Network Service Provider* in the importing region, the *Transmission Network Service Provider* to which a *transmission determination* currently applies in that region;
 - (ii) in the case of *intra-regional settlements residue*:
 - (A) if there is more than one *Transmission Network Service Provider* in the region, the *Co-ordinating Network Service Provider*; or
 - (B) if there is no *Co-ordinating Network Service Provider* in the region, the *Transmission Network Service Provider* to which a *transmission determination* currently applies in that region;

(4C) **[Deleted]**

(4D) for the purposes of paragraph (4B), **importing region** means the *region* to which electricity is transferred during the relevant *trading interval* from another *region* through *regulated interconnectors*; and

(5) **[Deleted]**

(6) any portion of *settlements residue* distributed to a *Network Service Provider* or amount paid on that portion under clause 3.15.10A (if any), or rule 3.18 to a *Network Service Provider*, including any such payments as adjusted by a *routine revised statement* or *special revised statement* issued under rule 3.15, net of any portion of *settlements residue* recovered from the *Network Service Provider* in accordance with clause 3.6.5(a)(4), will be used to offset *network service* charges.

(b) A *Transmission Network Service Provider* or its jurisdictional delegate is a *Market Participant* for the purposes of clause 3.3.1 and rule 3.15 (excluding clause 3.15.1(b)) but not otherwise.

(c) **[Deleted]**

3.7 Projected Assessment of System Adequacy

3.7.1 Administration of PASA

(a) *AEMO* must administer medium term and short term *projected assessment of system adequacy processes* to be known as *PASA*.

(b) The *PASA* is a comprehensive program of information collection, analysis, and disclosure of medium term and short term *power system security* and reliability of *supply* prospects so that *Registered Participants* are properly informed to enable them to make decisions about *supply*, demand and *outages of transmission networks* in respect of periods up to 2 years in advance.

(c) On a weekly basis *AEMO* must:

(1) collect and analyse information from all *Scheduled Generators*, *Market Customers*, *Transmission Network Service Providers* and *Market Network Service Providers* about their intentions for:

(i) *generation, transmission and market network service* maintenance scheduling;

(ii) *intended plant* availabilities;

(iii) *energy constraints*;

(iv) other *plant* conditions which could materially impact upon *power system security* and reliability of *supply*; and

- (v) significant changes to *load* forecasts previously notified to *AEMO*,

for the following 24 months;
- (2) prepare the *unconstrained intermittent generation forecasts* for the following 24 months; and
- (3) following analysis and assessment of the information referred to in subparagraphs (1) and (2), *publish* information that will inform the *market* regarding forecasts of *supply* and demand.
- (d) *AEMO* must use its reasonable endeavours to ensure that it publishes sufficient information to allow the *market* to operate effectively with a minimal amount of intervention by *AEMO*.

3.7.2 Medium term PASA

- (a) The *medium term PASA* covers the 24 month period commencing from the Sunday after the *day* of publication with a daily resolution. Every week, *AEMO* must review and *publish* the outputs of the *medium term PASA* in accordance with the *timetable*.
- (b) *AEMO* may publish additional updated versions of the *medium term PASA* in the event of *changes* which, in the judgment of *AEMO*, are materially significant.
- (c) The following *medium term PASA inputs* are to be prepared by *AEMO*:
 - (1) forecast *load* information for each *region* which is:
 - (i) the 10% probability of exceedence daily *peak load*, most probable daily *peak load* and time of the peak on the basis of past trends, day type and special events including all forecast *scheduled load* and other *load* except for pumped storage *loads*;
 - (ii) subsequently to be adjusted by an amount anticipated in the forecast as *scheduled load* by *load* bidders; and
 - (iii) an indicative half hourly *load* profile for each day type for each *region* for each month of the year;
 - (2) **[Deleted]**
 - (3) forecast *network constraints* known to *AEMO* at the time;
 - (4) an *unconstrained intermittent generation forecast* for each *semi-scheduled generating unit* for each *day*.
- (d) The following *medium term PASA inputs* must be submitted by each relevant *Scheduled Generator* or *Market Participant* in accordance with the *timetable*:

- (1) *PASA availability* of each *scheduled generating unit*, *scheduled load* or *scheduled network service* for each *day* taking into account the ambient weather conditions forecast at the time of the 10% probability of exceedence *peak load* (in the manner described in the procedure prepared under paragraph (g)); and
- (2) *weekly energy constraints* applying to each *scheduled generating unit* or *scheduled load*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (e) *Network Service Providers* must provide to *AEMO* an outline of planned *network outages* in accordance with the *timetable* and provide to *AEMO* any other information on planned *network outages* that is reasonably requested by *AEMO* to assist *AEMO* to meet its obligations under paragraph (f)(6).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) *AEMO* must prepare and *publish* the following information in respect of each *day* (unless otherwise specified in subparagraphs (1) to (6)) covered by the *medium term PASA* in accordance with clause 3.13.4(a):

- (1) forecasts of the 10% probability of exceedence *peak load*, and most probable *peak load*, excluding the relevant aggregated MW allowance referred to in subparagraph (2), and adjusted to make allowance for *scheduled load*;

(1A) **[Deleted]**

- (2) the aggregated MW allowance (if any) to be made by *AEMO* for *generation* from *non-scheduled generating systems* in each of the forecasts of the 10% probability of exceedence *peak load* and most probable *peak load* referred to in subparagraph (1);
- (3) in respect of each of the forecasts of the 10% probability of exceedence *peak load* and most probable *peak load* referred to in subparagraph (1), a value that is the sum of that forecast and the relevant aggregated MW allowance referred to in subparagraph (2);
- (4) forecasts of the most probable weekly *energy* for each *region*;
- (5) aggregate *generating unit PASA availability* for each *region*;
- (5A) aggregate capacity for each *region* that can be *generated* continuously, calculated by adding the following categories:

- (i) the capacity of *scheduled generating units* in the *region* that are able to operate at the *PASA availability*; and
 - (ii) the forecast *generation* of *semi-scheduled generating units* in the *region* as provided by the *unconstrained intermittent generation forecasts*;
- (5B) aggregate capacity for each *region* that cannot be *generated* continuously at the *PASA availability* of the *scheduled generating units* in the *region* due to specified weekly *energy constraints*; and
- (6) identification and quantification of:
 - (i) any projected *violations* of *power system security*;
 - (ii) any projected failure to meet the *reliability standard* as assessed in accordance with the *reliability standard implementation guidelines*;
 - (iii) **[Deleted]**
 - (iv) forecast *interconnector* transfer capabilities and the discrepancy between forecast *interconnector* transfer capabilities and the forecast capacity of the relevant *interconnector* in the absence of *outages* on the relevant *interconnector* only; and
 - (v) when and where *network constraints* may become binding on the *dispatch* of *generation* or *load*.
- (g) *AEMO* must publish the procedure it uses for preparation of the *medium term PASA*.

3.7.3 Short term PASA

- (a) The *short term PASA* must be *published* at least daily by *AEMO* in accordance with the *timetable*.
- (b) The *short term PASA* covers the period of six *trading days* starting from the end of the *trading day* covered by the most recently *published pre-dispatch schedule* with a *trading interval* resolution.
- (c) *AEMO* may *publish* additional updated versions of the *short term PASA* in the event of *changes* which, in the judgement of *AEMO*, are materially significant.
- (d) The following *short term PASA inputs* are to be prepared by *AEMO*:
 - (1) forecast *load* information for each *region* which is to include:
 - (i) the 10% probability of exceedence half-hourly *load* and most probable half hourly *load* on the basis of past trends, day type, and special events; and

- (ii) all *scheduled load* and other *load* except for pumped storage loads,

which must subsequently be adjusted in accordance with *dispatch bids* for *scheduled load*;
 - (2) **[Deleted]**
 - (3) forecast *network constraints* known to *AEMO* at the time; and
 - (4) an *unconstrained intermittent generation forecast* for each *semi-scheduled generating unit* for each *trading interval*.
- (e) The following *short term PASA inputs* must be submitted by each relevant *Scheduled Generator* and *Market Participant* in accordance with the *timetable* and must represent the *Scheduled Generator's* or *Market Participant's* current intentions and best estimates:
- (1) *available capacity* of each *scheduled generating unit*, *scheduled load* or *scheduled network service* for each *trading interval* under expected *market conditions*;
 - (2) *PASA availability* of each *scheduled generating unit*, *scheduled load* or *scheduled network service* for each *trading interval*; and
 - (3) **[Deleted]**
 - (4) projected daily *energy availability* for *energy constrained scheduled generating units* and *energy constrained scheduled loads*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) If *AEMO* considers it reasonably necessary for adequate *power system* operation and the maintenance of *power system security* and reliability of *supply*, *Registered Participants* who may otherwise be exempted from providing inputs for the *PASA* process must do so to the extent specified by *AEMO*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (g) *Network Service Providers* must provide to *AEMO* an outline of planned *network outages* in accordance with the *timetable* and provide to *AEMO* any other information on planned *network outages* that is reasonably requested by *AEMO* to assist *AEMO* to meet its obligations under clause 3.7.3(h)(5).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (h) *AEMO* must prepare and *publish* the following information for each *trading interval* (unless otherwise specified in subparagraphs (1) to (5)) in the period covered by the *short term PASA* in accordance with clause 3.13.4(c):
- (1) forecasts of the most probable *load* (excluding the relevant aggregated MW allowance referred to in subparagraph (4B)) plus *reserve* requirement (as determined under clause 3.7.3(d)(2)), adjusted to make allowance for *scheduled load*, for each *region*;
 - (2) forecasts of *load* (excluding the relevant aggregated MW allowance referred to in subparagraph (4B)) for each *region* with 10% and 90% probability of exceedence;
 - (3) forecasts of the most probable *energy* (excluding the relevant aggregated MW allowance referred to in subparagraph (4B)) for each *region* and *trading day*;
 - (4) aggregate *generating unit* availability (excluding the relevant aggregated MW allowance referred to in subparagraph (4B)) for each *region*;
 - (4AA) aggregate capacity (excluding the relevant aggregated MW allowance referred to in subparagraph (4B)) for each *region*, after allowing for the impact of *network constraints*, that can be *generated* continuously, calculated by adding the following categories:
 - (i) the *available capacity* of *scheduled generating units* that are able to operate at the availability as notified to AEMO under paragraph (e)(1); and
 - (ii) the forecast *generation* of *semi-scheduled generating units* as provided by the *unconstrained intermittent generation forecasts*;
 - (4AB) aggregate capacity (excluding the relevant aggregated MW allowance referred to in subparagraph (4B)) for each *region*, after allowing for the impact of *network constraints*, that cannot be *generated* continuously at the *available capacity* referred to in subparagraph (4AA)(i) due to specified daily *energy constraints*; and
 - (4A) aggregate *generating unit PASA availability* (excluding the relevant aggregated MW allowance referred to in subparagraph (4B)) for each *region*;
 - (4B) the aggregated MW allowance (if any) to be made by *AEMO* for generation from *non-scheduled generating systems* in each forecast:
 - (i) of the most probable *load* referred to in clause 3.7.3(h)(1); and

- (ii) referred to in clauses 3.7.3(h)(2), (3), (4), (4A), (4AA) and (4AB);
- (4C) in respect of each forecast:
 - (i) of the most probable *load* referred to in clause 3.7.3(h)(1);
 - (ii) referred to in clauses 3.7.3(h)(2), (3), (4), (4A), (4AA) and (4AB),a value that is the sum of that forecast and the relevant aggregated MW allowance (if any) referred to in clause 3.7.3(4B); and
- (5) identification and quantification of:
 - (i) any projected *violations of power system security*;
 - (ii) any projected failure to meet the *reliability standard* as assessed in accordance with the *reliability standard implementation guidelines*;
 - (iii) **[Deleted]**
 - (iv) forecast *interconnector* transfer capabilities and the discrepancy between forecast *interconnector* transfer capabilities and the forecast capacity of the relevant *interconnector* in the absence of outages on the relevant *interconnector* only; and
 - (v) when and where *network constraints* may become binding on the *dispatch* of *generation* or *load*.
- (i) If in performing the *short term PASA AEMO* identifies any projected failure to meet the *reliability standard* in respect of a *region* as assessed in accordance with the *reliability standard implementation guidelines*, then *AEMO* must use its reasonable endeavours to advise the *Jurisdictional System Security Coordinator* who represents a *participating jurisdiction* in that *region* of any potential requirements during such conditions to shed *sensitive loads*.
- (j) *AEMO* must publish the procedure it uses for preparation of the *short term PASA*.

3.7A Congestion information resource

- (a) The objective of the *congestion information resource* is to provide information in a cost effective manner to *Registered Participants* to enable them to understand patterns of *network* congestion and make projections of *market* outcomes in the presence of *network* congestion (the *congestion information resource objective*).

Development of congestion information resource

- (b) To implement the *congestion information resource objective*, AEMO must develop and *publish*, in accordance with this rule 3.7A, an information resource comprising:
 - (1) information on *planned network events* that are likely to materially affect *network constraints* in relation to a *transmission system*;
 - (2) historical data on *mis-pricing* at *transmission network* nodes in the *national electricity market*; and
 - (3) any other information that AEMO, in its reasonable opinion, considers relevant to implement the *congestion information resource objective*,which is to be known as the *congestion information resource*.
- (c) The *congestion information resource* must contain at least the same level of detail as is required to be included in the interim congestion information resource *published* under clause 11.30.2
- (d) AEMO must develop, and amend from time to time, the *congestion information resource*:
 - (1) consistently with the *congestion information resource objective*;
 - (2) in accordance with the *congestion information resource guidelines*; and
 - (3) to incorporate any new, or amend any existing, aspect of the *congestion information resource* where AEMO forms the view that such an amendment will improve the implementation of the *congestion information resource objective*
- (e) Subject to paragraph (f), AEMO must update and *publish* the information contained in the *congestion information resource* (whether in whole or in part) at intervals to be determined by AEMO in accordance with the *congestion information resource guidelines*.
- (f) The intervals determined by AEMO for updating and *publishing* the *congestion information resource* must be included in the *timetable*.
- (g) If there has been a material change to the information contained in the *congestion information resource* and AEMO considers *Registered Participants* require the new information prior to the next periodic update of the *congestion information resource* in accordance with paragraph (e), AEMO may provide *Market Participants* with the new information in accordance with the *congestion information resource guidelines*.
- (h) AEMO must *publish* the first *congestion information resource* by 1 September 2011 and there must be a *congestion information resource* available at all times after that date.

- (i) For the purpose of *publishing* the first *congestion information resource* under paragraph (b), *AEMO* may, subject to paragraph (d), *publish* the interim *congestion information resource* referred to in clause 11.30.2, as the first *congestion information resource*, in whole or in part.
- (j) *AEMO* must not *publish confidential information* as part of, or in connection with, the *congestion information resource*

Congestion information resource guidelines

- (k) *AEMO* must develop and *publish* guidelines (the *congestion information resource guidelines*) in relation to:
 - (1) the categories of information to be contained in the *congestion information resource* including the source of that information;
 - (2) the scope and type of information to be provided by *Transmission Network Service Providers* in accordance with paragraphs (n) and (o);
 - (3) the processes to be implemented by *AEMO* to obtain the information from *Transmission Network Service Providers* in accordance with paragraphs (n) and (o);
 - (4) the determination of the intervals for updating and *publishing* the *congestion information resource* under paragraph (e); and
 - (5) the processes to be implemented by *AEMO* for providing *Registered Participants* with information under paragraph (g).
- (l) *AEMO* must develop and *publish* the first *congestion information resource guidelines* in accordance with the *Rules consultation procedures* by 1 September 2010 and there must be a set of *congestion information resource guidelines* available and up to date at all times after that date.
- (m) *AEMO* must amend the *congestion information resource guidelines* in accordance with the *Rules consultation procedures*.

Information of Transmission Network Service Providers

- (n) In addition to the obligations imposed on *Transmission Network Service Providers* by rule 3.7, *Transmission Network Service Providers* must provide *AEMO* with the information specified in the *congestion information resource guidelines* as information that is to be provided by them:
 - (1) in a form which clearly identifies *confidential information*; and
 - (2) in accordance with the *congestion information resource guidelines*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (o) If there has been a material change to the information provided by a *Transmission Network Service Provider* under paragraph (n), the *Transmission Network Service Provider* must provide AEMO with the revised information as soon as practicable.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (p) Information contained in the *congestion information resource* which has been provided by, or has been derived from information provided by, a *Transmission Network Service Provider* under this rule 3.7A:
 - (1) must represent the *Transmission Network Service Provider's* current intentions and best estimates regarding *planned network events* at the time the information is made available;
 - (2) does not bind the *Transmission Network Service Provider* to comply with an advised *outage* program; and
 - (3) may be subject to change due to unforeseen circumstances outside the control of the *Transmission Network Service Provider*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.7B Unconstrained intermittent generation forecast

- (a) AEMO must prepare a forecast of the *available capacity* of each *semi-scheduled generating unit* (to be known as an *unconstrained intermittent generation forecast*) in accordance with this rule 3.7B for the purposes of:
 - (1) the *projected assessment of system adequacy process*;
 - (2) *dispatch*; and
 - (3) *pre-dispatch*.
- (b) A *Semi-Scheduled Generator* must:
 - (1) submit to AEMO, in accordance with the *timetable*, the *plant availability* for each *semi-scheduled generating unit* for the purpose of paragraph (a) as soon as the *Semi-Scheduled Generator* becomes aware that the *plant availability* of the unit is at least 6MW below or above the *nameplate rating* of the unit; and
 - (2) where the *Semi-Scheduled Generator* has submitted *plant availability* in accordance with subparagraph (1), notify AEMO in accordance with

the *timetable* as soon as the *Semi-Scheduled Generator* becomes aware of any changes to the *plant availability* of that *semi-scheduled generating unit* until such time as the *plant availability* of that *semi-scheduled generating unit* is no longer at least 6MW below or above the *nameplate rating* of the unit.

Note

This rule is classified as a civil penalty provision under the National Electricity (South Australia) Regulations.

- (c) When preparing an *unconstrained intermittent generation forecast* for the purposes referred to in paragraph (a), *AEMO* must take into account:
- (1) the maximum *generation* of the *semi-scheduled generating unit* provided by the *Semi-Scheduled Generator* as part of its *bid and offer validation data*;
 - (2) the *plant availability* of the *semi-scheduled generating unit* submitted by the *Semi-Scheduled Generator* under paragraph (b);
 - (3) the information obtained for the *semi-scheduled generating unit* from the *remote monitoring equipment* specified in clause S5.2.6.1;
 - (4) the forecasts of the energy available for input into the electrical power conversion process for each *semi-scheduled generating unit*;
 - (5) the *energy conversion model* for each *semi-scheduled generating unit*;
 - (6) the assumption that there are no *network constraints* otherwise affecting the *generation* from that *semi-scheduled generating unit*; and
 - (7) the timeframes of:
 - (i) *pre-dispatch*;
 - (ii) *dispatch*,
 - (iii) *medium term PASA*; and
 - (iv) *short term PASA*.
- (d) *NEMMCO* must prepare the first *unconstrained intermittent generation forecast* for each *semi-scheduled generating unit* by 31 March 2009 and there must be an *unconstrained intermittent generation forecast* for each *semi-scheduled generating unit* available at all times after that date.

3.7C Energy Adequacy Assessment Projection

Purpose of EAAP

- (a) The purpose of the *energy adequacy assessment projection* (or *EAAP*) is to make available to *Market Participants* and other interested persons an

analysis that quantifies the impact of *energy constraints* on *energy* availability over a 24 month period under a range of scenarios.

EAAP principles

- (b) The *EAAP* must:
- (1) cover a 24 month period; ;
 - (2) be *published* at least once in every 12 month period and more frequently if required under paragraph (d);
 - (3) provide a probabilistic assessment of projected *energy* availability for each *region*;
 - (4) provide projected *unserved energy* levels for each *region* with a monthly resolution;
 - (5) provide aggregated information on the adequacy of *energy* availability for each scenario that *AEMO* defines for the purposes of the *EAAP*, based on information received from *Registered Participants* and on anticipated *power system* constraints;
 - (6) take into account:
 - (A) where relevant, the information and *medium term PASA* inputs referred to in clauses 3.7.1 and 3.7.2;
 - (B) where relevant, the matters *AEMO* considers in, and for the purposes of, preparing the *NTNDP*;
 - (C) *Generator Energy Limitation Frameworks* provided in accordance with paragraph (g), including *GELFs* that apply to more than one *scheduled generating unit* under clause 3.7C(k)(6) where those *GELFs* adequately represent the relevant *generating units*; and
 - (D) *GELF parameters* for each *GELF* which are provided in accordance with the *EAAP guidelines* and are updated in accordance with the *timetable*.
- (c) *AEMO* must comply with the *EAAP principles* in preparing the *EAAP*.

Administration of EAAP

- (d) *AEMO* must *publish* the *EAAP*:
- (1) at least once in every 12 month period in accordance with the *timetable*; and
 - (2) as soon as practicable after becoming aware of any new information that may materially alter the most recently published *EAAP*.

- (e) For the purposes of preparing the *EAAP*, a *Scheduled Generator* must provide *AEMO* with the following information in accordance with the *timetable*:
 - (1) updated *GELF parameters* for each *GELF* provided by it in accordance with paragraph (g); and
 - (2) other information that supplements the data provided under subparagraph (1) that is reasonably required by *AEMO* to study the scenarios defined in the *EAAP guidelines*.
- (f) In considering whether information referred to in subparagraph (e)(2) is reasonably required, *AEMO* must have regard to the likely costs that may be incurred by the *Scheduled Generator* in preparing and providing that information compared to the likely benefits from the use of that information for the purposes of the *EAAP*.

Generator Energy Limitation Framework

- (g) A *Scheduled Generator* must prepare and submit to *AEMO*, in accordance with the *EAAP guidelines* and for the purposes of the *EAAP*, a description of the *energy constraints* that affect the ability of each of its *scheduled generating units* to generate electricity (*GELF* or *Generator Energy Limitation Framework*). The *GELF* must be in a form that adequately represents that *generating unit* sufficient for *AEMO* to include the *GELF* in the *EAAP*.
- (h) A *GELF* submitted under paragraph (g) must be supplemented by *GELF parameters* for that *GELF* as defined in the *EAAP guidelines*, and those parameters must be updated:
 - (1) at least every 12 months in accordance with the *timetable*; and
 - (2) in accordance with the *EAAP guidelines*, if *AEMO* is required to publish an *EAAP* under paragraph (d)(2).
- (i) Without limiting paragraph (h), if a *Scheduled Generator* has submitted a *GELF* under paragraph (g) and there has been a material *change* to any of its *scheduled generating units* which has an impact on the *energy constraints* associated with that *GELF*, the *Scheduled Generator* must revise and re-submit the *GELF* in accordance with that paragraph.
- (j) Subject to paragraph (r), a *GELF* or information provided in relation to a *GELF* to *AEMO* must be treated by *AEMO* as *confidential information*.

EAAP guidelines

- (k) *AEMO* must develop and *publish* guidelines (the *EAAP guidelines*) that:
 - (1) define scenarios that *AEMO* must study in preparing the *EAAP*, including any scenarios that the *Reliability Panel* has identified for study for the purposes of preparing the *EAAP*;

- (2) define modelling assumptions for the *EAAP*;
- (3) define the components of a *GELF* that a *Scheduled Generator* must include in a *GELF* submitted under paragraph (g);
- (4) provide detail on the forms of the *GELF* sufficient for a *Scheduled Generator* to meet the requirements of paragraph (g);
- (5) define variable parameters specific to a *GELF* (*GELF parameters*) that are likely to have a material impact on the *GELF* and therefore the *EAAP*, and which may include, but are not limited to, parameters in relation to:
 - (i) hydro storage including pump storage;
 - (ii) thermal generation fuel;
 - (iii) cooling water availability; and
 - (iv) gas supply limitations;
- (6) define circumstances where a *GELF* submitted under paragraph (g) can apply to a collection of *scheduled generating units* that face common *energy constraints* due to their geographic location, access to fuel source or another similar reason;
- (7) define the form of information to be submitted by each *Scheduled Generator* in accordance with paragraph (e);
- (8) define arrangements for managing the confidentiality of information submitted to *AEMO* under this rule 3.7C; and
- (9) specify when a *Scheduled Generator* is required to update a *GELF* under paragraph (h)(2).
- (l) The scenarios that are defined for the purposes of subparagraph (k)(1) may include, but are not limited to:
 - (1) water conditions such as normal rainfall and drought;
 - (2) material restrictions on the supply of a significant fuel source;
 - (3) other limits on a fuel source for a major form of generation; and
 - (4) any other scenario that *AEMO* reasonably considers will have a material impact on the *EAAP*.
- (m) *AEMO* must comply with the *EAAP principles* in preparing the *EAAP guidelines*.
- (n) *AEMO* must comply with the *EAAP guidelines* in preparing the *EAAP*.

- (o) *AEMO* must develop and *publish* the *EAAP guidelines* in accordance with the *Rules consultation procedures*.
- (p) **[Deleted]**
- (q) *AEMO* may from time to time in accordance with the *Rules consultation procedures* amend or replace the *EAAP guidelines*.

Provision of information to Scheduled Generators

- (r) *AEMO* must provide to each *Scheduled Generator*, based on the relevant *GELF*, an estimate of the total *energy* production of the *scheduled generating units* of that *Scheduled Generator* for the period of the *EAAP*.

Review

- (s) **[Deleted]**.

3.7D Demand side participation information

Definitions

- (a) In this rule:

contracted demand side participation means, in relation to a *Registered Participant*, a contractual arrangement under which a person and the *Registered Participant* agree to the curtailment of *non-scheduled load* or the provision of unscheduled generation in certain specified circumstances.

demand side participation information means the information referred to in subparagraph (e)(1).

demand side participation information guidelines means the guidelines as made and amended by *AEMO* in accordance with paragraphs (e) to (i).

unscheduled generation means *generation* from a *generating system* connected to a *transmission system* or *distribution system* which is not a *scheduled generating system* or *semi-scheduled generating system*.

Registered Participants to provide demand side participation information to AEMO

- (b) *Registered Participants* must provide demand side participation information to *AEMO* in accordance with the demand side participation information guidelines.

AEMO to take into account demand side participation information

- (c) *AEMO* must take into account the demand side participation information it receives under this rule 3.7D when developing or using *load* forecasts for the purposes of the exercise of its functions under the *Rules*.

- (d) *AEMO* must *publish* details, no less than annually, on the extent to which, in general terms, demand side participation information received under this rule 3.7D has informed *AEMO's* development or use of *load* forecasts for the purposes of the exercise of its functions under the *Rules*.

Demand side participation information guidelines

- (e) *AEMO* must develop, maintain and *publish* guidelines that specify:
 - (1) the information *Registered Participants* must provide to *AEMO* in relation to:
 - (i) contracted demand side participation; and
 - (ii) to the extent not covered by subparagraph (1)(i), the curtailment of *non-scheduled load* or the provision of unscheduled generation in response to the demand for, or price of, electricity,

which may include, but is not limited to:
 - (iii) the circumstances under which *non-scheduled load* may be curtailed or unscheduled generation may be provided;
 - (iv) the location at which *non-scheduled load* may be curtailed or unscheduled generation may be provided;
 - (v) the quantity of *non-scheduled load* that may be curtailed or unscheduled generation that may be provided; and
 - (vi) historic or current information;
 - (2) when *Registered Participants* must provide and update demand side participation information;
 - (3) how demand side participation information is to be provided, including, for example:
 - (i) the format in which the information must be provided; and
 - (ii) any information *AEMO* requires to assess the accuracy of the information;
 - (4) *AEMO's* methodology for assessing the accuracy of demand side participation information provided to it under this rule 3.7D; and
 - (5) the manner and form in which *AEMO* will *publish* details, in accordance with paragraph (d), on the extent to which demand side participation information has informed its *load* forecasts.
- (f) In developing and amending the demand side participation information guidelines, *AEMO* must:

- (1) have regard to the reasonable costs of efficient compliance by *Registered Participants* with the guidelines compared to the likely benefits from the use of demand side participation information provided under this rule 3.7D in forecasting *load* for the purposes of the exercise of its functions under the *Rules*; and
- (2) subject to paragraph (g), consult with:
 - (i) *Registered Participants*; and
 - (ii) such other persons who, in *AEMO*'s reasonable opinion, have, or have identified themselves to *AEMO* as having, an interest in the demand side participation information guidelines,in accordance with the *Rules consultation procedures*.
- (g) *AEMO* is not required to comply with the *Rules consultation procedures* when making minor or administrative amendments to the demand side participation information guidelines.
- (h) The demand side participation information guidelines must include a minimum period of 3 months between the date of *publication* and the date when the guidelines commence other than when the guidelines are amended under paragraph (g), in which case the guidelines may commence on the date of *publication*.
- (i) There must be demand side participation information guidelines in place at all times after the first demand side participation information guidelines are published by *AEMO* under these *Rules*.

3.8 Central Dispatch and Spot Market Operation

3.8.1 Central Dispatch

- (a) *AEMO* must operate a *central dispatch* process to *dispatch scheduled generating units, semi-scheduled generating units, scheduled loads, scheduled network services and market ancillary services* in order to balance *power system supply* and demand, using its reasonable endeavours to maintain *power system security* in accordance with Chapter 4 and to maximise the value of *spot market* trading on the basis of *dispatch offers* and *dispatch bids*.
- (b) The *central dispatch* process should aim to maximise the value of *spot market* trading i.e. to maximise the value of *dispatched load* based on *dispatch bids* less the combined cost of *dispatched generation* based on *generation dispatch offers, dispatched network services* based on *network dispatch offers*, and *dispatched market ancillary services* based on *market ancillary service offers* subject to:
 - (1) *dispatch offers, dispatch bids and market ancillary service offers*;

- (2) *constraints*:
 - (i) due to availability and *commitment*; or
 - (ii) in the case of *semi-scheduling generating units*, identified by the *unconstrained intermittent generation forecast*;
 - (3) *non-scheduled load* requirements in each *region*;
 - (4) *power system security* requirements determined as described in Chapter 4 and the *power system security standards*;
 - (5) *network constraints*;
 - (6) *intra-regional losses* and *inter-regional losses*;
 - (7) *constraints* consistent with *dispatch bid* and *dispatch offer* data;
 - (8) current levels of *dispatched generation*, *load* and *market network services*;
 - (9) *constraints* imposed by *ancillary services* requirements;
 - (10) arrangements designed to ensure pro-rata loading of tied *dispatch bid* and *dispatch offer* data;
 - (11) ensuring that as far as reasonably practical, in relation to a *AEMO intervention event*:
 - (A) the number of *Affected Participants*; and
 - (B) the effect on *interconnector flows*,is minimised; and
 - (12) the management of negative *settlements residue*, in accordance with clause 3.8.10 and any guidelines issued by *AEMO* under clause 3.8.10(c).
- (c) *AEMO* must establish procedures to allow relaxation of *power system constraints* listed in clause 3.8.1(b) in order to resolve infeasible *dispatch* solutions, subject to the following principles:
- (1) the procedures are developed in consultation with *Registered Participants* to achieve a reasonable *dispatch* outcome while maintaining consistency with *AEMO's* obligations to maintain *power system security* and the pricing principles listed in clause 3.9.1; and
 - (2) *AEMO* must report to *Registered Participants* any events requiring the relaxation of these *constraints*.

- (d) *AEMO* must develop and *publish* a *dispatch algorithm* to be used by *AEMO* for the purpose of *central dispatch* and pricing in accordance with rules 3.8 and 3.9.
- (e) *AEMO* must use the *dispatch algorithm* to determine the *loading level* in MW for each *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled network service* or *scheduled load* in each *dispatch interval* in accordance with the principles set out in clause 3.8.1(b).
- (e1) *AEMO* must use the *dispatch algorithm* to determine the quantity of each *market ancillary service* which will be *enabled* for each *ancillary service generating unit* or *ancillary service load*.
- (e2) When *AEMO* determines the quantity of each *market ancillary service* which will be *enabled*, *AEMO* must determine:
 - (1) the required quantity of each *market ancillary service* that may be sourced from any *region* (referred to as the *global market ancillary service requirement*); and
 - (2) any required quantity of such *market ancillary service* which must only be sourced from one or more nominated *regions* (referred to as a *local market ancillary service requirement*).
- (f) *AEMO* may investigate from time to time:
 - (1) the scope for further development of the *dispatch algorithm* beyond the minimum requirements specified in clause 3.8.1(b); and
 - (2) the sufficiency of the *dispatch algorithm* in meeting the minimum requirements specified in clause 3.8.1(b),and following compliance with the *Rules consultation procedures*, *publish* a report setting out its recommendations.

3.8.2 Participation in central dispatch

- (a) A *Generator* must submit *generation dispatch offers* in respect of its *scheduled generating units* or *semi-scheduled generating units* (as the case may be) for each *trading day* in accordance with clause 3.8.6.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) *Generation dispatch offers* for a *scheduled generating unit* must include a specified *self-dispatch level* and may include prices and MW quantities for increased or decreased levels of *generation* above or below this *self-dispatch level*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b1) A *Scheduled Network Service Provider* must submit *network dispatch offers* in respect of each of its *scheduled network services* for each *trading day* in accordance with clause 3.8.6A.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) Subject to clause 3.8.2(d), *dispatch bids* may be submitted by *Market Participants* in respect of *scheduled loads*, in accordance with clause 3.8.7, and may specify prices and MW quantities for any *trading interval* either for reductions or increases in *load*.
- (c1) *Market ancillary service offers* may be submitted by *Ancillary Service Providers* in respect of *market ancillary services* in accordance with clause 3.8.7A.
- (d) *Dispatch bids* and *market ancillary service offers* will only be included in the *central dispatch* process by *AEMO* if it is satisfied that adequate communication and/or telemetry is available to support the issuing of *dispatch instructions* and the audit of responses.
- (e) If *AEMO* considers it reasonably necessary for adequate system operation and the maintenance of *power system security*, *Registered Participants* who may otherwise be exempted from participating in the *central dispatch* process must do so to the extent and in the capacity specified by *AEMO*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.8.3 Bid and offer aggregation guidelines

- (a) *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* who wish to aggregate their relevant *generating units*, *scheduled network services* or *scheduled loads* for the purpose of *central dispatch* must apply to *AEMO* to do so.
- (a1) *Market Customers* or *Market Ancillary Service Providers* (as applicable) who wish to aggregate two or more *loads* so they are treated as one *ancillary service load* for the purpose of *central dispatch*, must apply to *AEMO* to do so.
- (b) *AEMO* must approve applications for aggregation made under paragraph (a) if the following conditions are fulfilled:

- (1) aggregated *generating units* or *loads* must be:
 - (i) *connected* at a single site with the same *intra-regional loss factor* or, if two *intra-regional loss factors* are determined for the site under clause 3.6.2(b)(2), the same two *intra-regional loss factors*; and
 - (ii) operated by a single *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*;
 - (2) aggregated *scheduled network services* must be *connected* at the same two sites, have the same *intra-regional loss factors*, have the same *distribution loss factors* where applicable and be operated by the same *Generator* or *Market Participant*;
 - (3) *power system security* must not be materially affected by the proposed aggregation; and
 - (4) *control systems* such as *automatic generation control systems* must satisfy the *Rules* after aggregating.
- (b1) AEMO must approve applications for aggregation made under paragraph (a1) if the following conditions are fulfilled:
- (1) aggregated *ancillary services loads* must be *connected* within a single *region* and be operated by a single person (whether in its capacity as a *Market Customer*, *Market Ancillary Service Provider* or both);
 - (2) *power system security* must not be materially affected by the proposed aggregation; and
 - (3) *control systems* must satisfy the requirements of clause 2.3.5(e)(1) and (2) after aggregating.
- (c) Notwithstanding that one or more of the conditions set out in paragraph (b) may not have been fulfilled by the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*, AEMO may approve an application for aggregation provided that such aggregation would not materially distort *central dispatch*.
- (d) Subject to paragraph (f), for the purposes of Chapter 3 (except rule 3.7B) and rule 4.9, a reference to a *generating unit*, *scheduled load* and *scheduled network service* is only taken as a reference to aggregated *generating units*, aggregated *scheduled network services* and aggregated *scheduled loads* aggregated in accordance with this clause 3.8.3.
- (e) AEMO must evaluate applications for aggregation and reply within 20 *business days* of receipt of the application setting out whether the application is to be approved and the conditions that apply to the proposed approval.

- (f) *Scheduled Generators* and *Market Participants* that have been granted aggregated status must, if required by AEMO, declare individual *scheduled generating unit*, *scheduled network service* or *scheduled load* availability and operating status to AEMO in the PASA process under rule 3.7 to allow *power system security* to be effectively monitored.
- (g) If a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant's* application for aggregation is denied by AEMO, AEMO must provide that applicant with reasons for that denial.
- (h) AEMO must maintain a database of aggregated *scheduled generating units*, *semi-scheduled generating units*, *scheduled network services*, *scheduled loads* and *ancillary services loads* and their components.
- (i) For the avoidance of doubt, *semi-scheduled generating units* which are registered as a single *semi-scheduled generating unit* under clause 2.2.7 are not aggregated *semi-scheduled generating units* for the purposes of Chapter 3 and rule 4.9.

3.8.3A Ramp rates

- (a) This clause 3.8.3A applies to a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* with *generating units*, *scheduled network services* and/or *scheduled loads* providing *ramp rates* to AEMO in accordance with the following clauses:
 - (1) with respect to notification of scheduled capacity prior to *dispatch*:
 - (i) clause 3.8.4(c);
 - (ii) clause 3.8.4(e);
 - (iii) clause 3.8.4(d);
 - (2) with respect to offers for *dispatch*:
 - (i) clause 3.8.6(a)(2);
 - (ii) clause 3.8.6(g);
 - (iii) clause 3.8.6A(b);
 - (iv) clause 3.8.7(c); and
 - (3) with respect to *rebids*, clause 3.8.22(b)
- (b) Subject to clauses 3.8.3A(c) and 3.8.3A(i), a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* to which this clause 3.8.3A applies must provide an up *ramp rate* and a down *ramp rate* to AEMO for each *generating unit*, *scheduled network service* and/or *scheduled load* that is:

- (1) at least:
 - (i) in the case of a *scheduled network service* or *scheduled load* that is not aggregated in accordance with clause 3.8.3, 3MW/minute; or
 - (ii) in the case of a *scheduled network service* or *scheduled load* that is aggregated in accordance with clause 3.8.3, the amount equal to the product of 3MW/minute and the number of individual *scheduled network services* or individual *scheduled loads* (and for the avoidance of doubt clause 3.8.3 does not apply to this paragraph (b)(1)(ii)); or
 - (iii) in the case of a *scheduled generating unit*, or *semi-scheduled generating unit* that is not aggregated in accordance with clause 3.8.3, the *generating unit minimum ramp rate requirement*; or
 - (iv) in the case of a *scheduled generating unit*, or *semi-scheduled generating unit* that is aggregated in accordance with clause 3.8.3, the sum of the *generating unit minimum ramp rate requirements* for each individual *generating unit* (and for the avoidance of doubt clause 3.8.3 does not apply to this paragraph (b)(1)(iv)); and
- (2) at most the relevant *maximum ramp rate* provided in accordance with clause 3.13.3(b).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* to which this clause 3.8.3A applies may provide a *ramp rate* to AEMO that is less than that specified in clause 3.8.3A(b)(1) if the *ramp rate* is affected by an event or other occurrence that:
 - (1) physically prevents the relevant *generating unit*, *scheduled load* or *scheduled network service* from attaining a *ramp rate* of at least that specified in clause 3.8.3A(b)(1); or
 - (2) makes it unsafe for the relevant *generating unit*, *scheduled load* or *scheduled network service* to operate at a *ramp rate* of at least that specified in clause 3.8.3A(b)(1),for the period of time in which the *ramp rate* is so affected by that event or other occurrence.
- (d) If a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* to which this clause 3.8.3A applies provides a *ramp rate* that is less than that specified in clause 3.8.3A(b)(1), it must provide a *ramp rate* to AEMO

that is the maximum the relevant *generating unit, scheduled load* or *scheduled network service* can safely attain at that time.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (e) If a *Scheduled Generator, Semi-Scheduled Generator* or *Market Participant* to which this clause 3.8.3A applies provides a *ramp rate* that is less than that specified in clause 3.8.3A(b)(1), it must simultaneously provide AEMO with a brief, verifiable and specific reason why the *ramp rate* is below that specified in clause 3.8.3A(b)(1).
- (f) The AER may require, upon written request, the *Scheduled Generator, Semi-Scheduled Generator* or *Market Participant* to provide such additional information as it may require from time to time to substantiate and verify the reason provided in clause 3.8.3A(e).
- (g) The AER must exercise its powers under clause 3.8.3A(f) in accordance with any guidelines issued by the AER from time to time in accordance with the *Rules consultation procedures*.
- (h) If a *Scheduled Generator, Semi-Scheduled Generator* or *Market Participant* to which this clause 3.8.3A applies provides a *maximum ramp rate* in accordance with clause 3.13.3(b) of less than that specified in clause 3.8.3A(b)(1), it must provide AEMO with a brief, verifiable and specific reason why the *ramp rate* is below that specified in clause 3.8.3A(b)(1).
- (i) Clauses 3.8.3A(b), 3.8.3A(c) and 3.8.3A(e) do not apply to a *Scheduled Generator, Semi-Scheduled Generator* or *Market Participant* to which this clause 3.8.3A applies if:
 - (1) it has provided a *maximum ramp rate* in accordance with clause 3.13.3(b) which is less than that specified in clause 3.8.3A(b)(1); and
 - (2) it has notified AEMO of this in accordance with clause 3.8.3A(h).
- (j) In addition to the obligations in clause 3.8.3A(d), if clause 3.8.3A(i) applies, the *Scheduled Generator, Semi-Scheduled Generator* or *Market Participant* must only provide *ramp rates* that are, at most, the *maximum ramp rate* for the relevant *generating unit, scheduled load* or *scheduled network service* in accordance with clause 3.13.3(b).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.8.4 Notification of scheduled capacity

All *Scheduled Generators* and *Market Participants* with *scheduled generating units*, *scheduled network services* and/or *scheduled loads* must inform AEMO of their available capacity as follows in accordance with the *timetable*:

- (a) *Scheduled Generators* and *Market Participants* must notify AEMO of the available capacity of each *scheduled generating unit*, *scheduled network service* and/or *scheduled load* for each *trading interval* of the *trading day*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) subsequent *changes* may only be made to the information provided under clause 3.8.4(c), (d) and (e) in accordance with clause 3.8.22;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) for *Scheduled Generators*, two days ahead of each *trading day*:
 - (1) a MW capacity profile that specifies the MW available for each of the 48 *trading intervals* in the *trading day*;
 - (2) estimated *commitment* or *decommitment* times;
 - (3) daily *energy* availability for *energy constrained generating units*; and
 - (4) an up *ramp rate* and a down *ramp rate*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) for *scheduled loads*, two days ahead of each *trading day*:
 - (1) a MW capacity profile that specifies the MW available for *dispatch* for each of the 48 *trading intervals* in the *trading day*;
 - (2) daily *energy* availability for *energy constrained scheduled load*; and
 - (3) an up *ramp rate* and a down *ramp rate*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (e) for *scheduled network services*, two *days* ahead of each *trading day*:
 - (1) a MW capacity profile that specifies the *power transfer capability* in each direction available for each of the 48 *trading intervals* in the *trading day*; and
 - (2) an up *ramp rate* and a down *ramp rate*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.8.5 Submission timing

- (a) To be valid for inclusion in the *central dispatch* process, a *dispatch bid* or *dispatch offer* or *market ancillary service offer* must be submitted according to the *timetable*.
- (b) Subject to clause 3.8.22, changes to the:
 - (1) MW quantities in the *dispatch bids*;
 - (2) MW quantities and *off-loading prices* in the *generation dispatch offers*; and
 - (3) MW quantities in the *network dispatch offers*,may be made after the relevant deadline in the *timetable*.
- (c) The submission of *dispatch bids*, *dispatch offers* and *market ancillary service offers* to AEMO must be made using the *electronic communication system* unless otherwise approved by AEMO.

3.8.6 Generating unit offers for dispatch

Scheduled Generator

- (a) A *Scheduled Generator's dispatch offer* must:
 - (1) contain its intended *self-dispatch level* for each *trading interval*, and may contain up to 10 *price bands* which may be for:
 - (i) possible *dispatch* above the intended *self-dispatch level*; or
 - (ii) possible *off-loading* below the intended *self-dispatch level*,
by *dispatch instruction*;
 - (2) specify for each of the 48 *trading intervals* in the *trading day*:
 - (i) a MW capacity for the intended *self-dispatch level*;

- (ii) an incremental MW amount for each *price band* specified in the *dispatch offer*; and
 - (iii) an up *ramp rate* and a down *ramp rate*;
 - (3) where the offer specifies a *self-dispatch level* of more than zero, specify at least one *price band* for *off-loading* below the intended *self-dispatch level* and the total MW quantity in *price bands* specified for *off-loading* in each *trading interval* must equal the MW quantity of the *self-dispatch level* for that *trading interval* to enable possible *off-loading* to a zero *dispatch level*; and
 - (4) specify a *loading price* or an *off-loading price* for each *price band* specified in the *dispatch offer*, in dollars and whole cents per MWh, and this price is to apply to the *price band* throughout the *trading day*.
- (b) A *Scheduled Generator's dispatch offer* may specify the daily energy available for *energy constrained scheduled generating units*.
 - (c) A *Scheduled Generator's loading prices* offered must be equal to or greater than \$0/MWh and may not exceed the product of the *market price cap* multiplied by the relevant *intra-regional loss factor* at the *Scheduled Generator's transmission network connection point* for the *scheduled generating unit*.
 - (d) A *loading price* of a *Scheduled Generator* specified for a *price band* is to be interpreted as the minimum price at which up to the specified MW increment is to be loaded in the *central dispatch* process.
 - (e) A *Scheduled Generator's off-loading prices* must be less than \$0/MWh, that is, negative in sign and may not be less than the product of the *market floor price* multiplied by the relevant *intra-regional loss factor* at the *Scheduled Generator's transmission network connection point* for the *scheduled generating unit*.
 - (f) An *off-loading price* of a *Scheduled Generator* specified for a *price band* is to be interpreted as the maximum price payable to AEMO by the *Scheduled Generator* in respect of the *generating unit's sent out generation* with the *generating unit's* output reduced below its specified *self-dispatch level* in the *central dispatch* process by an amount less than the specified MW increment.

Semi-Scheduled Generator

- (g) A *Semi-Scheduled Generator's dispatch offer* may contain up to 10 *price bands* and must specify for each of the 48 *trading intervals* in the *trading day*:
 - (1) an incremental MW amount for each *price band* specified in the *dispatch offer*; and
 - (2) an up *ramp rate* and a down *ramp rate*.

Semi-Scheduled and Scheduled Generators

(h) A *dispatch offer* of a *Semi-Scheduled Generator* or *Scheduled Generator* must meet the following requirements:

- (1) the MW quantities specified are to apply at the terminals of the *semi-scheduled generating unit* or *scheduled generating unit* or, with AEMO's agreement, at any other point in the relevant *Generator's* electrical installation or on the *network*;
- (2) prices specified for each *price band* specified in the *dispatch offer* must increase monotonically with an increase in available MWs;
- (3) prices specified are to apply at the *connection point* of the *semi-scheduled generating unit* or the *scheduled generating unit* (as the case may be) and for the purposes of *central dispatch* shall be referred to the *regional reference node* to which that *connection point* is assigned as follows:

$$RP = DOP \div LF$$

where

RP is the price specified in the *dispatch offer* when referred to the appropriate *regional reference node* and must not be greater than the *market price cap* or less than the *market floor price*;

DOP is the price as specified in the *dispatch offer*; and

LF where the *connection point*:

- (i) is a *transmission network connection point*, is the relevant *intra-regional loss factor* at that *connection point*; or
 - (ii) is a *distribution network connection point*, is the product of the *distribution loss factor* at that *connection point* multiplied by the relevant *intra-regional loss factor* at the *transmission network connection point* to which it is assigned; and
- (4) the MW quantity specified in each *price band* in each *trading interval* must be specified in whole MW.

Note

Where two *intra-regional loss factors* are determined for a *transmission network connection point* under clause 3.6.2(b)(2), AEMO will determine the relevant *intra-regional loss factor* for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).

3.8.6A Scheduled network service offers for dispatch

The following requirements apply to a *network dispatch offer* to provide *scheduled network services*:

- (a) the *network dispatch offer* may contain up to a maximum of ten *price bands* for each direction of power flow for the *scheduled network service*;
- (b) the *network dispatch offer* must specify for each of the 48 *trading intervals* in the *trading day*:
 - (1) an incremental power delivery range for each *price band* specified in the *network dispatch offer*; and
 - (2) an up *ramp rate* and a down *ramp rate*;
- (c) the *network dispatch offer* must specify a price for each *price band* in dollars and whole cents per MWh and this price is to apply to the *price band* throughout the *trading day*;
- (d) within the set of *price bands* applying to a particular direction of power flow, prices specified for each *price band* specified in the *network dispatch offer* must increase monotonically with an increase in available MWs;
- (e) if negative prices are employed, the absolute value of the most negative price in one direction cannot exceed the price for the first *price band* in the opposite direction, after adjustment for losses;
- (f) the price specified in a *price band* for power transfer from the *scheduled network service's connection point A* to *connection point B* is to be interpreted in the *central dispatch* process as meaning that the *Scheduled Network Service Provider* is willing to deliver an increment of power to *connection point B*, within the power delivery range of the power band, provided that the net revenue which is expected to be derived from that increment per MWh delivered to *connection point B* is not less than the specified price;
- (g) for the purposes of this clause 3.8.6A, the net revenue that a *Scheduled Network Service Provider* expects to receive for energy delivered by the *scheduled network service* to *connection point B* is to be determined as follows:

$$\text{net revenue} = \text{PB} \times \text{FB} - \text{PA} \times \text{FA}$$

where

PA and PB are the prices at the *scheduled network service's connection points A* and *B*, which are assumed not to change as a result of the incremental transfer;

FA and FB are the energy transfers scheduled by *central dispatch* for receipt by the *scheduled network service* at *connection point A* and delivery at *connection point B* respectively; and

FA and FB are deemed to be related by the loss vs flow relationship published by AEMO;

- (h) for the purposes of this clause 3.8.6A, the price at a *connection point* will be deemed to be related as follows to the price at the *regional reference node* to which that *connection point* is assigned:

$$P = RP \times LF$$

where

P is the price at the *connection point*;

RP is the price at the appropriate *regional reference node*; and

LF where the *scheduled network service's connection point* is a *transmission network connection point*, is the relevant *intra-regional loss factor* at that *connection point*, or where the *scheduled network service's connection point* is a *distribution network connection point*, is the product of the *distribution loss factor* at that *connection point* multiplied by the relevant *intra-regional loss factor* at the *transmission network connection point* to which it is assigned;

- (i) prices specified in the *network dispatch offer* must not exceed the *market price cap* or be less than the *market floor price*; and
- (j) the power delivery range specified in each *price band* in each *trading interval* must be specified in whole MW.

Note

Where two *intra-regional loss factors* are determined for a *transmission network connection point* under clause 3.6.2(b)(2), AEMO will determine the relevant *intra-regional loss factor* for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).

3.8.7 Bids for scheduled load

The following requirements apply to a *dispatch bid* for *scheduled loads*:

- (a) the *dispatch bid* must specify whether the *scheduled load* is to be considered as *normally on* or *normally off*;
- (b) the *dispatch bid* may contain up to a maximum of ten *price bands*;
- (c) the *dispatch bid* must specify for each of the 48 *trading intervals* in the *trading day*:
 - (1) an incremental MW amount for each *price band* specified in the *dispatch bid*; and
 - (2) an up *ramp rate* and a down *ramp rate*;
- (d) the *dispatch bid* must specify a price for each *price band* in dollars and whole cents per MWh and this price is to apply to the *price band* throughout the *trading day*;

- (e) prices specified for each *price band* specified in the *dispatch bid* must increase monotonically with an increase in available MWs;
- (f) prices specified are to apply at the *scheduled load's connection point* and for the purposes of *central dispatch* shall be referred to the *regional reference node* to which that *connection point* is assigned as follows:

$$RP = DOP \div LF$$

where

RP is the price specified in the *dispatch bid* when referred to the appropriate *regional reference node*;

DOP is the price as specified in the *dispatch bid*; and

LF where the *scheduled load's connection point* is a *transmission network connection point*, is the relevant *intra-regional loss factor* at that *connection point*, or where the *scheduled load's connection point* is a *distribution network connection point*, is the product of the *distribution loss factor* at that *connection point* multiplied by the relevant *intra-regional loss factor* at the *transmission network connection point* to which it is assigned;

- (g) MW quantities specified for a *price band* are to apply at the *scheduled load's connection point* or at any other point in the *Market Participant's* electrical installation or on the *network* as agreed to by *AEMO*;
- (h) prices specified must be:
 - (1) more than the product of the *market floor price* multiplied by the relevant *intra-regional loss factor* at the *scheduled load's transmission network connection point*; and
 - (2) less than the product of the *market price cap* multiplied by the relevant *intra-regional loss factor* at the *scheduled load's transmission network connection point*;
- (i) for a *scheduled load* specified in the *dispatch bid* as being *normally on*, the price specified for a *price band* is to be interpreted in the *central dispatch* process as the price at or above which the *scheduled load* will reduce electricity consumed by up to the MW increment specified in that *price band*;
- (j) for a *scheduled load* specified in the *dispatch bid* as being *normally off*, the price specified for a *price band* is to be interpreted in the *central dispatch* process as the price at or below which the *scheduled load* will increase electricity consumed by up to the MW increment specified in that *price band*;
- (k) the MW capacity quantity specified in each *price band* in each *trading interval* must be specified in whole MW;

- (l) the sum of the MW quantities specified in each *price band* in any *trading interval* must not exceed the maximum capacity of the *scheduled load*; and
- (m) the *dispatch bid* may specify the daily *energy* available for *energy constrained scheduled loads*.

Note

Where two *intra-regional loss factors* are determined for a *transmission network connection point* under clause 3.6.2(b)(2), AEMO will determine the relevant *intra-regional loss factor* for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).

3.8.7A Market ancillary services offers

The following requirements apply to all *market ancillary service offers* for each type of *market ancillary service*:

- (a) the *market ancillary service offer* may contain up to 10 *price bands*;
- (b) the *market ancillary service offer* must specify for each of the 48 *trading intervals* in the *trading day* an incremental MW amount for each *price band* specified in the *market ancillary service offer*;
- (c) the MW quantities specified are to apply at the nominated *connection point* or, with AEMO's agreement, at any other point in the relevant electrical installation or on the *network*;
- (d) the *ancillary service offer* must specify a price for each *price band* specified in the *market ancillary service offer*, in dollars and whole cents per MW per hour (an *enabling price*), and this price is to apply to the *price band* throughout the *trading day*;
- (e) *enabling prices* for each *price band* specified in the *market ancillary service offer* must increase monotonically with an increase in available MWs;
- (f) *enabling prices* are to apply at the nominated *connection point* or, with AEMO's agreement, at any other point in the relevant electrical installation or on the *network*;
- (g) *enabling prices* offered must be equal to or greater than \$0 per MW per hour and may not exceed the *market price cap*;
- (h) the *enabling price* for a *price band* is to be interpreted as the minimum price at which up to the specified MW response is to be enabled in the *central dispatch* process;
- (i) the MW quantity in each *price band* in each *trading interval* must be specified in whole MW;
- (j) the *market ancillary service offer* must include the following values:
 - (1) the *response breakpoint*;

- (2) the upper and lower *enablement limits*; and
- (3) the *response capability*;
- (k) an *Ancillary Service Provider* that submits a *market ancillary service offer* must ensure that the *ancillary service generating unit* or *ancillary service load*, as the case may be, is at all times capable of responding in the manner contemplated by the *market ancillary service specification*;
- (l) the values associated with a *market ancillary service offer* referred to in clause 3.8.7A(j) must represent technical characteristics of the *ancillary service generating unit* or *ancillary service load*; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (m) rebids made under clause 3.8.22 of the values associated with the *market ancillary service offer* referred to in clause 3.8.7A(j) must represent technical characteristics at the time of *dispatch* of the *ancillary service generating unit* or *ancillary service load*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.8.8 Validation of dispatch bids and offers

- (a) If a *dispatch offer*, *dispatch bid* or *market ancillary service offer* is made in accordance with clauses 3.8.6, 3.8.6A, 3.8.7 or 3.8.7A (whichever is applicable), *AEMO* must make available to the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* who submitted the *dispatch offer*, *dispatch bid* or *market ancillary service offer* the following information without delay:
 - (1) acknowledgement of receipt of a valid *dispatch offer*, *dispatch bid* or *market ancillary service offer*; and
 - (2) the data contained in the *dispatch offer*, *dispatch bid* or *market ancillary service offer* as it will be used by *AEMO* in the *central dispatch* process.
- (b) It is the responsibility of each *Scheduled Generator*, *Semi-Scheduled Generator* and *Market Participant* to check that the data contained in its *dispatch offer*, *dispatch bid* or *market ancillary service offer* as received and to be used by *AEMO* in the *central dispatch* process is correct.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) If a *dispatch offer*, *dispatch bid* or *market ancillary service offer* is not made in accordance with clauses 3.8.6, 3.8.6A, 3.8.7 or 3.8.7A (whichever is applicable), AEMO must not include that *dispatch offer*, *dispatch bid* or *market ancillary service offer* in the *central dispatch* process and must without delay notify the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* submitting the *dispatch offer*, *dispatch bid* or *market ancillary service offer* of its invalidity and provide to that *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* details of the invalid data .
- (d) If any details contained within a *dispatch offer*, *dispatch bid* or *market ancillary service offer* are inconsistent with the *bid and offer validation data* provided by the relevant *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* then AEMO has the right to treat that *dispatch offer*, *dispatch bid* or *market ancillary service offer* as invalid and if it does so must notify the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* without delay.

3.8.9 Default offers and bids

- (a) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may, at any time, submit a *dispatch offer*, a *dispatch bid* or a *market ancillary service offer* in respect of a *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled load*, *scheduled network service*, *ancillary service generating unit* or *ancillary service load* to apply from a specified future *trading day*.
- (b) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may vary or withdraw a *default dispatch bid*, *default dispatch offer* or *market ancillary service offer* at any time prior to the deadline for submissions of *dispatch offers*, *dispatch bids* and *market ancillary service offers* for a *trading day* in accordance with the *timetable*.
- (c) Subject to any procedures *published* in accordance with clause 3.8.9(d), *default dispatch offer*, *default dispatch bid* or *market ancillary service offer* applicable to a *trading day* must be included by AEMO in the *central dispatch* process when the deadline for submission of *dispatch offers*, *dispatch bids* and *market ancillary service offers* for that *trading day* arrives in accordance with the *timetable* if , and only if, no later valid *dispatch offer*, *dispatch bid* or *market ancillary service offer* has been submitted pursuant to clauses 3.8.6, 3.8.6A, 3.8.7, 3.8.7A or 3.8.9(b).
- (d) AEMO, in consultation with *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* in accordance with the *Rules consultation procedures*, must develop and *publish* procedures to determine the circumstances when AEMO may use a prior *dispatch offer* or *dispatch*

bid lodged by a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* as a substitute for a *default dispatch offer* or *default dispatch bid*.

- (e) *AEMO* may disregard a *default dispatch offer* or a *default dispatch bid* and substitute a prior *dispatch offer* or *dispatch bid* or *market ancillary service offer* lodged by a *Scheduled Generator*, *Semi-Scheduled Generator* or a *Market Participant* determined in accordance with a procedure developed under clause 3.8.9(d) as input to *PASA*, *pre-dispatch* and *central dispatch*.

3.8.10 Network constraints

- (a) In accordance with the *AEMO power system security responsibilities* and any other standards set out in Chapter 4, *AEMO* must determine any *constraints* on the *dispatch* of *scheduled generating units*, *semi-scheduled generating units*, *scheduled network services*, *scheduled loads*, *ancillary service generating units* or *ancillary service loads* which may result from planned *network outages*.
- (b) Subject to paragraph (e), *AEMO* must determine and represent *network constraints* in *dispatch* which may result from limitations on *intra-regional* or *inter-regional* power flows and, in doing so, must use a *fully co-optimised network constraint formulation*.
- (c) *AEMO* must, in accordance with the *Rules consultation procedures*, develop and *publish* by 1 June 2010, and, where necessary, amend *network constraint* formulation guidelines, to address, amongst other things, the following matters:
 - (1) the circumstances in which *AEMO* will use *alternative network constraint formulations* in *dispatch*;
 - (2) the process by which *AEMO* will identify or be advised of a requirement to create or modify a *network constraint* equation, including in respect of:
 - (i) the methodology to be used by *AEMO* in determining *network constraint* equation terms and co-efficients; and
 - (ii) the means by which *AEMO* will obtain information from, and disseminate information to, *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants*;
 - (3) the methodology to be used by *AEMO* in selecting the form of a *network constraint*, equation including in respect of the location of terms on each side of the equation;
 - (4) the process to be used by *AEMO* for applying, invoking and revoking *network constraint* equations in relation to different types of *network constraints*, including in respect of:

- (i) the circumstances in which *AEMO* will use *alternative network constraint formulations* and *fully co-optimised network constraint formulations*; and
 - (ii) the dissemination of information to *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* in respect of this process; and
- (5) *AEMO's* policy in respect of the management of negative *settlements residue*, by intervening in the *central dispatch* process under clause 3.8.1 through the use of *fully co-optimised network constraint formulations*, including in respect of the process to be undertaken by *AEMO* to manage negative *settlements residue*.
- (d) *AEMO* must at all times comply with the *network constraint* formulation guidelines issued in accordance with paragraph (c).
- (e) Where, in *AEMO's* reasonable opinion, a specific *network constraint* is such that use of a *fully co-optimised network constraint formulation* is not appropriate, *AEMO* may apply an *alternative network constraint formulation* for the expected duration of that *network constraint*, if *AEMO*:
 - (1) has previously identified, in guidelines issued in accordance with paragraph (c), that it may use an *alternative network constraint formulation* in respect of that type of *network constraint*; and
 - (2) reasonably considers that it can apply an *alternative network constraint formulation* without prejudicing its obligation to operate a *central dispatch* process to *dispatch scheduled generating units*, *semi-scheduled generating units*, *scheduled loads*, *scheduled network services* and *market ancillary services* in order to balance *power system supply* and *power system demand*, consistent with using its reasonable endeavours to maintain *power system security* in accordance with Chapter 4 of the *Rules* and to maximise the value of *spot market* trading on the basis of *dispatch offers* and *dispatch bids*, in accordance with clause 3.8.1(a) and (b).
- (f) *AEMO* must represent *network constraints* as inputs to the *dispatch* process in a form that can be reviewed after the *trading interval* in which they occurred.
- (g) **[Deleted]**

3.8.11 Ancillary services constraints

- (a) *AEMO* must determine the quantity and nature of *ancillary services* which:
 - (1) have been provided or procured in accordance with the *AEMO power system security responsibilities* set out in clause 4.3.1 or are otherwise available;
 - (2) are required to be managed in conjunction with *dispatch*; and

(3) may impose constraints on *central dispatch*.

(a1) For each *dispatch interval* AEMO must impose constraints upon the *dispatch algorithm* to determine the quantity of each *global market ancillary service requirement* and any *local market ancillary service requirements*.

3.8.12 System scheduled reserve constraints

AEMO must use its reasonable endeavours to ensure that the *dispatch* process meets all requirements for *scheduled reserves* as described in Chapter 4.

3.8.13 Notification of constraints

AEMO must *publish* the parameters used in the *dispatch algorithm* for the modelling of *network constraints*, *regulating capability constraints*, *power system reserve constraints* and *ancillary services*.

3.8.14 Dispatch under conditions of supply scarcity

During times of *supply scarcity*, AEMO must use its reasonable endeavours to ensure that the actions set out below occur in the following sequence:

(a) subject to:

- (1) any adjustments which may be necessary to implement action under paragraph (c); and
- (2) any *plant* operating restrictions associated with a *relevant AEMO intervention event*,

all valid *dispatch bids* and *dispatch offers* submitted by *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* are *dispatched*, including those priced at the *market price cap*;

(b) subject to:

- (1) any adjustments which may be necessary to implement action under paragraph (c); and
- (2) any *plant* operating restrictions associated with a *relevant AEMO intervention event*,

after all valid *dispatch bids* and *dispatch offers* referred to in paragraph (a) have been exhausted, exercise the *reliability and emergency reserve trader* in accordance with rule 3.20 by:

- (3) *dispatching scheduled generating units*, *scheduled network services* or *scheduled loads* in accordance with any *scheduled reserve contract*; or
- (4) *activating loads* or *generating units* under any *unscheduled reserve contract*; and

- (c) any further corrective actions required are implemented in accordance with clauses 4.8.5B and 4.8.9.

3.8.15 [Deleted]

3.8.16 Equal priced dispatch bids and dispatch offers

If there are *scheduled generating units*, *semi-scheduled generating units* or *scheduled loads*, in the same *region*, for which the prices submitted in *dispatch bids* or *dispatch offers* for a particular *trading interval* result in identical prices at their *regional reference node*, then the MW quantities specified in the relevant *price bands* of those *dispatch bids* or *dispatch offers* must be *dispatched* on a pro-rata basis, where this can be achieved without imposing undue costs on any party, or violating other constraints.

3.8.17 Self-commitment

- (a) *Slow start generating units* are *generating units* which are unable to *synchronise* and increase *generation* within 30 minutes of receiving an instruction from *AEMO*.
- (b) *Slow start generating units* must *self-commit* to be eligible for *dispatch*.
- (c) A *Generator* may only *self-commit* a *scheduled generating unit* in accordance with this clause.
- (d) A *Scheduled Generator* or a *Semi-Scheduled Generator* has a right to *synchronise* its *scheduled generating unit* or *semi-scheduled generating unit* (as the case may be) to the *power system* and have *AEMO dispatch* that *generating unit* subject to the *dispatch* procedures set out in this rule 3.8.
- (e) A *Scheduled Generator* must advise *AEMO* of its intention to *self-commit* and *synchronise* a *scheduled generating unit* with a *nameplate rating* of 30MW or more.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) Unless otherwise agreed with *AEMO*, the *Scheduled Generator* must advise of its intention under paragraph (e) through *PASA* and *pre-dispatch* by submitting an amended *available capacity* profile of the *scheduled generating unit* into the *market information bulletin board*.
- (g) The exact time of *synchronisation* for a *scheduled generating unit* will be subject to directions from *AEMO* in accordance with Chapter 4.
- (h) A *Scheduled Generator* or *Market Participant* must notify *AEMO* of any changes to *self-commitment* decisions without delay.

- (i) *AEMO* must notify all *Scheduled Generators* and *Market Participants* of any changes to *self-commitment* decisions without delay.

3.8.18 Self-decommitment

- (a) A *Generator* may only *self-decommit* a *scheduled generating unit* in accordance with this clause.
- (b) *Scheduled Generators* must notify *AEMO* of their planned *self-decommitment* decisions in relation to *slow start generating units* at least 2 days in advance of *dispatch*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) A *Scheduled Generator* must advise *AEMO* of its intention to *self-decommit* and *de-synchronise* a *generating unit* with a *nameplate rating* of 30 MW or more.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) Unless otherwise agreed with *AEMO*, the *Scheduled Generator* must advise of its intention under paragraph (c) through *PASA* and *pre-dispatch* by submitting an amended *available capacity* profile of the *scheduled generating unit* into the *market information bulletin board*.
- (e) A *Scheduled Generator* or *Market Participant* must notify *AEMO* as soon as practicable of any changes in their *self-decommitment* decisions.
- (f) *AEMO* must notify all *Scheduled Generators* and *Market Participants* of any changes to *self-decommitment* decisions as soon as practicable.

3.8.19 Dispatch inflexibilities

- (a) Subject to clause 3.8.19(a2), if a *Scheduled Generator* or *Market Participant* reasonably expects one or more of its *scheduled generating units*, *scheduled network services* or *scheduled loads* to be unable to operate in accordance with *dispatch instructions* in any *trading interval*, due to abnormal *plant* conditions or other abnormal operating requirements in respect of that *scheduled generating unit*, *scheduled network service* or *scheduled load*, it must advise *AEMO* through the *PASA* process or in its *dispatch offer* or *dispatch bid* in respect of that *scheduled generating unit*, *scheduled network service* or *scheduled load*, as appropriate under this Chapter, that the *scheduled generating unit*, *scheduled network service* or *scheduled load* is *inflexible* in that *trading interval* and must specify a fixed

loading level at which the *scheduled generating unit*, *scheduled network service* or *scheduled load* is to be operated in that *trading interval*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (a1) Subject to clause 3.8.19(a2), if a *Semi-Scheduled Generator* reasonably expects one or more of its *semi-scheduled generating units* to be unable to operate in accordance with *dispatch instructions* in any *trading interval* due to abnormal *plant* conditions or other abnormal operating requirements in respect of that *semi-scheduled generating unit*, it must advise AEMO in its *dispatch offer* in respect of that *semi-scheduled generating unit*, as appropriate under this Chapter, that the *semi-scheduled generating unit* is *inflexible* in that *trading interval* and must specify a maximum *loading level* at or below which the *semi-scheduled generating unit* is to be operated in that *trading interval*. Where the specified maximum *loading level* in these circumstances exceeds the *unconstrained intermittent generation forecast* for the *semi-scheduled generating unit*, the *dispatch level* for the *semi-scheduled generating unit* will nonetheless not exceed the *unconstrained intermittent generation forecast*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (a2) If clause 3.8.19(a) or clause 3.8.19(a1) applies, the *Scheduled Generator*, *Market Participant* or *Semi-Scheduled Generator*:
- (1) must not advise AEMO that a *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled network service* or *scheduled load* is *inflexible* under clause 3.8.19(a) or clause 3.8.19(a1) unless it reasonably expects the *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled network service* or *scheduled load* to be unable to operate in accordance with *dispatch instructions* in any *trading interval*, due to abnormal *plant* conditions or other abnormal operating requirements in respect of that *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled network service* or *scheduled load*; and
 - (2) must, as soon as practicable, advise AEMO that a *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled network service* or *scheduled load* is not *inflexible* once it no longer reasonably expects the *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled network service* or *scheduled load* to be unable to operate in accordance with *dispatch instructions* in any *trading interval*, due to abnormal *plant* conditions or other abnormal operating requirements in respect of that *scheduled generating unit*,

semi-scheduled generating unit, scheduled network service or scheduled load.

- (b) Where a *Scheduled Generator, Semi-Scheduled Generator* or *Market Participant* advises AEMO that a *scheduled generating unit, semi-scheduled generating unit, scheduled network service* or *scheduled load* is *inflexible* in accordance with clause 3.8.19(a) or 3.8.19(a1) the *Scheduled Generator, Semi-Scheduled Generator* or *Market Participant* must:
- (1) provide AEMO with a brief, verifiable and specific reason why the *scheduled generating unit, semi-scheduled generating unit, scheduled network service* or *scheduled load* is *inflexible* at the same time as it advises AEMO of the *inflexibility*; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) provide to the AER, upon written request, in accordance with the guidelines issued by the AER from time to time in accordance with the *Rules consultation procedures* such additional information to substantiate and verify the reason for such *inflexibility* as the AER may require from time to time. The AER must provide information provided to it in accordance with this clause 3.8.19(b)(2) to any *Market Participant* that requests such information, except to the extent that the information can be reasonably claimed to be *confidential information*.
- (c) Other than in *trading intervals* for which it has been specified by a *Scheduled Generator, Semi-Scheduled Generator* or *Market Participant* in the relevant *dispatch offer* or *dispatch bid* for a *scheduled generating unit, semi-scheduled generating unit, scheduled network service* or *scheduled load* that the *scheduled generating unit, semi-scheduled generating unit, scheduled network service* or *scheduled load* is *inflexible*, AEMO will *dispatch* the *scheduled generating unit, semi-scheduled generating unit, scheduled network service* or *scheduled load* in accordance with the prices and *price bands* specified in the relevant *dispatch offer* or *dispatch bid*.
- (d) In respect of *scheduled loads, scheduled generating units* or *semi-scheduled generating units* which are not *slow start generating units*, *Scheduled Generators, Semi-Scheduled Generators* and *Market Participants* may provide AEMO, as part of a *dispatch offer* or *dispatch bid* in respect of those *scheduled loads* or *generating units* or *semi-scheduled generating units*, with a *dispatch inflexibility profile*.
- (e) A *dispatch inflexibility profile* for a *generating unit* must contain the following parameters to indicate its MW capacity and time related *inflexibilities*:

- (1) The time, T1, in minutes, following the issue of a *dispatch instruction* by AEMO to increase its *loading level* from 0 MW, which is required for the *plant* to begin to vary its *dispatch level* from 0 MW in accordance with the instruction;
 - (2) The time, T2, in minutes, that the *plant* requires after T1 (as specified in subparagraph (1)) to reach a specified minimum MW *loading level*;
 - (3) The time, T3, in minutes, that the *plant* requires to be operated at or above its minimum *loading level* before it can be reduced below that level;
 - (4) The time, T4, in minutes, following the issue of a *dispatch instruction* by AEMO to reduce *loading level* from the minimum *loading level* (specified under subparagraph (2)) to zero, that the *plant* requires to completely comply with that instruction;
 - (5) T1, T2, T3 and T4 must all be equal to or greater than zero;
 - (6) The sum (T1 + T2) must be less than or equal to 30 minutes; and
 - (7) The sum (T1 + T2 + T3 + T4) must be less than 60 minutes.
- (f) A *dispatch inflexibility profile* for a *scheduled load* must contain parameters to indicate its MW capacity and time related *inflexibilities*.
- (g) AEMO must use reasonable endeavours not to issue a *dispatch instruction* which is inconsistent with a *Scheduled Generator's*, *Semi-Scheduled Generator's* or *Market Participant's dispatch inflexibility profile*.

3.8.20 Pre-dispatch schedule

- (a) Each *day*, in accordance with the *timetable*, AEMO must prepare and publish a *pre-dispatch schedule* covering each *trading interval* of the period commencing from the next *trading interval* after the current *trading interval* up to and including the final *trading interval* of the last *trading day* for which all valid *dispatch bids* and *dispatch offers* have been received in accordance with the *timetable* and applied by the *pre-dispatch* process.
- (b) The *pre-dispatch* process is to have a resolution of one *trading interval* and no analysis will be made of operations within the *trading interval*, other than to ensure that *contingency capacity reserves* are adequate as set out in Chapter 4.
- (c) AEMO must determine the *pre-dispatch schedule* for each *trading interval* on the basis of:
 - (1) *dispatch bids*, *dispatch offers* and *market ancillary service offers* submitted for that *trading interval*;
 - (2) AEMO's forecast *power system load* for each *region* for that *trading interval*; and

(3) the *unconstrained intermittent generation forecasts*,

and by using a process consistent with the principles for *central dispatch* as set out in clause 3.8.1.

- (d) In determining the *pre-dispatch schedule* AEMO shall not take account of any *dispatch inflexibility profile* submitted in accordance with clause 3.8.19.
- (e) Any inputs made to the *pre-dispatch* process by AEMO for the purpose of achieving a physically realisable schedule or to satisfy *power system security* requirements must be made prior to release of the *pre-dispatch schedule* and recorded by AEMO in a manner suitable for audit.
- (f) The *pre-dispatch schedule* must include the details set out in clause 3.13.4(f).
- (g) Each *Scheduled Generator*, *Scheduled Network Service Provider* and *Market Customer* which has classified a *scheduled load* and *Market Participant* (which has classified an *ancillary service generating unit* or *ancillary service load*) must ensure that it is able to *dispatch* the relevant plant as required under the *pre-dispatch schedule* and is responsible for changing inputs to the *central dispatch* process, if necessary to achieve this, via the rebidding provisions under clause 3.8.22.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (h) The *pre-dispatch schedule* must be re-calculated and the results re-*published* by AEMO regularly in accordance with the *timetable*, or more often if a change in circumstances is deemed by AEMO to be likely to have a significant effect on the operation of the *market*.
- (i) AEMO must fully document the operation of the *pre-dispatch* process, including the principles adopted in making calculations required to be included and all such documentation must be made available to *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* at a fee to be set by AEMO to cover its costs of supplying such documentation.
- (j) The following *pre-dispatch* outputs relating specifically to a *generating unit*, *scheduled network service*, *scheduled load* or *ancillary service load* operated by a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* (as the case may be) must be made available electronically to the relevant *Generator* or *Market Participant* on a confidential basis:
 - (1) the scheduled times of *commitment* and de-commitment of individual *slow start generating units*;
 - (2) scheduled half hourly *loading level* for each scheduled entity;
 - (3) scheduled provision of *ancillary services*;

- (4) scheduled *constraints* for the provision of *ancillary services*;
 - (5) scheduled *constraints* due to *network* limitations;
 - (6) *unconstrained intermittent generation forecasts* for each *trading interval*; and
 - (7) for each *semi-scheduled generating unit* and *trading interval*, whether or not a condition for setting a *semi-dispatch interval* applies.
- (k) Where the *pre-dispatch schedule* may have failed to *dispatch* a *scheduled generating unit* or a *semi-scheduled generating unit* to maximise the joint value of *energy* and *ancillary services pre-dispatch* outputs of a *scheduled generating unit* or *semi-scheduled generating unit*, due to the *generating unit* operating outside its *enablement limit*, *AEMO* must notify the *Scheduled Generator* or *Semi-Scheduled Generator* operating the relevant *generating unit* electronically on a confidential basis.

3.8.21 On-line dispatch process

- (a) *Dispatch bids* and *dispatch offers* must be *centrally dispatched* by *AEMO* using the *dispatch algorithm*.
- (a1) A *dispatch interval* is to be five minutes in duration.
- (b) The *dispatch algorithm* is to be run by *AEMO* for each *dispatch interval*. If the *dispatch algorithm* is not successfully run for any *dispatch interval* then the values of the last successful run of the *dispatch algorithm* must be used for that *dispatch interval*.
- (c) *Central dispatch* results in the setting of *dispatch prices* and *ancillary services prices* for each *dispatch interval* and *spot prices* for each *trading interval* in accordance with rule 3.9.
- (d) Where possible, *dispatch instructions* will be issued electronically via the *automatic generation control system* or via an electronic display in the *plant control room* (which may be onsite or offsite) of the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* (as the case may be).
- (e) *AEMO* may issue *dispatch instructions* in some other form if in its reasonable opinion the methods described in paragraph (d) are not possible.
- (f) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must ensure it has facilities to receive *dispatch instructions* in the manner described in this clause 3.8.21.
- (g) *Dispatch instructions* that are issued via the *automatic generation control system* are to be issued progressively at intervals of no more than 5 minutes following re-evaluation of *central dispatch* to achieve a prompt and smooth implementation of the outcomes of each *central dispatch* update.

- (h) With the exception of instructions issued by telephone, all *dispatch instructions* and the times at which they are issued are to be logged automatically and *dispatch instructions* that are issued by telephone must be recorded by AEMO.
- (i) AEMO may modify or override the *dispatch algorithm* outcome in accordance with the requirements of clause 4.8.9 or due to *plant* not conforming to *dispatch instructions* and in such circumstances AEMO must record the details of the event and the reasons for its action for audit purposes.
- (j) If a *scheduled load*, *scheduled generating unit* or *semi-scheduled generating unit*, in respect of which a *dispatch inflexibility profile* has been notified to AEMO in accordance with clause 3.8.19, is *dispatched* from 0 MW in any *dispatch interval* by the *central dispatch* process, then the specified *dispatch inflexibility profile* must be used by AEMO as a *constraint* on the *dispatch* of that *plant* for the relevant subsequent *dispatch intervals*.
- (k) A *scheduled load* or *generating unit* whose *dispatch* is *constrained* in any *dispatch interval* due to a *dispatch inflexibility profile* submitted under clause 3.8.19 cannot be used as the basis for setting the *dispatch price* in that *dispatch interval* at any location.
- (l) AEMO must fully document the operation of the process described in this clause 3.8.21, including the software, algorithms, and the principles adopted in making judgments where they are required in the process and all such documentation must be made available to *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* at a price reflective of costs incurred by AEMO in providing such documentation.
- (m) Where the *central dispatch* process may have failed to *dispatch* a *scheduled generating unit* or *semi-scheduled generating unit* to maximise the joint value of *energy* and *ancillary services* due to the relevant *generating unit* operating outside its *enablement limit*, AEMO must notify the *Scheduled Generator* or *Semi-Scheduled Generator* operating the relevant *generating unit* electronically on a confidential basis.

3.8.22 Rebidding

- (a) Prices for each *price band* that are specified in *dispatch bids*, *dispatch offers* and *market ancillary service offers* are firm and no changes to the price for any *price band* are to be accepted under any circumstances.
- (b) Subject to clauses 3.8.3A, 3.8.7A, 3.8.19(a) and 3.8.22A, a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may submit a *rebid* to vary:
 - (1) its *available capacity*, *daily energy constraints*, *dispatch inflexibilities* and *ramp rates* of *generating units*, *scheduled network services* and *scheduled loads*; and

- (2) the *response breakpoints*, *enablement limits* and response limits of *market ancillary services*,

previously notified in a *dispatch offer*, a *dispatch bid* or a previous *rebid*.

- (c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must provide:

- (1) all *rebids* to AEMO electronically unless otherwise approved by AEMO;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.) - what

- (2) to AEMO, at the same time as the *rebid* is made:

- (i) a brief, verifiable and specific reason for the *rebid*; and
- (ii) the time at which the event(s) or other occurrence(s) adduced by the relevant *Generator* or *Market Participant* as the reason for the *rebid*, occurred;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

Clause 3.8.22(c)(2) applies in respect of any *rebid* submitted during the *late rebidding period*.

- (3) to the AER, upon written request, in accordance with guidelines published by the AER, such additional information to substantiate and verify the reason for a *rebid* (including any record made under paragraph (ca)) as the AER may require from time to time.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (ca) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* who makes a *rebid* during the *late rebidding period* must make a contemporaneous record in relation to the *rebid*, which must include a record of:

- (i) the material conditions and circumstances giving rise to the *rebid*;
- (ii) the *Generator's* or *Market Participant's* reasons for making the *rebid*;
- (iii) the time at which the relevant event(s) or other occurrence(s) occurred; and

- (iv) the time at which the *Generator* or *Market Participant* first became aware of the relevant event(s) or other occurrence(s).

Notes

Clause 1.9 applies to records made under paragraph (ca).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) The *AER* must provide information provided to it in accordance with paragraph (c)(3) to any *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* that requests such information, except to the extent that the information can be reasonably claimed to be *confidential information*.
- (e) The guidelines referred to in paragraphs (c)(3) must be developed in accordance with the *Rules consultation procedures* and must include:
 - (1) the amount of detail to be included in the information provided to *AEMO* under paragraph (c)(2); and
 - (2) procedures for handling claims by *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* in accordance with paragraph (d) or clause 3.8.19(b)(2) that the information provided to the *AER* by such *Generators* or *Market Participants* under those clauses is *confidential information*.
- (f) The *AER* must *publish* the guidelines developed under this clause 3.8.22 and may amend such guidelines from time to time.
- (g) *AEMO* must:
 - (1) subject to the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* complying with paragraphs (c)(1) and (c)(2)(i) and (ii), accept the *rebid*; and
 - (2) *publish*, in accordance with clause 3.13.4(p), the time the *rebid* was made and the reason provided by the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* under paragraph (c)(2)(i).

3.8.22A Offers, bids and rebids must not be false or misleading

- (a) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must not make a *dispatch offer*, *dispatch bid* or *rebid* that is false, misleading or likely to mislead.
- (a1) For the purposes of paragraph (a), the making of a *dispatch offer*, *dispatch bid* or *rebid* is deemed to represent to other *Generators* or *Market Participants* through the *pre-dispatch schedules published* by *AEMO* that

the offer, bid or *rebid* will not be changed, unless the *Generator* or *Market Participant* becomes aware of a change in the material conditions and circumstances upon which the offer, bid or *rebid* are based.

- (b) Without limiting paragraph (a), a *dispatch offer*, *dispatch bid* or *rebid* is deemed to be false or misleading if, at the time of making such an offer, bid or *rebid*, a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*:

- (1) does not have a genuine intention to honour; or
- (2) does not have a reasonable basis to make;

the representations made by reason of paragraph (a1).

- (b1) In any proceeding in which a contravention of paragraph (a) is alleged, in determining whether a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* made a *dispatch offer*, *dispatch bid* or *rebid* that was false, misleading or likely to mislead, a court must have regard to the market design principle set out in clause 3.1.4(a)(2).

- (c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may be taken to have contravened paragraph (a) notwithstanding that, after all the evidence has been considered, the false or misleading character of the *dispatch offer*, *dispatch bid* or *rebid* (including either of the matters referred to in subparagraphs (b)(1) and (2)) is ascertainable only by inference from:

- (1) other *dispatch offers*, *dispatch bids* or *rebids* made by the *Generator* or *Market Participant*, or in relation to which the *Generator* or *Market Participant* had substantial control or influence;
- (2) other conduct (including any pattern of conduct), knowledge, belief or intention of the relevant *Generator* or *Market Participant*;
- (3) the conduct (including any pattern of conduct), knowledge, belief or intention of any other person;
- (4) information published by AEMO to the relevant *Generator* or *Market Participant*; or
- (5) any other relevant circumstances.

- (d) A *rebid* must be made as soon as practicable after the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* becomes aware of the change in material conditions and circumstances on the basis of which it decides to vary its *dispatch offer* or *dispatch bid*.

- (e) In any proceeding in which a contravention of paragraph (d) is alleged, in determining whether the *Generator* or *Market Participant* made a *rebid* as soon as practicable, a court must have regard to:

- (1) the market design principle set out in clause 3.1.4(a)(2); and

- (2) the importance of *rebids* being made, where possible, in sufficient time to allow reasonable opportunity for other *Market Participants* to respond (including by making responsive *rebids*, by bringing one or more *generating units* into operation or increasing or decreasing the *loading level* of any *generating units*, or by adjusting the *loading level* of any *load*) prior to:
 - (i) the commencement of the *trading interval* to which the *rebid* relates; or
 - (ii) the commencement of any *dispatch interval* within that *trading interval*.

and may have regard to any other relevant matter, including any of the matters referred to in sub-paragraphs (c)(1) to (5).

Note

This clause is a rebidding civil penalty provision for the purposes of the National Electricity Law. (See clause 6(2) of the National Electricity (South Australia) Regulations.)

3.8.23 Failure to conform to dispatch instructions

- (a) If a *scheduled generating unit*, *scheduled network service* or *scheduled load* fails to respond to a *dispatch instruction* within a tolerable time and accuracy (as determined in *AEMO's* reasonable opinion), then the *scheduled generating unit*, *scheduled network service* or *scheduled load* (as the case may be):
 - (1) is to be declared and identified as non-conforming; and
 - (2) cannot be used as the basis for setting *spot prices*.
- (b) If a *semi-scheduled generating unit* fails to respond to a *dispatch instruction* within a tolerable time and accuracy (as determined in *AEMO's* reasonable opinion) in a *semi-dispatch interval* where the unit's actual *generation* is more than the *dispatch level*, the unit is to be declared and identified as non-conforming and cannot be used as the basis for setting *spot prices*.
- (c) If a *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled network service* or *scheduled load* is identified as non-conforming under paragraphs (a) or (b):
 - (1) *AEMO* must advise the *Scheduled Generator*, *Semi-Scheduled Generator*, *Scheduled Network Service Provider* or *Market Customer* that the relevant *generating unit*, *scheduled network service* or *scheduled load* is identified as non-conforming, and request and log a reason for the non-compliance with the *dispatch instruction*;
 - (2) if in *AEMO's* opinion modification of *plant* parameters is necessary or desirable, *AEMO* must request the *Scheduled Generator*, *Semi-Scheduled Generator*, *Scheduled Network Service Provider* or

Market Customer to submit modified *plant* parameters to satisfy *AEMO* that a realistic real time *dispatch* schedule can be carried out;

- (3) should a *Scheduled Generator* or *Semi-Scheduled Generator* fail to meet the requests set out subparagraphs (1) and (2) or if *AEMO* is not satisfied that the *generating unit* will respond to future *dispatch instructions* as required, *AEMO* must direct the *generating unit's* output to follow, as far as is practicable, a specified output profile to be determined at its discretion by *AEMO*;
 - (4) should a *Scheduled Network Service Provider* fail to meet the requests set out in subparagraphs (1) and (2) or if *AEMO* is not satisfied that the *scheduled network service* will respond to future *dispatch instructions* as required, *AEMO* must direct the *scheduled network service* to follow, as far as is practicable, a specified transfer profile to be determined at its discretion by *AEMO*; and
 - (5) should a *Market Customer* not meet the requests set out in subparagraphs (1) and (2) within a reasonable time of the request, or if *AEMO* is not satisfied that the *scheduled load* will respond to future *dispatch instructions* as required, *AEMO* acting reasonably may invoke a *default dispatch bid* lodged by the relevant *Market Customer* or apply *constraints* as it deems appropriate.
- (d) Until a *Scheduled Generator*, *Semi-Scheduled Generator*, *Scheduled Network Service Provider* or *Market Customer* satisfactorily responds to the requests under paragraphs (c)(1) and (2) and *AEMO* is satisfied that the *generating unit*, *scheduled network service* or *scheduled load* (as the case may be) will respond to future *dispatch instructions* as required, the *generating unit*, *scheduled network service* or *scheduled load* (as the case may be) continues to be non-conforming.
 - (e) If a *generating unit*, *scheduled network service* or *scheduled load* (as the case may be) continues to be non-conforming under this clause 3.8.23 after a reasonable period of time, *AEMO* must prepare a report setting out the details of the non-conformance and forward a copy of the report to the *Scheduled Generator*, *Semi-Scheduled Generator*, *Scheduled Network Service Provider* or *Market Customer* (as the case may be) and the *AER*.
 - (f) The direction referred to in paragraphs (c)(3) and (4) must remain in place until the *Scheduled Generator*, *Semi-Scheduled Generator* or *Scheduled Network Service Provider* (whichever is relevant) satisfies *AEMO* of rectification of the cause of the non-conformance.
 - (g) If an *ancillary service generating unit* or *ancillary service load* is enabled to provide a *market ancillary service* and fails to respond in the manner contemplated by the *market ancillary service specification* (as determined in *AEMO's* reasonable opinion), then:
 - (1) the *ancillary service generating unit* or *ancillary service load* is to be declared and identified as non-conforming;

- (2) *AEMO* must advise the relevant *Market Participant* that the *ancillary service generating unit* or *ancillary service load* is identified as non-conforming, and request a reason for the non-conformance. The relevant *Market Participant* must promptly provide a reason if requested to do so, and the reason is to be logged; and
- (3) *AEMO* may set a fixed level for the relevant *ancillary service* (in this clause 3.8.23 called the ‘fixed constraint’) for the *ancillary service generating unit* or *ancillary service load* and the relevant *Market Participant* must ensure that the *ancillary service generating unit* or *ancillary service load* complies with the fixed constraint set by *AEMO*.
- (h) *AEMO* must lift the fixed constraint in respect of an *ancillary service generating unit* or *ancillary service load* when *AEMO* is reasonably satisfied (as a result of a test or otherwise) that the *ancillary service generating unit* or *ancillary service load* is capable of responding in the manner contemplated by the *market ancillary service specification*.
- (i) In assessing a report of non-conformance with a *dispatch instruction* by a *scheduled load*, the *AER* shall have regard to whether a *default dispatch bid* had been lodged with *AEMO* and was, or could have reasonably been, applied in the circumstances applicable to that *scheduled load*.

3.8.24 Scheduling errors

- (a) A *scheduling error* is any one of the following circumstances:
 - (1) the *dispute resolution panel* determines under rule 8.2 that *AEMO* has failed to follow the *central dispatch* process set out in this rule 3.8; or
 - (2) *AEMO* declares that it failed to follow the *central dispatch* process set out in this rule 3.8; or
 - (3) *AEMO* determines under clause 3.9.2B(d) that a *dispatch interval* contained a manifestly incorrect input.
- (b) *Spot prices* and *ancillary service prices* will not be adjusted due to the occurrence of a *scheduling error* except where the *scheduling error* arises through the application of clause 3.9.2B.

3.9 Price Determination

3.9.1 Principles applicable to spot price determination

- (a) The principles applying to the determination of prices in the *spot market* are as follows:
 - (1) a *dispatch price* at a *regional reference node* is determined by the *central dispatch* process for each *dispatch interval*;

- (2) a *spot price* at a *regional reference node* is the time-weighted average of the *dispatch prices* at that *regional reference node* in a *trading interval*;
- (2A) the *central dispatch* process must determine an *ancillary service price* for each *market ancillary service* at each *regional reference node* for every *dispatch interval*;
- (3) *dispatch prices* determine *dispatch* such that a *generating unit* or *load* whose *dispatch bid* or *dispatch offer* at a location is below the *spot price* at that location will normally be *dispatched*;
- (3A) *generating units*, *scheduled network services* or *scheduled loads* which operate in accordance with a *direction*, are to be taken into account in the *central dispatch* process, but the *dispatch offer*, in the case of a *generating unit* or *scheduled network service*, which operates in accordance with a *direction*, or the *dispatch bid*, in the case of a *scheduled load* which operates in accordance with a *direction*, will not be used in the calculation of the *dispatch price* in the relevant *dispatch interval*;
- (3B) *ancillary service generating units* and *ancillary service loads* the subject of a fixed constraint (within the meaning of clause 3.8.23(g)) are to be taken into account in the *central dispatch* process, but the price in a *market ancillary service offer* which operates in accordance with a fixed constraint will not be used in the calculation of the *ancillary service price* for that *market ancillary service* in the relevant *dispatch interval*;
- (3C) *generating units* or *loads* which operate in accordance with a *direction* to provide an *ancillary service* are to be taken into account in the *central dispatch* process, but the price in a *market ancillary service offer* which operates in accordance with a *direction*, will not be used in the calculation of the *ancillary service price* for that *market ancillary service* in the relevant *dispatch interval*;
- (4) *network losses*, *network constraints*, the availability of *scheduled network services* and *network dispatch offers* are taken into account in the determination of *dispatch* and consequently affect *dispatch prices*, *spot prices* and (apart from *network losses*) *ancillary services prices*;
- (5) where the *energy* output of a *Registered Participant* is limited above or below the level at which it would otherwise have been *dispatched* by AEMO on the basis of its *dispatch offer* or *dispatch bid* due to an *ancillary services direction*, the *Registered Participant's dispatch offer* or *dispatch bid* is taken into account in the determination of *dispatch* but the *dispatch offer* or *dispatch bid* will not be used in the calculation of the *dispatch price* for *energy* in the relevant *dispatch interval*;

- (5A) *market ancillary service offers*, in other *ancillary services markets*, due to an *ancillary services direction* are taken into account in the determination of *dispatch* and consequently affect *ancillary service prices* in those other *ancillary services markets*;
 - (6) when the *spot price* is determined, it applies to both sales and purchases of electricity at a particular location and time;
 - (6A) when an *ancillary service price* is determined for an *ancillary service*, it applies to purchases of that *ancillary service*;
 - (6B) when an *ancillary service price* is determined under paragraph (6A) for a *regulation service*, it applies to purchases of that *regulation service* and, where appropriate, purchases of a *delayed service*;
 - (7) *spot prices* and *dispatch prices* provide *Market Participants* with signals as to the value of providing or cost of consuming electricity at a particular location at a particular time; and
 - (7A) *ancillary service prices* provide *Ancillary Service Providers* with signals as to the value of providing the relevant *market ancillary service* within a particular *region* at a particular time.
- (b) A single *regional reference price* which is the *spot price* at the *regional reference node* provides a reference from which the *spot prices* are determined within each *region*.
 - (c) The *local spot price* at each *transmission network connection point* is the *spot price* at the *regional reference node* for the *region* to which the *connection point* is assigned multiplied by the relevant *intra-regional loss factor* applicable to that *connection point*.

Note

Where two *intra-regional loss factors* are determined for a *transmission network connection point* under clause 3.6.2(b)(2), *AEMO* will determine the relevant *intra-regional loss factor* for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).

3.9.2 Determination of spot prices

- (a) **[Deleted]**
- (b) **[Deleted]**
- (c) Each time the *dispatch algorithm* is run by *AEMO*, it must determine a *dispatch price* for each *regional reference node* for a *dispatch interval* in accordance with clause 3.8.21(b), provided that if *AEMO* fails to run the *dispatch algorithm* to determine *dispatch prices* for any *dispatch interval* then the *dispatch price* for that *dispatch interval* is the last *dispatch price* determined by the *dispatch algorithm* prior to the relevant *dispatch interval*.

- (d) The *dispatch price* at a *regional reference node* represents the marginal value of *supply* at that location and time, this being determined as the price of meeting an incremental change in *load* at that location and time in accordance with clause 3.8.1(b).
- (e) Notwithstanding clauses 3.9.2(c) or (d), for any *dispatch interval* if:
 - (1) the *dispatch price* for that *dispatch interval* has not already been set by the *central dispatch* process and AEMO reasonably determines that the *central dispatch* process may determine that all *load* in a *region* could not otherwise be supplied and AEMO issues instructions that are current for that *dispatch interval* to *Network Service Providers* or *Market Participants* to shed *load*, then AEMO must set the *dispatch price* at that *region's regional reference node* to equal the *market price cap*;
 - (2) AEMO has declared a *dispatch interval* to be an *intervention price dispatch interval* under clause 3.9.3(a), then subject to clauses 3.9.3(c) and 3.9.3(d) AEMO must set the *dispatch price* in accordance with clause 3.9.3;
 - (3) **[Deleted]**
 - (4) an *administered price period* in accordance with clause 3.14.2 applies, then AEMO must limit the *dispatch price* in accordance with clause 3.14.2(d1); and
 - (5) AEMO has made a declaration that the *spot market* in a *region* is suspended under clause 3.14.4, then AEMO must set the *dispatch price* for each *dispatch interval* during the period for which the *spot market* is suspended in accordance with clause 3.14.5.
- (f) **[Deleted]**
- (g) **[Deleted]**
- (h) The *spot price* at a *regional reference node* for a *trading interval* equals the time weighted average of the *dispatch prices* at the *regional reference node* for each of the *dispatch intervals* in the *trading interval*.
- (i) **[Deleted]**
- (j) **[Deleted]**
- (k) If a test is being conducted on a *generating unit* or *scheduled load* in accordance with clause 3.11.2 and for the purpose of conducting that test, the *generating unit* or *scheduled load* is excluded from *central dispatch*, then that *generating unit* or *scheduled load* cannot be used to set the *dispatch price* for *energy* in the relevant *dispatch interval*.

3.9.2A Determination of ancillary services prices

- (a) Each time the *dispatch algorithm* is run by AEMO, it must determine an *ancillary service price* for each *market ancillary service* for each *regional reference node* which is to apply until the next time the *dispatch algorithm* is run, provided that if AEMO fails to run the *dispatch algorithm* to determine *ancillary service prices* for any *dispatch interval* then the *ancillary service price* for that *dispatch interval* is the last *ancillary service price* determined by the *dispatch algorithm* prior to the relevant *dispatch interval*.
- (b) For each *market ancillary service*, including the *regulating raise service* and the *regulating lower service*, each time the *dispatch algorithm* is run by AEMO where a local *ancillary services* constraint has been applied, AEMO must:
 - (1) calculate the marginal price of meeting any *global market ancillary service requirement* for that service;
 - (2) calculate the marginal price of meeting each *local market ancillary service requirement* for that service and;
 - (3) identify for each *local market ancillary service requirement* the *regions* requiring the service.
- (b1) An *ancillary service price* for a *region* is the sum of:
 - (1) the marginal price of meeting any *global market ancillary service requirement* for that service; and
 - (2) the marginal price of meeting each *local market ancillary service requirement* for that service in that *region*.
- (c) If an *ancillary service price* determined using the *dispatch algorithm* under clause 3.9.2A(a):
 - (1) is less than zero, then the *ancillary service price* is reset to zero; and
 - (2) is greater than the *market price cap*, then the *ancillary service price* is reset to the *market price cap*.
- (c1) If a marginal price calculated pursuant to clause 3.9.2A(b) is greater than the *market price cap*, then that marginal price is reset to the *market price cap*.
- (d) If a test is being conducted on a *generating unit* or *scheduled load* in accordance with clause 3.11.2 and for the purpose of conducting that test, the *generating unit* or *scheduled load* is excluded from *central dispatch*, then that *generating unit* or *scheduled load* cannot be used to set *ancillary service prices*.

3.9.2B Pricing where AEMO determines a manifestly incorrect input

- (a) For the purposes of this clause:

Input means any value that is used by the *dispatch algorithm* including measurements of *power system* status, five minute demand forecast values, *constraint* equations entered by *AEMO*, or software setup but not including *dispatch bids* and *dispatch offers* submitted by *Registered Participants*.

Last correct dispatch interval means the most recent *dispatch interval* preceding the affected *dispatch interval* that is not itself an affected *dispatch interval*.

- (b) *AEMO* may apply the automated procedures developed in accordance with clause 3.9.2B(h), to identify a *dispatch interval* as subject to review ("a **dispatch interval subject to review**").
- (c) *AEMO* may also determine that a *dispatch interval* is subject to review if *AEMO* considers that it is likely to be subject to a manifestly incorrect input, but only where the *dispatch interval* immediately preceding it was a *dispatch interval* subject to review.
- (d) *AEMO* must determine whether a *dispatch interval* subject to review contained a manifestly incorrect input to the *dispatch algorithm* ("an **affected dispatch interval**").
- (e) Where *AEMO* determines an affected *dispatch interval*, *AEMO* must:
- (1) replace all *dispatch prices* and *ancillary service prices* with the corresponding prices for the last correct *dispatch interval*; and
 - (2) recalculate, in accordance with clause 3.9.2(h), and adjust all *spot prices* relevant to each affected *dispatch interval*.
- (f) *AEMO* may only carry out the action described in clause 3.9.2B(e) if no more than 30 minutes have elapsed since the publication of the *dispatch prices* for the *dispatch interval* subject to review.
- (g) As soon as reasonably practicable after the action as described in clause 3.9.2B(e), *AEMO* must *publish* a report outlining:
- (1) The reasons for the determination under clause 3.9.2B(d);
 - (2) Whether that determination was correct;
 - (3) What action will be taken to minimise the risk of a similar event in future.
- (h) *AEMO* must, in consultation with *Registered Participants*, develop procedures for the automatic identification of *dispatch intervals* subject to review under clause 3.9.2B (b) ("the **automated procedures**").

- (i) The purpose of the automated procedures is to detect instances where manifestly incorrect inputs may have resulted in material differences in pricing outcomes.
- (j) **[Deleted]**
- (k) At least once each calendar year, *AEMO* must review the effectiveness of the automated procedures referred to in clause 3.9.2B(h).
- (l) *AEMO* must report on the findings of the review under clause 3.9.2B(k) and must include in that report details of all *dispatch intervals* subject to review that were not affected *dispatch intervals* and an analysis of why such intervals were identified as subject to review.
- (m) **[Deleted]**

3.9.3 Pricing in the event of intervention by AEMO

- (a) In respect of a *dispatch interval* where a *AEMO intervention event* occurs *AEMO* must declare that *dispatch interval* to be an *intervention price dispatch interval*.
- (b) Subject to paragraphs (c) and (d), *AEMO* must in accordance with the methodology or assumptions *published* pursuant to paragraph (e) set the *dispatch price* and *ancillary service prices* for an *intervention price dispatch interval* at the value which *AEMO*, in its reasonable opinion, considers would have applied as the *dispatch price* and *ancillary service price* for that *dispatch interval* in the relevant *region* had the *AEMO intervention event* not occurred.
- (c) *AEMO* may continue to set *dispatch prices* pursuant to clause 3.9.2 and *ancillary service prices* pursuant to clause 3.9.2A until the later of:
 - (1) the second *dispatch interval* after the first *dispatch interval* in which the *AEMO intervention event* occurred; or
 - (2) if applicable, the second *dispatch interval* after the restoration of the *power system* to a *secure operating state* after any *direction* which constitutes the *AEMO intervention event* was issued,provided that *AEMO* must use its reasonable endeavours to set *dispatch prices* and *ancillary service prices* pursuant to this clause 3.9.3 as soon as practicable following the *AEMO intervention event*.
- (d) *AEMO* must continue to set *dispatch prices* pursuant to clause 3.9.2 and *ancillary service prices* pursuant to clause 3.9.2A if a *direction* given to a *Registered Participant* in respect of *plant* at the *regional reference node* would not in *AEMO's* reasonable opinion have avoided the need for any *direction* which constitutes the *AEMO intervention event* to be issued.
- (e) Subject to paragraph (g), *AEMO* must develop in accordance with the *Rules consultation procedures* and *publish* details of the methodology it will use,

and any assumptions it may be required to make, to determine *dispatch prices* and *ancillary service prices* for the purposes of paragraph (b).

- (f) The methodology developed by *AEMO* under paragraph (e) must wherever reasonably practicable:
 - (1) be consistent with the principles for *spot price* determination set out in clause 3.9.1;
 - (2) enable *AEMO* to determine and *publish* such prices in accordance with clause 3.13.4; and
 - (3) be consistent with the principles for *ancillary service price* determination set out in clauses 3.9.2 and 3.9.2A.
- (g) *AEMO* may make minor and administrative amendments to the methodology developed under paragraph (e) without complying with the *Rules consultation procedures*.

3.9.3A Reliability standard and settings review

Reliability standard and settings guidelines

- (a) The *Reliability Panel* must develop and publish, and may amend from time to time, guidelines (the *reliability standard and settings guidelines*) that set out the principles and assumptions that the *Reliability Panel* will use in conducting the *reliability standard and settings review*.
- (b) The *Reliability Panel* must develop the *reliability standard and settings guidelines* in accordance with the *Rules consultation procedures* and must amend the *reliability standard and settings guidelines* in accordance with the consultation process set out in clauses 8.8.3(d) to (l).
- (c) There must be *reliability standard and settings guidelines* in force at all times after the date on which the *Reliability Panel* publishes the first *reliability standard and settings guidelines* under these *Rules*.

Conducting the reliability standard and settings review

- (d) By 30 April of each fourth year (with the first four year period ending in 2014), the *Reliability Panel* must:
 - (1) conduct the *reliability standard and settings review* in accordance with the *Rules consultation procedures* and this clause; and
 - (2) publish a report in accordance with clause 3.9.3B on the *reliability standard* and *reliability settings* that it recommends should apply on and from 1 July in the year commencing 2 years after the year in which the report is published.

Requirements for reliability standard and settings review

- (e) In conducting the *reliability standard and settings review* the *Reliability Panel*:
 - (1) must comply with the *reliability standard and setting guidelines*;
 - (2) must have regard to any terms of reference for the review provided by the *AEMC* under clause 8.8.3(c);
 - (3) must have regard to the potential impact of any proposed change to a *reliability setting* on:
 - (i) *spot prices*;
 - (ii) investment in the *National Electricity Market*;
 - (iii) the *reliability* of the *power system*; and
 - (iv) *Market Participants*;
 - (4) must have regard to any value of customer reliability determined by the *AER* under rule 8.12 which the *Reliability Panel* considers to be relevant; and
 - (5) may take into account any other matters specified in the *reliability standards and setting guidelines* or which the *Reliability Panel* considers relevant.
- (f) The *Reliability Panel* may only recommend a *market price cap* or *cumulative price threshold* which the *Reliability Panel* considers will:
 - (1) allow the *reliability standard* to be satisfied without use of *AEMO*'s powers to intervene under clauses 3.20.7(a) and 4.8.9(a); and
 - (2) in conjunction with other provisions of the *Rules*, not create risks which threaten the overall integrity of the *market*.
- (g) If the *Reliability Panel* is of the view that a decrease in either the *market price cap* or the *cumulative price threshold* may mean the *reliability standard* is not maintained, the *Reliability Panel* may only recommend such a decrease where it has considered any alternative arrangements necessary to maintain the *reliability standard*.
- (h) The *Reliability Panel* may only recommend a *market floor price* which the *Reliability Panel* considers will:
 - (1) allow the *market* to clear in most circumstances; and
 - (2) not create substantial risks which threaten the overall stability and integrity of the *market*.

- (i) The *Reliability Panel* must submit to the *AEMC* any *Rule* change proposal that results from a review under this clause as soon as practicable after the review is completed.

3.9.3B Reliability standard and settings review report

A report of the findings of the *Reliability Panel* in a review under clause 3.9.3A must set out the *Reliability Panel's* conclusions and its recommendations in relation to:

- (a) the *reliability standard*;
- (b) the level of the *reliability settings*;
- (c) the manner of indexing the *market price cap* and the *cumulative price threshold*;
- (d) supporting information including:
 - (1) a description of how the *Reliability Panel* has conducted the review in accordance with the *reliability standard and setting guidelines*;
 - (2) how the *Reliability Panel* has taken into account any terms of reference for the review provided by the *AEMC* under clause 8.8.3(c);
 - (3) details of all relevant *market* conditions and circumstances on which its recommendation is based (if not specified under subparagraph (d)(1)); and
 - (4) an assessment of whether the level of the *market price cap* together with the operation of the *cumulative price threshold* have achieved the objectives set out in clause 3.9.3A(f).

3.9.3C Reliability standard

- (a) The *reliability standard* for *generation* and *inter-regional transmission elements* in the *national electricity market* is a maximum expected *unserved energy (USE)* in a *region* of 0.002% of the total *energy* demanded in that *region* for a given *financial year*.
- (b) For the purposes of paragraph (a) *unserved energy* is to:
 - (1) include *unserved energy* associated with *power system reliability* incidents that result from:
 - (i) a single *credible contingency event* on a *generating unit* or an *inter-regional transmission element*, that may occur concurrently with *generating unit* or *inter-regional transmission element outages*; or

- (ii) delays to the construction or commissioning of new *generating units* or *inter-regional transmission elements*, including delays due to industrial action or acts of God; and
- (2) exclude *unserved energy* associated with *power system security* incidents that result from:
 - (i) multiple *contingency events*, *protected events* or *non-credible contingency events* on a *generating unit* or an *inter-regional transmission element*, that may occur concurrently with *generating unit* or *inter-regional transmission element outages*;
 - (ii) *outages* of *transmission network* or *distribution network* elements that do not significantly impact the ability to transfer *power* into the *region* where the USE occurred; or
 - (iii) industrial action or acts of God at existing *generating facilities* or *inter-regional transmission facilities*.

3.9.3D Implementation of the reliability standard

- (a) *AEMO* must develop, publish and amend from time to time *reliability standard implementation guidelines* that set out how *AEMO* will implement the *reliability standard*.
- (b) The *reliability standard implementation guidelines* must include, without limitation, the approach *AEMO* will use and the assumptions it will make in relation to:
 - (1) demand for electricity;
 - (2) *reliability* of existing and future *generation*;
 - (3) *intermittent generation*;
 - (4) *energy constraints*;
 - (5) the treatment of extreme weather events; and
 - (6) *network constraints*.
- (b1) In addition to the matters specified in paragraph (b), the *reliability standard implementation guidelines* must set out the factors that *AEMO* will consider in determining whether it has an obligation to publish an *EAAP* under clause 3.7C(d)(2).
- (c) *AEMO* must develop and amend the *reliability standard implementation guidelines* in consultation with the *Reliability Panel*, *Registered Participants* and other interested persons in accordance with the *Rules consultation procedures*.

- (d) There must be *reliability standard implementation guidelines* in force at all times after the date on which AEMO publishes the first *reliability standard implementation guidelines* under these Rules.
- (e) AEMO must review the *reliability standard implementation guidelines* at least once every four years. AEMO must conduct the review in consultation with the *Reliability Panel*, *Registered Participants* and other interested persons in accordance with the *Rules consultation procedures*.

3.9.4 Market Price Cap

- (a) The *market price cap* is a price cap which is to be applied to *dispatch prices*.
- (b) The value of the *market price cap* for each *financial year* is the dollar amount per MWh calculated by the AEMC under paragraph (c).

Note

The current value of the *market price cap* is set out in a schedule of reliability settings published on the AEMC's website www.aemc.gov.au

- (c) By 28 February of each year (commencing 2012), the AEMC must calculate the *market price cap* to apply on and from 1 July of that year in accordance with paragraphs (d) and (e) and *publish* its calculation on its website as part of a schedule of *reliability settings*.
- (d) Subject to paragraph (e), the AEMC must calculate the *market price cap* using the following formula:

$$MPC^x = BV^{MPC} \times \frac{(Q_1^c + Q_2^c + Q_3^c + Q_4^c)}{(Q_1^b + Q_2^b + Q_3^b + Q_4^b)}$$

Where:

MPC is the *market price cap* in dollars per MWh;

x is the *financial year* for which the *market price cap* is being calculated;

BV^{MPC} is \$12,500/MWh (being the value of the *market price cap* prior to 1 July 2012);

Q1 to Q4 are the values of the Reliability Settings Index for each of the four quarters of years c and b (as the case may be) as at five months before the start of year x;

Reliability Settings Index is the All groups, Australia CPI found at Index Numbers, All groups, Australia, in Tables 1 and 2 of the Consumer Price Index, Australia published by the Australian Bureau of Statistics for the relevant quarter, except where that index ceases to be published or is substantially changed, in which case the Reliability Settings Index will be such other index as is determined by the AEMC as suitable;

c is the calendar year commencing 18 months before the start of year x; and

b is calendar year 2010.

- (e) If the value calculated by the *AEMC* under paragraph (d) is:
 - (1) not in whole hundreds of dollars, then the *market price cap* for year x will be the value calculated under paragraph (d) rounded to the nearest \$100/MWh;
 - (2) less than the *market price cap* applied under this clause 3.9.4 for the preceding *financial year* (year x-1), then the *market price cap* for year x will be the value of the *market price cap* for year x-1.

3.9.5 Application of the Market Price Cap

- (a) *Dispatch prices at regional reference nodes* must not exceed the *market price cap*.
- (b) If *central dispatch* and determination of *dispatch prices* in accordance with rule 3.8, and clauses 3.9.2 and 3.9.3 would otherwise result in a *dispatch price* greater than the *market price cap* at any *regional reference node*, then subject to clause 3.9.5(c), the *dispatch price* at that *regional reference node* must be set to the *market price cap*.
- (c) If the *dispatch price* at any *regional reference node* is set to the *market price cap* under clause 3.9.2 or clause 3.9.5 then *dispatch prices* at all other *regional reference nodes connected by a regulated interconnector or regulated interconnectors* that have an *energy flow* towards that *regional reference node* must not exceed the *market price cap* divided by the average *loss factor* that applies for *energy flow* in that direction for that *dispatch interval* and determined in accordance with clause 3.9.5(d).
- (d) *AEMO* must determine the average *loss factors* applicable to clause 3.9.5(c) by reference to the *inter-regional loss factor* equations relating to the relevant *regulated interconnector*.

3.9.6 Market Floor Price

- (a) The *market floor price* is a price floor which is to be applied to *dispatch prices*.
- (b) The value of the *market floor price* is \$-1,000/MWh.
- (c) **[Deleted]**
- (d) **[Deleted]**
- (e) **[Deleted]**

3.9.6A Application of the Market Floor Price

- (a) *Dispatch prices at regional reference nodes must not be less than the market floor price.*
- (b) *If central dispatch and determination of dispatch prices in accordance with rule 3.8, and clauses 3.9.2 and 3.9.3 would otherwise result in a dispatch price less than the market floor price at any regional reference node, then subject to clause 3.9.6A(c), the dispatch price at that regional reference node must be set to the market floor price.*
- (c) *If the dispatch price at any regional reference node is set to the market floor price under clause 3.9.6A then dispatch prices at all other regional reference nodes connected by a regulated interconnector or regulated interconnectors that have an energy flow away from that regional reference node must be equal to or greater than the market floor price multiplied by the average loss factor that applies for energy flow in that direction for that dispatch interval and determined in accordance with clause 3.9.6A(d).*
- (d) *AEMO must determine the average loss factors applicable to clause 3.9.6A(c) by reference to the inter-regional loss factor equations relating to the relevant regulated interconnector.*

3.9.7 Pricing for constrained-on scheduled generating units

- (a) *In the event that a network constraint causes a scheduled generating unit to be constrained-on in any dispatch interval, that scheduled generating unit must comply with dispatch instructions from AEMO in accordance with its availability as specified in its dispatch offer but may not be taken into account in the determination of the dispatch price in that dispatch interval.*

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) *A Scheduled Generator that is constrained-on in accordance with clause 3.9.7(a) is not entitled to receive from AEMO any compensation due to its dispatch price being less than its dispatch offer price.*
- (c) *In the event that:*
 - (1) *an inertia network service under an inertia services agreement is enabled such that an inertia generating unit is constrained on in any dispatch interval to provide inertia; or*
 - (2) *a system strength service under a system strength services agreement is enabled such that a system strength generating unit is constrained on in any dispatch interval to provide a system strength service,*

the relevant generating unit must comply with dispatch instructions from AEMO in accordance with its availability as specified in its dispatch offer

but may not be taken into account in the determination of the *dispatch price* in that *dispatch interval* except to the extent that the *generating unit* is *dispatched* at a level above its minimum *loading level*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) A *Scheduled Generator* that is *constrained on* in accordance with paragraph (c) is not entitled to receive from *AEMO* any compensation due to its *dispatch price* being less than its *dispatch offer price*.

3.10 [Deleted]

3.11 Ancillary Services

3.11.1 Introduction

- (a) *Ancillary services* are services that are essential to the management of *power system security*, facilitate orderly trading in electricity and ensure that electricity supplies are of acceptable quality.
- (b) *Market ancillary services* are *ancillary services* acquired by *AEMO* as part of the *spot market* in accordance with this Chapter 3. The prices for *market ancillary services* are determined using the *dispatch algorithm*.
- (c) *Non-market ancillary services* are *ancillary services* not acquired by *AEMO* as part of the spot market, but acquired:
 - (1) in the case of *SRAS*, by *AEMO* under *ancillary services agreements*, with the prices for *SRAS* being determined in accordance with the relevant *ancillary services agreements*; and
 - (2) in the case of *NSCAS*:
 - (i) by *Transmission Network Service Providers* under *connection agreements* or *network support agreements* to meet an *NSCAS* need; and
 - (ii) in the circumstances contemplated in clause 3.11.3(c), by *AEMO* under *ancillary services agreements* entered into following a call for offers made in accordance with rule 3.11.5 to meet a *NSCAS* gap only for *power system security* and reliability of supply of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*,

with the prices for *NSCAS* being determined in accordance with the relevant agreements;

- (3) in the case of *NMAS* other than *SRAS* and *NSCAS*, by *Transmission Network Service Providers* under *connection agreements* or *network support agreements* to meet the service standards in accordance with the technical requirements of schedule 5.1 or in *applicable regulatory instruments*, with the prices for those services being determined in accordance with the relevant agreements.
- (d) *AEMO* may instruct a person to provide a *non-market ancillary service* under an *ancillary services agreement* or otherwise in accordance with the relevant *performance standards*, and any person so instructed must use reasonable endeavours to comply with that instruction.
- (e) *AEMO* is not responsible for payment to a person for *non-market ancillary services* provided by that person under a *connection agreement* or a *network support agreement*.

3.11.2 Market ancillary services

- (a) The *market ancillary services* are:
 - (1) the *fast raise service*;
 - (2) the *fast lower service*;
 - (3) the *slow raise service*;
 - (4) the *slow lower service*;
 - (5) the *regulating raise service*;
 - (6) the *regulating lower service*;
 - (7) the *delayed raise service*; and
 - (8) the *delayed lower service*.
- (b) *AEMO* must make and *publish* a *market ancillary service specification* containing:
 - (1) a detailed description of each kind of *market ancillary service*; and
 - (2) the performance parameters and requirements which must be satisfied in order for a service to qualify as the relevant *market ancillary service* and also when a *Market Participant* provides the relevant kind of *market ancillary service*.
- (c) *AEMO* may amend the *market ancillary service specification*, from time to time.
- (d) *AEMO* must comply with the *Rules consultation procedures* when making or amending the *market ancillary service specification*.

- (e) An amendment to the *market ancillary service specification* must not take effect until at least 30 days after the amendment has been *published*.
- (f) In addition to the requirements under rule 4.15, a *Market Participant* which has classified a *generating unit* as an *ancillary service generating unit* or a *load* as an *ancillary service load* must install and maintain in accordance with the standards referred to in clause 3.11.2(g) monitoring equipment to monitor and record the response of the *ancillary service generating unit* or *ancillary service load* to changes in the *frequency* of the *power system*.
- (g) *AEMO* must develop, and may amend from time to time, standards which must be met by *Market Participants* in installing and maintaining the equipment referred to in paragraph 3.11.2(f).
- (h) *AEMO* may request a *Market Participant* with an *ancillary service generating unit* or an *ancillary service load* to provide to *AEMO* a report detailing how the relevant facility responded to a particular change or particular changes in the *frequency* of the *power system*. A *Market Participant* must provide a report requested under this paragraph 3.11.2(h) promptly but, in any event, in no more than 20 *business days* after notice to do so.
- (i) *AEMO* may from time to time require a *Registered Participant* which provides a *market ancillary service* under the *Rules* to demonstrate the relevant *plant's* capability to provide the *market ancillary service* to the satisfaction of *AEMO* according to standard test procedures. A *Registered Participant* must promptly comply with a request by *AEMO* under this clause.

3.11.3 Acquisition of Network Support and Control Ancillary Service

- (a) Where an *NTNDP* identifies an *NSCAS gap*, *AEMO* may request the relevant *Transmission Network Service Provider* to advise when the *Transmission Network Service Provider* will have arrangements in place to meet that *NSCAS gap*, or provide reasons why the *NSCAS gap* will not be met.
- (b) Within 30 days of *AEMO's* request under paragraph (a), the *Transmission Network Service Provider* must provide a response to *AEMO*. If the *Transmission Network Service Provider* proposes to put in place arrangements to meet the relevant *NSCAS gap*, it must include in its response full details of those arrangements.
- (c) If, after considering any response made under paragraph (b), *AEMO*:
 - (1) considers that the relevant *NSCAS gap* will remain; and
 - (2) considers it is necessary to acquire *NSCAS* to meet the relevant *NSCAS gap* to prevent an adverse impact on *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*,

AEMO:

- (3) must *publish* details of why it considers that the relevant *NSCAS gap* will remain; and
- (4) must use reasonable endeavours to acquire *NSCAS* to meet the relevant *NSCAS gap* in accordance with clause 3.11.5.

3.11.4 Guidelines and objectives for acquisition of network support and control ancillary services

- (a) In this clause 3.11.4:

NSCAS description means a detailed description of each type of *network support and control ancillary service*.

NSCAS quantity procedure means a procedure that determines the location and quantity of each type of *network support and control ancillary service* required.

- (a1) *AEMO* must develop and *publish* the *NSCAS description* in accordance with the *Rules consultation procedures*.
- (b) *AEMO* must develop and *publish* the *NSCAS quantity procedure* in accordance with the *Rules consultation procedures*.
- (c) *AEMO* may amend the *NSCAS description* and the *NSCAS quantity procedure*.
- (d) *AEMO* must comply with the *Rules consultation procedures* when making or amending the *NSCAS description* or the *NSCAS quantity procedure*.
- (e) *AEMO* may make minor and administrative amendments to the *NSCAS description* or the *NSCAS quantity procedure* without complying with the *Rules consultation procedures*.

3.11.5 Tender process for network support and control ancillary services

- (a) In this clause 3.11.5:

NSCAS tender guidelines means the guidelines developed and *published* by *AEMO* in accordance with paragraph (b) as in force from time to time, and includes amendments made in accordance with paragraphs (c) and (d).

- (a1) If *AEMO* proposes to acquire a *network support and control ancillary service*, *AEMO* must call for offers from persons who are in a position to provide the *network support and control ancillary service* in accordance with the *NSCAS tender guidelines*.
- (b) *AEMO* must determine and *publish* the *NSCAS tender guidelines*. The *NSCAS tender guidelines* must contain the following:

- (1) a requirement for *AEMO* to call for *NSCAS* expressions of interest before issuing an *NSCAS* invitation to tender in relation to any required *network support and control ancillary services*;
 - (2) a requirement that a person who is to provide *network support and control ancillary services* under an *ancillary services agreement* has the *facility* tested in accordance with the *NSCAS* tender guidelines;
 - (3) a requirement for a *Network Service Provider* or other *Registered Participant* to assist a prospective tenderer in identifying and, if possible, resolving issues that would prevent the delivery of effective *network support and control ancillary services* proposed by a prospective tenderer;
 - (4) the timeframes over which *AEMO*'s assessment of *NSCAS* expressions of interest, *NSCAS* tenders and physical testing of selected *network support and control ancillary services* will occur;
 - (5) a requirement for a tenderer to provide sufficient data, models and parameters of relevant *plant* in accordance with the requirements specified in the *Power System Model Guidelines*, the *Power System Design Data Sheet* and the *Power System Setting Data Sheet*, to facilitate a thorough assessment of the *network* impacts and *power station* impacts of the use of the relevant *network support and control ancillary service*;
 - (6) the terms and conditions of the *ancillary services agreement* that a successful tenderer would be expected to enter into with *AEMO*;
 - (7) the principles *AEMO* will apply in assessing *NSCAS* expressions of interest and *NSCAS* tenders; and
 - (8) any other matter considered appropriate by *AEMO*.
- (c) *AEMO* may amend the *NSCAS* tender guidelines, subject to paragraph (d), and must comply with the *Rules consultation procedures* when making or amending the *NSCAS* tender guidelines.
 - (d) *AEMO* may make minor and administrative amendments to the *NSCAS* tender guidelines without complying with the *Rules consultation procedures*.
 - (e) *AEMO* is not under any obligation to accept the lowest priced *NSCAS* tender or any *NSCAS* tender in response to an *NSCAS* invitation to tender.
 - (f) A *Network Service Provider* must:
 - (1) negotiate in good faith with a prospective tenderer in respect of issues the *NSCAS* tender guidelines require a prospective tenderer to discuss and, if possible, resolve with a *Network Service Provider*; and

- (2) participate in, or facilitate, testing of a *network support and control ancillary service* required by the NSCAS tender guidelines where it is reasonable and practicable to do so, and when participating in or facilitating such activities, the *Network Service Provider* will be entitled to recover from the relevant prospective tenderer all reasonable costs incurred by the *Network Service Provider* and for such purposes the activities of the *Network Service Provider* will be treated as *negotiable services*.
- (g) Where a person submits an NSCAS tender in response to an NSCAS invitation to tender and AEMO wishes to negotiate an aspect of that NSCAS tender, AEMO and that person must negotiate in good faith concerning that aspect.
- (h) In assessing any tenders submitted to meet a particular NSCAS gap, AEMO must first determine whether those tenders are competitive. The tenders submitted to meet a particular NSCAS gap will be deemed to be competitive if the quantity of NSCAS that AEMO is seeking can be supplied from the conforming tenders received by AEMO with any one conforming tender discarded or all conforming tenders from any one party discarded. If the tenders submitted to meet a particular NSCAS gap are not deemed to be competitive, AEMO and NSCAS preferred tenderers, must negotiate in good faith to agree reasonable terms and conditions for the supply of the relevant type of NSCAS, taking into account the need to:
 - (1) subject to subparagraph (h)(2), so far as practicable minimise the overall cost of supply of that service; and
 - (2) appropriately remunerate the providers of the relevant NSCAS for that service.
- (i) If AEMO and a NSCAS preferred tenderer cannot agree on the terms and conditions for the supply of a NSCAS after 21 business days from delivery to the preferred tenderer of a written notice from AEMO to negotiate, either AEMO or the preferred tenderer may refer the matter to the Adviser for the determination of a dispute as to those terms and conditions in accordance with rule 8.2.
- (j) If AEMO calls for offers under paragraph (a1), AEMO must give a notice to Registered Participants and NSCAS providers when the tender process is complete.
- (k) Within 5 business days of AEMO giving a notice under paragraph (j), AEMO must publish the total estimated annual costs and quantities of each type of NSCAS acquired by AEMO under ancillary services agreements in respect of each region and in total and provide a breakdown of those costs and quantities relating to each facility contracted under those agreements.
- (l) An NSCAS provider must comply with an ancillary services agreement under which they provide one or more network support and control ancillary services.

- (m) *AEMO* may from time to time require an *NSCAS Provider* which provides a *network support and control ancillary service* under an *ancillary services agreement* to demonstrate the relevant *plant's* capability to provide the *network support and control ancillary service* to the satisfaction of *AEMO* according to standard test procedures. An *NSCAS Provider* must promptly comply with a request by *AEMO* under this clause.

3.11.6 Dispatch of network support and control ancillary services by AEMO

- (a) For the avoidance of doubt, *AEMO* may *dispatch NSCAS* to:
 - (1) maintain *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*; and
 - (2) maintain or increase the *power transfer capability* of that *transmission network* so as to maximise the present value of net economic benefit to all those who produce, consume or transport electricity in the *market*,

but *AEMO* may only call for offers to acquire *NSCAS* to maintain *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*.

- (a1) *AEMO* must develop procedures for:
 - (1) *dispatching NCAS*; and
 - (2) reporting to *Registered Participants* and *NSCAS providers*, on a periodic basis, on the effectiveness of the *dispatch of network support and control ancillary services* using criteria related to the performance of the *power system* specified in the procedures developed under subparagraph (a1)(1).
- (b) *AEMO* must *publish* the procedures developed under this clause 3.11.6.
- (c) *AEMO* may amend a procedure developed under this clause 3.11.6, from time to time.
- (d) *AEMO* must develop and *publish* guidelines for the *dispatch* of *NSCAS* to support the relevant procedure developed under subparagraph (a1)(1).
- (e) Subject to paragraph (f), *AEMO* must comply with the *Rules consultation procedures* when making or amending the guidelines in paragraph (d).
- (f) *AEMO* may make minor and administrative amendments to the guidelines in paragraph (d) without complying with the *Rules consultation procedures*.

3.11.7 Guidelines and objectives for acquisition of system restart ancillary services by AEMO

- (a) [not used].
- (a1) *AEMO* must use reasonable endeavours to acquire *system restart ancillary services* to meet *the system restart standard* at the lowest cost (**the SRAS Procurement Objective**).
- (b) *AEMO* must consult with the relevant *Network Service Provider* to identify and resolve issues in relation to the capability of any *system restart ancillary service* proposed to be provided by an *SRAS Provider* in an *electrical sub-network* to meet the *system restart standard*.
- (c) *AEMO* must develop and *publish* the *SRAS Guideline*. The *SRAS Guideline* must be designed to ensure that the *system restart standard* is met at the lowest cost.
- (d) The *SRAS Guideline* must include:
 - (1) a description of the technical and availability requirements of *system restart ancillary services*;
 - (2) a process for meeting the aggregate required reliability of *system restart ancillary services* for each *electrical sub-network* under clause 8.8.3(aa)(3);
 - (3) a process for the modelling, assessment and physical testing of *system restart ancillary services* proposed to be provided by an *SRAS Provider*, including any assumptions to be made by *AEMO* regarding the state of *transmission elements* during a *major supply disruption*;
 - (4) a process for determining the number and location of *system restart ancillary services* required to be procured for each *electrical sub-network* consistent with the *system restart standard*;
 - (5) guidance to *Registered Participants* on the factors that *AEMO* must take into account when making a decision to follow a particular type of procurement process to acquire *system restart ancillary services* to meet the *SRAS Procurement Objective*;
 - (6) a process for *AEMO* to follow for contacting a potential *SRAS Provider* to negotiate the provision of *system restart ancillary services* without a competitive tender process; and
 - (7) a process for a potential *SRAS provider* to contact *AEMO* to offer the provision of *system restart ancillary services* without a competitive tender process, which offer *AEMO* is in no way obliged to accept.
- (e) *AEMO* may amend the *SRAS Guideline* from time to time.

- (f) When making or amending the *SRAS Guideline*, *AEMO* must, subject to paragraph (g), consult with:
 - (1) *Registered Participants*; and
 - (2) Such other persons who, in *AEMO*'s reasonable opinion, have, or have identified themselves to *AEMO* as having, an interest in the *SRAS Guideline*,in accordance with the *Rules consultation procedures*.
- (g) *AEMO* may make minor and administrative amendments to the *SRAS Guideline* without complying with the *Rules consultation procedures*.

3.11.8 Determination of electrical sub-network boundaries

- (a) For the purpose of acquiring *system restart ancillary services* and determining and implementing the *system restart plan*, the power system is to be divided into *electrical sub-networks*.
- (b) *AEMO* must determine the boundaries of the *electrical sub-networks* in accordance with the guidelines determined by the *Reliability Panel* under clause 8.8.3(aa)(5), and must *publish* a report setting out how it has complied with these guidelines.
- (c) *AEMO* must comply with the *Rules consultation procedures* in determining the boundaries of the *electrical sub-networks*.

3.11.9 Acquisition of system restart ancillary services by AEMO

- (a) If *AEMO* proposes to acquire a *system restart ancillary service*, *AEMO* must enter into an *ancillary services agreement* with a prospective *SRAS Provider* following the completion of any procurement process to acquire *system restart ancillary services* which *AEMO* is satisfied will enable it to meet the *SRAS Procurement Objective*.
- (b) Subject to paragraph (c), *AEMO* must only acquire *system restart ancillary services* from a person who is a *Registered Participant*.
- (c) *AEMO* may enter into an agreement to acquire *system restart ancillary services* with a person who is not a *Registered Participant* if that agreement includes a condition for the benefit of *AEMO* that no *system restart ancillary services* will be provided under the agreement until that person becomes a *Registered Participant*.
- (d) An *SRAS Provider* must comply with an *ancillary services agreement* under which they provide one or more *system restart ancillary services*.
- (e) A dispute concerning any aspect, (other than the aspect of price), of a *system restart ancillary services* agreement or a call for offers conducted by *AEMO* for the acquisition of *system restart ancillary services*, must be dealt with in accordance with rule 8.2.

- (f) *AEMO* may from time to time require an *SRAS Provider* which provides a *system restart ancillary service* under an *ancillary services agreement* to demonstrate the relevant *plant's* capability to provide the *system restart ancillary service* to the satisfaction of *AEMO* according to standard test procedures. An *SRAS Provider* must promptly comply with a request by *AEMO* under this clause.
- (g) A prospective *SRAS Provider* must provide to *AEMO* sufficient data, models and parameters of relevant *plant* in accordance with the requirements specified in the *Power System Model Guidelines*, the *Power System Design Data Sheet* and the *Power System Setting Data Sheet*, to facilitate a thorough assessment of the *network* impacts and *power station* impacts of the use of the relevant *system restart ancillary service*.
- (h) If *AEMO* seeks to enter into an *ancillary services agreement* with a prospective *SRAS Provider*, *AEMO* and that *SRAS Provider* must negotiate in good faith as to the terms and conditions of the *ancillary services agreement*.
- (i) A *Network Service Provider* must:
 - (1) provide any information to *AEMO* which *AEMO* reasonably requires in order for *AEMO* to assess the capability of a *system restart ancillary service* to meet the *system restart standard*;
 - (2) negotiate in good faith with a prospective *SRAS Provider* in respect of identifying and, if possible, resolving issues that would prevent the delivery of effective *system restart ancillary services* proposed by a prospective *SRAS Provider*; and
 - (3) participate in, or facilitate, testing of a *system restart ancillary service* proposed to be provided by a prospective *SRAS Provider* where it is reasonable and practicable to do so, and when participating in or facilitating such activities, the *Network Service Provider* will be entitled to recover from the prospective *SRAS Provider* all reasonable costs incurred by the *Network Service Provider* and for such purposes the activities of the *Network Service Provider* will be treated as *negotiable services*.

3.11.10 Reporting

- (a) At least once each year, *AEMO* must prepare and *publish* a report detailing the total estimated annual cost for the provision of *system restart ancillary services*, broken down to charges for availability and use, for each *electrical sub-network* and for each *region*.
- (b) At least once each year, *AEMO* must *publish* a report on:
 - (1) any *electrical sub-network* where *system restart ancillary services* were not acquired by *AEMO* to a level satisfactory to meet the *system*

restart standard, and reasons why the *system restart standard* was not met; and

- (2) the process followed by *AEMO* to acquire *system restart ancillary services* for each *electrical sub-network*.

3.12 Market Intervention by AEMO

3.12.1 Intervention settlement timetable

- (a) *AEMO* must use reasonable endeavours to complete and fulfil its obligations set out in clauses 3.12.2, 3.12.3, 3.15.7, 3.15.7A, 3.15.7B, 3.15.8 and 3.15.10C as soon as practicable and no later than:
 - (1) 100 *business days* after the end of the *AEMO intervention event* or the end of a series of related *AEMO intervention events* if *AEMO* is not required to appoint an independent expert under clause 3.15.7A or refer a matter to an independent expert under clause 3.12.2(l), 3.12.2(m), 3.15.7B(c) or 3.15.7B(d);
 - (2) 150 *business days* after the end of the *AEMO intervention event* or the end of a series of related *AEMO intervention events* if *AEMO* is:
 - (i) required to appoint an independent expert under clause 3.15.7A but is not required to refer a claim or matter to an independent expert under clause 3.12.2(l), 3.12.2(m), 3.15.7B(c) or 3.15.7B(d); or
 - (ii) required to refer a claim or matter to an independent expert under clause 3.12.2(l), 3.12.2(m), 3.15.7B(c) or 3.15.7B(d) but is not required to appoint an independent expert under clause 3.15.7A; and
 - (3) 200 *business days* after the end of the *AEMO intervention event* or the end of a series of related *AEMO intervention events* if *AEMO* is required to appoint an independent expert under clause 3.15.7A and refer a claim or matter to an independent expert under clause 3.12.2(l), 3.12.2(m), 3.15.7B(c) or 3.15.7B(d).
- (b) Subject to clause 3.12.1(a), *AEMO* must *publish* a timetable that sets a date for each of *AEMO's* and the independent expert's obligations pursuant to clauses 3.12.2, 3.12.3, 3.15.7, 3.15.7A, 3.15.7B, 3.15.8 and 3.15.10C, where required (the *intervention settlement timetable*).
- (c) *AEMO* must at least once a month revise and *publish* the *intervention settlement timetable* to reflect any changes to the *intervention settlement timetable*.

3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention

(a) In respect of each *intervention price trading interval*:

- (1) an *Affected Participant* is entitled to receive from AEMO, or must pay to AEMO, an amount as determined in accordance with this clause 3.12.2 that will put the *Affected Participant* in the position that the *Affected Participant* would have been in regarding the *scheduled generating unit* or *scheduled network service*, as the case may be, had the *AEMO intervention event* not occurred, taking into account solely the items listed in paragraph (j);
- (2) a *Market Customer*, other than a *Market Customer* which was the subject of any *direction* that constituted the *AEMO intervention event*, is entitled, in respect of one or more of its *scheduled loads*, to receive an amount calculated by applying the following formula:

$$DC = ((RRP \times LF) - BidP) \times QD$$

where:

DC (in dollars) is the amount the *Market Customer* is entitled to receive in respect of that *scheduled load* for the relevant *intervention price trading interval*;

RRP (in dollars per MWh) is the *regional reference price* in the relevant *intervention price trading interval* determined in accordance with clause 3.9.3;

LF where the *scheduled load's connection point* is a *transmission connection point*, is the relevant *intra-regional loss factor* at that *connection point* or where the *scheduled load's connection point* is a *distribution network connection point*, is the product of the *distribution loss factor* at that *connection point* multiplied by the relevant *intra-regional loss factor* at the *transmission connection point* to which it is assigned;

BidP (in dollars per MWh) is the price of the highest priced *price band* specified in a *dispatch bid* for the *scheduled load* in the relevant *intervention price trading interval*;

QD (in MWh) is the difference between the amount of electricity consumed by the *scheduled load* during the relevant *intervention price trading interval* determined from the *metering data* and the amount of electricity which AEMO reasonably determines would have been consumed by the *scheduled load* if the *AEMO intervention event* had not occurred,

provided that if DC is negative for the relevant *intervention price trading interval*, then the adjustment that the *Market Customer* is

entitled to claim in respect of that *scheduled load* for that *intervention price trading interval* is zero.

Note

Where two *intra-regional loss factors* are determined for a *transmission network connection point* under clause 3.6.2(b)(2), *AEMO* will determine the relevant *intra-regional loss factor* for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).

- (b) In respect of a single *intervention price trading interval*, an *Affected Participant* or *Market Customer* is not entitled to receive from, or obliged to pay to, *AEMO* an amount pursuant to this clause 3.12.2 if such an amount is less than \$5,000.
- (c) In respect of each *intervention price trading interval*, *AEMO* must, in accordance with the *intervention settlement timetable*, notify, in writing:
 - (1) each *Affected Participant* (except *eligible persons*) of:
 - (i) the estimated level of *dispatch* in MW that its *scheduled network service* or *scheduled generating unit* would have been *dispatched* at had the *AEMO intervention event* not occurred; and
 - (ii) an amount equal to:
 - (A) the estimated *trading amount* that it would have received had the *AEMO intervention event* not occurred based on the level of *dispatch* in subparagraph (i), less:
 - (B) the *trading amount* for that *Affected Participant* (excluding from that *trading amount* the amount referred to in clause 3.15.10C(a)) as set out in its *final statement* provided pursuant to clause 3.15.14 for the *billing period* in which the *intervention price trading interval* occurs;
 - (2) each *eligible person* of:
 - (i) the estimated level of flow in MW of all relevant *directional interconnectors* that would have occurred had the *AEMO intervention event* not occurred; and
 - (ii) an amount equal to:
 - (A) the estimated amount that person would have been entitled to receive pursuant to clause 3.18.1(b) had the *AEMO intervention event* not occurred based upon the flows referred to in subparagraph (i); less
 - (B) the actual entitlement of that person under clause 3.18.1(b); and

- (3) each *Market Customer*, the amount calculated by *AEMO* in accordance with paragraph (a)(2) for that *Market Customer*.
- (d) *AEMO* must include in an *Affected Participant's* or *Market Customer's* final statement provided pursuant to clause 3.15.15 for a *billing period* in which one or more *intervention price trading intervals* occurred:
 - (1) the amount notified by *AEMO* pursuant to paragraph (c) if the absolute value of such amount is greater than \$5,000; and
 - (2) in all other cases no amount in relation to compensation pursuant to this clause 3.12.2.
- (e) If the figure calculated in accordance with paragraph (c) is:
 - (1) negative, the absolute value of that amount is the amount payable to *AEMO* by the relevant person; and
 - (2) positive, the absolute value of that amount is the amount receivable from *AEMO* by the relevant person.
- (f) Subject to paragraphs (h) and (i), within 7 *business days* of receipt of the notice referred to in paragraph (c) an *Affected Participant* or *Market Customer* may make a written submission to *AEMO* in accordance with paragraph (g) claiming that the amount set out in the notice is greater than, less than, or equal to its entitlement pursuant to paragraph (a)(1) as an *Affected Participant* or paragraph (a)(2) as a *Market Customer*, as the case may be.
- (g) A written submission made by an *Affected Participant* or *Market Customer* pursuant to paragraph (f) must:
 - (1) itemise each component of the claim;
 - (2) contain sufficient data and information to substantiate each component of the claim;
 - (3) if the *Affected Participant* claims that the amount calculated by *AEMO* pursuant to paragraphs (c)(1) or (c)(2) is less than the amount the *Affected Participant* is entitled to receive pursuant to paragraph (a)(1), specify the difference between such amounts (such difference being the *affected participant's adjustment claim*);
 - (4) if the *Market Customer* claims that the amount calculated by *AEMO* pursuant to paragraph (c)(3) is less than the amount the *Market Customer* is entitled to receive pursuant to paragraph (a)(2), specify the difference between such amounts (such difference being the *market customer's additional claim*); and
 - (5) be signed by an authorised officer of the *Affected Participant* or *Market Customer* certifying that the written submission is true and correct.

- (h) If an *Affected Participant* or *Market Customer* does not deliver to AEMO a written submission in accordance with paragraph (f) it shall cease to have an entitlement to compensation under this clause 3.12.2.
- (i) In respect of a single *intervention price trading interval* an *Affected Participant* or *Market Customer* may only make a claim pursuant to paragraph (f) in respect of that *intervention price trading interval* if it claims that its entitlement or liability pursuant to this clause 3.12.2 is greater than \$5,000.
- (j) In determining the amount for the purposes of paragraph (a)(1), the following must, as appropriate, be taken into account:
 - (1) the direct costs incurred or avoided by the *Affected Participant* in respect of that *scheduled generating unit* or *scheduled network service*, as the case may be, as a result of the *AEMO intervention event* including:
 - (i) fuel costs in connection with the *scheduled generating unit* or *scheduled network service*;
 - (ii) incremental maintenance costs in connection with the *scheduled generating unit* or *scheduled network service*; and
 - (iii) incremental manning costs in connection with the *scheduled generating unit* or *scheduled network service*;
 - (2) any amounts which the *Affected Participant* is entitled to receive under clauses 3.15.6 and 3.15.6A; and
 - (3) the *regional reference price published* pursuant to clause 3.13.4(m).
- (k) AEMO must in accordance with the *intervention settlement timetable* calculate the *additional intervention claim* being the total of:
 - (1) the sum of the *affected participant's adjustment claims* and *market customer's additional claims* in respect of a *AEMO intervention event*, or in respect of, in AEMO's reasonable opinion, a series of related *AEMO intervention events*; plus
 - (2) the total claims by *Directed Participants* pursuant to clauses 3.15.7B(a), 3.15.7B(a1) and 3.15.7B(a2) in respect of that *AEMO intervention event*, or in respect of that series of related *AEMO intervention events*.
- (l) AEMO must in accordance with the *intervention settlement timetable*:
 - (1) refer an *affected participant's adjustment claim* or *market customer's additional claim* to an independent expert to determine such claim in accordance with clause 3.12.3 if the claim is equal to or greater than \$20,000 and the *additional intervention claim* that includes that claim is equal to or greater than \$100,000; and

- (2) determine in its sole discretion whether all other *affected participants' adjustment claims* and *market customers' additional claims* are reasonable and if so pay the amounts claimed in accordance with clause 3.15.10C.
- (m) If AEMO determines pursuant to paragraph (l) that an *affected participant's adjustment claim* or *market customer's additional claim* in respect of a *AEMO intervention event* is unreasonable, it must in accordance with the *intervention settlement timetable*:
 - (1) advise the *Affected Participant* or *Market Customer*, as the case may be, in writing of its determination including its reasons for the determination; and
 - (2) refer the matter to an independent expert to determine the claim for compensation in accordance with clause 3.12.3.
- (n) For the purposes of clauses 3.15.8 and 3.15.10C(b) any payment pursuant to paragraph (a) must include interest on the sum of that amount less the payment made in accordance with 3.15.10C(a)(1), computed at the average *bank bill rate* for the period from the date on which payment was required to be made under clauses 3.15.16 and 3.15.17 in respect of the *final statement* for the *billing period* in which the *AEMO intervention event* occurred to the date on which payment is required to be made pursuant to clause 3.15.10C.

3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO

- (a) Subject to clause 3.12.3(a1), if a matter is to be referred to an independent expert pursuant to clauses 3.12.2(l), 3.12.2(m) or 3.15.7B, AEMO must in accordance with the *intervention settlement timetable* publish a notice of its proposed nominee as independent expert and appoint such nominee.
- (a1) If within 3 *business days* of publication of AEMO's nominee pursuant to clause 3.12.3(a) more than 25% of the *Referred Affected Participants*, *Referred Market Customers* and *Referred Directed Participants* in relation to that *direction* object in writing to AEMO's nominee AEMO must, as soon as reasonably practicable thereafter, request the AEMC to nominate an independent expert.
- (a2) If a valid objection pursuant to clause 3.12.3(a1) is made, the AEMC must, within 3 *business days* of a written request from AEMO, nominate an independent expert to be appointed by AEMO for the purposes of this clause 3.12.3.
- (b) AEMO must provide to the independent expert a copy of all written submissions made by *Referred Affected Participants*, *Referred Market Customers* or *Referred Directed Participants* under clause 3.12.2(f) or 3.15.7B (a).

- (b1) To the extent reasonably practicable, all claims arising out of a single *AEMO intervention event* or arising out of, in *AEMO's* reasonable opinion, a series of related *AEMO intervention events*, should be determined by the same independent expert as part of the same process.
- (c) *AEMO* must include as part of the independent expert's terms of appointment the following requirements:
 - (1) In accordance with the *intervention settlement timetable* the independent expert must:
 - (i) determine and *publish* a draft report setting out:
 - (A) as appropriate, the total compensation payable by, or receivable by, *Referred Affected Participants* and *Referred Market Customers* under clause 3.12.2(a) pursuant to claims referred to the independent expert pursuant to clauses 3.12.2(l) and 3.12.2(m) in respect of the *intervention price trading interval*;
 - (B) the total amount of compensation payable to *Referred Directed Participants* pursuant to clause 3.15.7B; and
 - (C) the methodology and assumptions, if any, used by the independent expert in making the determination in clauses 3.12.3(c)(1)(ii) and 3.12.3(c)(1)(iii);
 - (ii) notify individual assessments by delivery to each *Referred Affected Participant* and *Referred Market Customer* and to *AEMO* of a draft assessment detailing the amount payable or receivable by that party, as the case may be, pursuant to clause 3.12.2(a); and
 - (iii) deliver to each *Referred Directed Participant* and to *AEMO* a draft assessment detailing the calculation of the amount of compensation receivable by that party pursuant to clause 3.15.7B.
 - (2) The independent expert must call for submissions from all relevant *Referred Affected Participants*, *Referred Market Customers* and *Referred Directed Participants* after *publishing* the draft report and delivering the draft assessment under clause 3.12.3(c)(1).
 - (3) Before the *publication* of the final report and delivery of the final assessment pursuant to clause 3.12.3(c)(4), the independent expert must:
 - (i) if requested to do so by a *Referred Affected Participant*, *Referred Market Customer* or *Referred Directed Participant*, within 15 *business days* of the *publication* of the draft report and draft assessment, meet with *representatives* of the *Referred Affected Participant*, *Referred Market Customer*, or *Directed*

- Participant* to discuss any queries it has in relation to the draft report or draft assessment as appropriate; and
- (ii) take into consideration, any further written submissions made by a *Referred Affected Participant*, *Referred Market Customer* or *Referred Directed Participant* in relation to the draft report or draft assessment, as the case may be, if the independent expert receives those submissions within 15 *business days* of the *publication* of the draft report and draft assessment.
- (4) The independent expert must in accordance with the *intervention settlement timetable*:
- (i) prepare and *publish* a final report;
 - (ii) prepare and deliver his or her final assessment of the amounts payable or receivable by the relevant party pursuant to clause 3.12.2(a) or 3.15.7B, as the case may be; and
 - (iii) deliver to *AEMO* a final tax invoice for the services rendered by the independent expert and a copy of all final assessments issued pursuant to clause 3.12.3(c)(ii).
- (5) A report prepared under clauses 3.12.3(c)(1)(i) and 3.12.3(c)(4)(i) must not disclose *confidential information*.
- (6) If the independent expert requires further information than that contained in a written submission made by the *Referred Affected Participant*, *Referred Market Customer* or *Referred Directed Participant* under clause 3.12.2(f) or 3.15.7B(a), the independent expert may advise the relevant party in writing of the information required.
- (7) If the relevant party has not provided that information to the independent expert within 10 *business days* of the date of the request for further information, then the independent expert, acting reasonably, is entitled to make such assumptions concerning that information as he or she thinks appropriate.
- (8) The independent expert must enter into, and deliver, a confidentiality deed for the benefit of each *Referred Affected Participant*, *Referred Market Customer* and *Referred Directed Participant* in a form developed by *AEMO* pursuant to clause 3.12.3(e).
- (d) A final report and a final assessment of an independent expert prepared in accordance with clause 3.12.3(c)(4) is final and binding.
- (e) *AEMO* must in accordance with the *Rules consultation procedures* prepare and *publish* a confidentiality deed for the purposes of this clause 3.12.3.

3.12A Mandatory restrictions

3.12A.1 Restriction offers

- (a) *AEMO* must develop, and may vary from time to time, in accordance with the *Rules consultation procedures* a *mandatory restrictions* trading system. The trading system must include:
 - (1) procedures for the acquisition by *AEMO* of capacity the subject of *restriction offers*;
 - (2) the standard terms and conditions upon which *AEMO* shall accept a *restriction offer*;
 - (3) the criteria to be applied by *AEMO* in the appointment of an appropriately qualified independent expert for the purposes of clause 3.12A.7(g)(ii); and
 - (4) procedures for the rebidding and *dispatch* of capacity the subject of an *accepted restriction offer*.
- (b) The *restriction offer procedures* must take into account the following principles:
 - (1) *AEMO* may accept a *restriction offer* for all or part of the capacity of a *scheduled generating unit* or *scheduled network service*, as recorded in the *bid and offer validation data* for that *scheduled generating unit* or *scheduled network service*.
 - (2) *AEMO* must use its reasonable endeavours to acquire capacity from valid *restriction offers* or to terminate in whole or part an *accepted restriction offer* in a manner that minimises the estimated *restriction shortfall amount*.
 - (3) *AEMO* may at any time terminate an *accepted restriction offer* in whole or in part by providing 4 hours notice to the relevant *Scheduled Generator* or *Scheduled Network Service Provider* that an *accepted restriction offer* is so terminated.
 - (4) The submission of *restriction offers* must be made in the form and by the means set out in procedures developed and *published* by *AEMO* for the purpose of the submission of *restriction offers*.
 - (5) If a *restriction offer* is made in accordance with the *restriction offer procedures*, *AEMO* must make available to the parties who submitted the *restriction offer* the following information without delay:
 - (i) acknowledgment of receipt of a valid *restriction offer*; and
 - (ii) notification detailing why a *restriction offer* is invalid, if appropriate.

- (6) If any details contained within a *restriction offer* are inconsistent with the *bid and offer validation data* provided by the relevant party then AEMO has the right to reject that *restriction offer* as invalid.
 - (7) A valid *restriction offer* must set out for each *trading interval* of a *trading day*:
 - (i) the price offered in \$/MWh or as otherwise permitted by the *restriction offer procedures*; and
 - (ii) MW amount for that *trading interval* being offered.
 - (8) AEMO must only accept *restriction offers* from *Scheduled Generators* and *Scheduled Network Service Providers* with a *connection point* located in the *region* in which *mandatory restrictions* apply or are proposed to apply.
- (c) The standard terms and conditions developed by AEMO pursuant to clause 3.12A.1(a)(2) must take into account the following principles:
- (1) All capacity the subject of the *restriction offer* must be available for immediate *dispatch* in the *central dispatch* process at all times.
 - (2) An *accepted restriction offer* is binding and may only be revoked or varied if the *Scheduled Generator* or *Scheduled Network Service Provider* notifies AEMO in accordance with the *restriction offer procedures* of a revocation or variation. Immediately upon receipt of such notification AEMO must amend the *accepted restriction offer* to reduce the capacity of the *accepted restriction offer* by the notified capacity. Such capacity must not be *dispatched* by AEMO pursuant to a *dispatch offer* for such capacity during the remainder of the *trading day* in which the *accepted restriction offer* was revoked or varied in accordance with this clause 3.12A.1(c) provided that such capacity may be re-offered as a *restriction offer*.
 - (3) A *restriction offer* may be amended or revoked in accordance with the *restriction offer procedures* at any time prior to it becoming an *accepted restriction offer*.

3.12A.2 Mandatory restrictions schedule

- (a) AEMO must, within 4 hours of receipt of a formal written notice from a *Jurisdictional System Security Coordinator* advising that the relevant *participating jurisdiction* proposes to invoke *mandatory restrictions*:
 - (1) in consultation with such *participating jurisdiction*, and in accordance with any procedures developed with that *participating jurisdiction*, estimate the effect in MW of the *mandatory restrictions* on the *region's* demand for each *trading interval* of the next *trading day* of the proposed *mandatory restriction period*; and

- (2) prepare and deliver to the *Jurisdictional System Security Coordinator* a schedule of capacity for each *trading interval* of the next *trading day* of the proposed *mandatory restriction period* which is approximately equal to the estimated reduction in *regional* demand due to the *mandatory restrictions* net of all *scheduled loads* in that *region*.
- (b) *AEMO* must regularly in conjunction with the relevant *Jurisdictional System Security Coordinator* review the current *mandatory restriction schedule* and when appropriate prepare and deliver to the *Jurisdictional System Security Coordinator* a revised schedule of capacity for each *trading interval* of that *trading day* which is approximately equal to the revised estimated reduction in *regional* demand due to the *mandatory restrictions* net of all *scheduled loads* in that *region*.
- (c) *AEMO* may only *publish* a *mandatory restriction schedule* and an amended *mandatory restriction schedule* upon receipt of a formal written notice approving the *mandatory restriction schedule* from the relevant *Jurisdictional System Security Coordinator*.

3.12A.3 Acquisition of capacity

- (a) *AEMO* must immediately upon *publication* of a *mandatory restriction schedule* or an amended *mandatory restriction schedule* use its reasonable endeavours to acquire, in accordance with the *restriction offer procedures*, capacity to meet the *mandatory restriction schedule* or amended *mandatory restriction schedule* as the case may be.
- (b) *AEMO* must terminate in accordance with the *restriction offer procedures* such number of *accepted restriction offers*, in whole or in part, so that the total capacity of existing *accepted restriction offers* as far as practicable equals the amended *mandatory restriction schedule*.

3.12A.4 Rebid of capacity under restriction offers

In each *dispatch interval* when *mandatory restrictions* apply, each *scheduled generating unit* or *scheduled network service* the subject of an *accepted restriction offer* with respect to that *dispatch interval* must rebid the total capacity the subject of such *restriction offer* by varying the respective *dispatch offers* or *network dispatch offers* in accordance with the procedures developed pursuant to clause 3.12A.1(a)(4).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.12A.5 Dispatch of restriction offers

- (a) In a *dispatch interval* *AEMO* may only *dispatch* the capacity of a *scheduled generating unit* or *scheduled network service* in accordance with the procedures for the *rebidding* and *dispatch* of capacity the subject of an

accepted restriction offer developed by *AEMO* in consultation with *Registered Participants*. Such procedures must as far as reasonably practical incorporate the following principles:

- (i) *dispatch* of *accepted restriction offers* only after all the capacity of *scheduled loads*, *scheduled generating units* and *scheduled network services* contained in valid *dispatch offers* and *dispatch bids* have been *dispatched*;
 - (ii) recognise any requirement for advance notice or action for generators to operate at minimum generation, provide advance notice to *loads* or obtain capacity of *market network services* that are or may become the subject of a *AEMO intervention event*;
 - (iii) be consistent with the price of *accepted restriction offers* in accordance with clause 3.12A.6; and
 - (iv) minimise the *restriction shortfall amount*.
- (b) Notwithstanding the provisions of this clause 3.12A.5, at no time is *AEMO* required to *dispatch* the capacity of a *Scheduled Generator* or *Scheduled Network Service Provider* the subject of an *accepted restriction offer* if such *dispatch* would prevent *AEMO* from meeting its obligations for system security.

3.12A.6 Pricing during a restriction price trading interval

During a *mandatory restriction period*, *dispatch prices* must be determined by the *central dispatch* process based on *dispatch offers*, *dispatch bids* and *network dispatch offers* in accordance with clause 3.9.2, provided that *AEMO* must calculate the *dispatch price* as if the *dispatch offer price* for all capacity the subject of an *accepted restriction offer* was the maximum price permitted by clause 3.8.6(c) and 3.8.6A(i) notwithstanding any other provision of the *Rules*.

3.12A.7 Determination of funding restriction shortfalls

- (a) *AEMO* is entitled to the *trading amount* received by *Scheduled Generators* and *Scheduled Network Service Providers* from the *dispatch* of capacity the subject of an *accepted restriction offer* in accordance with 3.15.10B.
- (b) *AEMO* must, as soon as reasonably practicable following the end of a *mandatory restriction period*, calculate:
 - (i) the aggregate amount payable to *AEMO* pursuant to clause 3.12A.7(a) from all *accepted restriction offers* in that *mandatory restriction period*;
 - (ii) the aggregate amount payable by *AEMO* pursuant to all *accepted restriction offers* in that *mandatory restriction period*; and

- (iii) the sum of the amount determined under clause 3.12A.7(b)(i) less the amount determined under clause 3.12A.7(b)(ii) (the *restriction shortfall amount*).
- (b1) The maximum amount payable to a *Scheduled Generator* or *Market Participant* for any *accepted restriction offer* of that *Scheduled Generator* or *Market Participant* during a *mandatory restriction period* is the aggregate of the maximum possible *spot price* for each *trading interval* within the *mandatory restriction period*, being the *market price cap* or an *administered price cap* as the case may be, multiplied by the capacity of the *accepted restriction offer* in MWh for each corresponding *trading interval*.
- (c) Notwithstanding any other provisions of the *Rules*, the absolute value of the *restriction shortfall amount* must not exceed the sum of the maximum possible *spot price* for a *trading interval*, being the *market price cap* or an *administered price cap* as the case may be, multiplied by the aggregate of the capacity of all *accepted restriction offers* in MWh for that *trading interval* for all *trading intervals* in the *mandatory restriction period*.
- (d) Notwithstanding any other provision of the *Rules*, if the *restriction shortfall amount* is capped pursuant to clause 3.12A.7(c) and the *restriction shortfall amount* calculated pursuant to clause 3.12A.7 is a negative number, then the amount payable by *AEMO* pursuant to each *accepted restriction offer* is to be reduced pro-rata until clause 3.12A.7(c) is satisfied.
- (e) If the *restriction shortfall amount* is a negative number, *Market Customers* in the relevant *region* must pay to *AEMO* an amount determined in accordance with clause 3.12A.7(f) or 3.12A.7(g).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) If the *restriction shortfall amount* is between minus \$100,000 and \$0, then each *Market Customer* in the relevant *region* must pay to *AEMO* an amount determined in accordance with the following formula:

$$MCP = RSA \times \frac{(AGE)}{(AAGE)}$$

Where:

MCP is the amount payable by a *Market Customer* in accordance with this clause 3.12A.7(f).

RSA is the *restriction shortfall amount*.

AGE is the *adjusted gross energy* of a *Market Customer* in that *region* for the *mandatory restriction period* expressed in MWh.

AAGE is the aggregate of the *adjusted gross energy* of all *Market Customers* in that *region* for the *mandatory restriction period* expressed in MWh.

- (g) If the *restriction shortfall amount* is less than minus \$100,000:
- (i) each *Market Customer* in the relevant *region* must pay to *AEMO* an amount determined in accordance with the following formula:

$$RCP = (RSA + IE) \times (RD/TRD)$$

Where

RCP is the amount payable to *AEMO* by a *Market Customer* in that *region* following the cessation of the *mandatory restriction period*.

RSA is the *restriction shortfall amount* incurred by *AEMO* upon the cessation of the *mandatory electricity restriction period*.

RD is the *Market Customer's restriction demand reduction*.

TRD is the sum of RD for all *Market Customers* in the relevant *region*.

IE is the amount of the independent expert's final tax invoice delivered to *AEMO* in accordance with clause 3.12A.7(i)(11) plus any amounts payable by *AEMO* on behalf of the independent expert as determined by the *dispute resolution panel* established in accordance with clause 3.12A.7(m); and

- (ii) *AEMO* must within 10 days of the end of a *mandatory restriction period* appoint an appropriately qualified independent expert as *AEMO's* agent to determine the *restriction demand reduction* claimed by each *Market Customer* in a *region* for the purposes of clause 3.12A.7(g).
- (h) If the *restriction shortfall amount* is a positive number then *AEMO* must pay to *Market Customers* in the relevant *region* an amount equal to:

$$RCRP = RSA \times \frac{(AGE)}{(AAGE)}$$

Where:

RCRP is the payment to be made by *AEMO* to *Market Customers* pursuant to this clause 3.12A.7.

RSA is the *restriction shortfall amount*.

AGE is the *adjusted gross energy* of a *Market Customer* in that *region* for the *mandatory restriction period* expressed in MWh.

AAGE is the aggregate of the *adjusted gross energy* of all *Market Customers* in that *region* for the *mandatory restriction period* expressed in MWh.

- (i) When appointing the independent expert under clause 3.12A.7(g), *AEMO* must include as part of the independent expert's terms of appointment the following requirements:
 - (1) The independent expert must prepare a statement of the principles which the independent expert believes should be followed in determining the *restriction demand reduction* of *Market Customers*.
 - (2) Within 5 *business days* of his or her appointment, the independent expert must provide *AEMO* with details of his or her estimated fees and costs.
 - (3) Within 5 *business days* of his or her appointment, the independent expert must provide the statement prepared under clause 3.12A.7(i)(1) to all *Market Customers* in the relevant *region* and request that each *Market Customer* in the relevant *region* provide him or her with details of the *restriction demand reduction* claimed by that *Market Customer* and such additional information specified by the independent expert to fulfil its obligations.
 - (4) The independent expert must offer to meet with and consult each *Market Customer* who may be liable to make a payment to *AEMO* pursuant to clause 3.12A.7(g).
 - (5) The independent expert must within 30 *business days* of his or her appointment or such later date as approved by *AEMO* in its sole discretion:
 - (i) *publish* a draft report; and
 - (ii) provide each *Market Customer* in the relevant *region* with a draft statement.
 - (6) The draft report must contain:
 - (i) the *restriction shortfall amount* based upon the independent expert's estimated fees and costs; and
 - (ii) the methodology used by the independent expert in determining the *restriction demand reduction* of each *Market Customer* in a *region*.

The draft report must not contain details pertaining to individual *Market Customers*.
 - (7) A draft statement provided to a *Market Customer* must contain:

- (i) the *Market Customer's restriction demand reduction* as determined by the independent expert;
 - (ii) the estimated amount payable by that *Market Customer* under clause 3.12A.7(g), based upon the independent experts estimated fees and costs; and
 - (iii) information showing how the estimated amount referred to in clause 3.12A.7(i)(7)(ii) was calculated.
- (8) The independent expert must within 50 *business days* of his or her appointment or such later date as approved by *AEMO* in its sole discretion make any necessary amendments to his or her draft report and draft statements following consultation with *Market Customers*, and:
 - (i) *publish* his or her final report; and
 - (ii) provide each *Market Customer* in the relevant *region* with a final statement.
- (9) The independent expert's final report must contain the information set out in clause 3.12A.7(i)(6).
- (10) A final statement provided to a *Market Customer* by the independent expert must contain the information set out in clause 3.12A.7(i)(7).
- (11) The independent expert must provide *AEMO* with his or her final tax invoice for services rendered at the time of publication of the final report.
- (i1) Each *Market Customer* must within 10 *business days* of the independent expert requesting information in accordance with clause 3.12A.7(i)(3) deliver to the independent expert all such information.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i2) The independent expert may request a *Market Customer* to provide further information that he or she requires to prepare either the draft or final report or a draft or final statement within 5 *business days* of the request being made.
- (j) A *Market Customer* must not unreasonably withhold information sought by the independent expert and must use its reasonable endeavours to provide the independent expert with the information required within the relevant timeframe specified in this clause 3.12A.7.
- (k) If a *Market Customer* has not provided the independent expert with information required under this clause 3.12A.7 within the specified time

period, then the independent expert is entitled to make such assumptions concerning that information as he or she thinks appropriate.

- (l) Subject to the review process specified in clause 3.12A.7(m), a determination made by an independent expert appointed under clause 3.12A.7(g) binds all *Market Customers*.
- (m) Following the publication of the independent expert's final report, a *Market Customer* may request the *Adviser* to establish a *dispute resolution panel* to redetermine that *Market Customer's restriction demand reduction* only if the *Market Customer* reasonably believes that the independent expert's determination:
 - (1) has incorrectly assessed the *restriction demand reduction* of that *Market Customer* by more than 10%; or
 - (2) was made negligently or in bad faith.
- (n) The determination of a *dispute resolution panel* established under clause 3.12A.7(m):
 - (1) binds all *Market Customers* and each *Market Customer* must comply with a determination of the *dispute resolution panel*; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) may only order reimbursement of the reasonable fees and expenses incurred by a *Market Customer* in disputing the independent expert's determination and no other amounts.
- (o) Any amounts determined by the *dispute resolution panel* as payable by *AEMO* on behalf of the independent expert for the reasonable fees and expenses incurred by a *Market Customer* in disputing the independent expert's determination must be included on the next statement provided under clauses 3.15.14 and 3.15.15.

3.12A.8 Cancellation of a mandatory restriction period

- (a) At the cessation time designated in the *mandatory restriction schedule*, *AEMO* must:
 - (1) immediately terminate all current *restriction offers*; and
 - (2) *publish* a notice detailing the termination of all current *restriction offers* following the cancellation of the relevant *mandatory restriction period*.

3.12A.9 Review by AEMC

- (a) The *AEMC* must, in accordance with clause 3.12A.9(b), conduct a review of the operation of the provisions applicable to *mandatory restrictions* including:
 - (1) the integration of *restriction offers* and *mandatory restrictions* into the *market*; and
 - (2) any other matters which the *AEMC* reasonably believes are relevant to the operation of clauses 3.12A.1 to 3.12A.8 and clause 3.15.10B.
- (b) The review conducted by the *AEMC* in accordance with clause 3.12A.9(a) must:
 - (1) include an analysis of:
 - (i) the accuracy of the forecast demand reduction due to restrictions and the impact any error had on the resulting *spot price*;
 - (ii) whether the impact on the *spot price* resulting from an error in the forecast demand reduction due to restrictions adversely affects one group of *Scheduled Generators* or *Market Participants* over another group;
 - (iii) the *restriction offer* prices for contracts accepted by *AEMO* in meeting the *mandatory restriction schedule* including a comparison with the expected revenue the capacity subject to the *restriction offer* would have earned in the *spot market* taking into account the circumstances in which *restriction offers* were made;
 - (2) be conducted in accordance with the *Rules consultation procedures*; and
 - (3) commence following the first application of the *mandatory restrictions* where the estimated effect in MW of *mandatory restrictions* on a *region's* demand met or exceeded 10% of that *region's* estimated demand for the same period.

3.13 Market Information

3.13.1 Provision of information

- (a) In addition to any specific obligation or power of *AEMO* under the *Rules* to provide information, *AEMO* must make available to *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* on request any information concerning the operation of the *market* not defined by the *AEMC* or the *Rules* as confidential or commercially sensitive and may charge a fee reflecting the cost of providing any information under this clause 3.13.1(a).

- (b) *AEMO* must make information available to the public on request in respect of the *regional reference price* at any *regional reference node* and, where requested and available, reasons for any significant movements in prices.

3.13.2 Systems and procedures

- (a) Information must be provided to *AEMO* and by *AEMO* on the *electronic communication system* unless:
 - (1) the *electronic communication system* is partially or wholly unavailable, then information will, to the extent of that unavailability, be provided to *AEMO* and by *AEMO* by means of the backup procedures specified by *AEMO* from time to time; or
 - (2) otherwise approved by *AEMO*.
- (b) Information must be provided by using the templates supplied in the *electronic communication system* unless otherwise approved by *AEMO*.
- (c) Where approved by *AEMO*, information may be transmitted to and from *AEMO* and the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* concerned in any agreed format.
- (d) If possible, information provided to *AEMO* must be *time stamped* by *AEMO* on receipt by *AEMO* of the information by the *electronic communication system* and, if stamped, is deemed to be provided at the time indicated by the *time stamp*.
- (e) Information that is *published* by *AEMO* is deemed to be *published* when the information is placed on the *market information bulletin board*.
- (f) The *market information bulletin board* must be accessible by *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* via the *electronic communication system* subject to applicable security requirements.
- (g) Information *published* or notified to a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must be capable of being reviewed by that *Generator* or *Market Participant* and be capable of being downloaded from the *market information bulletin board* to the relevant *Generator* or *Market Participant* via the *electronic communication system*.
- (h) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must notify *AEMO* of, and *AEMO* must *publish*, any *changes* to submitted information within the times prescribed in the *timetable*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i) *AEMO* must make a copy of all *changes* to the data available to *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* for verification and resubmission by the relevant *Generator* or *Market Participant* as necessary.
- (j) All revisions must be provided on the *electronic communication system* and in the same format as the original information.
- (k) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may withhold information from *AEMO* which must otherwise be provided under the *Rules* if:
 - (1) the information is of a confidential or commercially-sensitive nature and is not information of a kind that, in the reasonable opinion of the *AEMC*, is fundamental to the efficient operation of the *market*; or
 - (2) disclosure of the information would have the likely effect of causing detriment to the person required to provide it unless, in the reasonable opinion of the *AEMC*, the public benefit resulting from the provision of the information outweighs that detriment.
- (l) Nothing in paragraph (k) allows a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* to avoid providing information to *AEMO* under the *Rules* where that information is generally available.

3.13.3 Standing data

- (a) *AEMO* must establish, maintain, update and *publish*:
 - (1) a list of all of the *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* and a list of all applications to become a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*, including *bid and offer validation data*;
 - (2) a list of all of the *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* who will cease to be *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* and the time that each listed *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* will cease to be a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*;
 - (2A) a list of the *expected closure years* and *closure dates* for all *scheduled generating units* and *semi-scheduled generating units* notified under clauses 2.2.1(e)(2A) and 2.10.1(c1), and make such information available on *AEMO's* website;
 - (3) a list of all of the *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* who are or are going to be suspended and the time at which each listed *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* was suspended or will be suspended.

- (b) All *Scheduled Generators, Semi-Scheduled Generators* and *Market Participants* must provide *AEMO* with the *bid and offer validation data* relevant to their *scheduled loads, scheduled network services* and *generating units* in accordance with schedule 3.1.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b1) In addition to the information provided to *AEMO* in paragraph (b), all *Scheduled Generators, Semi-Scheduled Generators* and *Market Participants* which have aggregated their *scheduled loads, scheduled network services* and *generating units* in accordance with clause 3.8.3, must provide *AEMO* with:

- (i) the maximum *generation* of each individual *scheduled generating unit*, or *semi-scheduled generating unit* to which the individual *scheduled generating unit*, or *semi-scheduled generating unit* may be dispatched;
- (ii) the number of individual *scheduled loads* that have been aggregated in accordance with clause 3.8.3; or
- (iii) the number of *scheduled network services* that have been aggregated in accordance with clause 3.8.3.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) All *Scheduled Generators, Semi-Scheduled Generators* and *Market Participants* will be required to provide *AEMO* with information as set out below:

- (1) forecasts for *connection points* as prescribed in clause 5.11.1; and
- (2) *metering* information for *settlements* purposes as prescribed in Chapter 7.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) *Network Service Providers* are to maintain a register of data provided by *Scheduled Generators, Semi-Scheduled Generators* and *Market Participants* for planning and design purposes in accordance with schedule 5.7 of Chapter 5 and are to provide a copy of this register of data to *AEMO* on request and in a form specified by *AEMO*.

- (e) *Network Service Providers* must, without delay, notify and provide *AEMO* with details of any additions or *changes* to the register of data described in clause 3.13.3(d).
- (f) Each year, by a date to be specified by *AEMO*, *Network Service Providers* must provide *AEMO* with the following information:
 - (1) expected *network capability* under normal, *outage* and emergency conditions;
 - (2) electrical data sufficient to allow *power system* modelling under steady state and dynamic conditions, this data to be made available in hard copy and an acceptable industry standard electronic format approved by *AEMO*; and
 - (3) operating procedures and practices for *network* operation and maintenance.
- (g) *Network Service Providers* must notify *AEMO* of any *changes* to the information provided under clause 3.13.3(f) as soon as practicable.
- (h) *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* must notify *AEMO* of any *changes* to *bid and offer validation data* 6 weeks prior to the implementation of planned *changes* and without unreasonable delay in the event of unplanned *changes*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i) *Network Service Providers* must notify *AEMO* of any *changes* or additions to technical data one month prior to the implementation of planned *changes* and without unreasonable delay in the event of unplanned *changes*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (j) *AEMO* must conduct an annual review of *Scheduled Generator*, *Semi-Scheduled Generator* and *Market Participant bid and offer validation data* in consultation with *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* and *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* must advise *AEMO* of any required *changes* to the data.
- (k) A *Registered Participant* may request from *AEMO*:
 - (1) *bid and offer validation data*;

- (2) information that is reasonably required by the *Registered Participant* to carry out *power system* simulation studies (including load flow and dynamic simulations) for planning and operational purposes; and
 - (3) operation and maintenance procedures and practices for *transmission network* or *distribution network* operation, developed for the purposes of schedule 5.1 sufficient to enable the *Registered Participant* to carry out *power system* modelling under normal, *outage* and emergency conditions.
- (k1) *AEMO* must set out in the *Power System Model Guidelines* the circumstances in which *AEMO* will consider the information under paragraph (k)(2) to be reasonably required by a *Registered Participant*.
- (l) If *AEMO* holds information requested under clause 3.13.3(k), *AEMO* must provide the requested information to the *Registered Participant* as soon as practicable, subject to the following requirements:
- (1) If *AEMO* holds and is required under this paragraph (l) to provide a *releasable user guide* that *AEMO* received under clause S5.2.4(b)(8), *AEMO* must provide the *releasable user guide* to the *Registered Participant* in an unaltered form.
 - (2) If *AEMO* holds and is required under this paragraph (l) to provide a form of the model source code that *AEMO* received under clauses S5.2.4(b)(6) and S5.2.4(d) or from any other source, *AEMO* must provide that information:
 - (i) only in the form of, at *AEMO*'s discretion:
 - (A) compiled information (such as, for example, compiled Fortran code in object code or dynamic link library (DLL) form);
 - (B) encrypted information; or
 - (C) a secured format agreed by the provider of the model source code,unless *AEMO* has the written consent of the person who provided the information to *AEMO* to provide it in another form; and
 - (ii) in a form that can be interpreted by a software simulation product nominated by *AEMO*.
 - (3) Any information provided by *AEMO* under clause 3.13.3(l) to a *Registered Participant* must be treated as *confidential information*.
- (11) *AEMO* may charge a fee, except where the information is requested by a *Network Service Provider* under clause 3.13.3(15), to recover all reasonable

costs incurred in providing information to a *Registered Participant* under this clause 3.13.3.

- (12) For the purposes of clause 3.13.3(l), the provider of the model source code is:
 - (1) the *Generator* if the model source code was received from that *Generator* under clause S5.2.4(b)(6) or S5.2.4(d); or
 - (2) the person required under the *Rules* to register as a *Generator* in respect of a *generating system* comprised of *generating units* with a combined *nameplate rating* of 30 MW or more, if the model source code was received from that person under clause S5.2.4(b)(6) or S5.2.4(d); or
 - (3) the *Generator*, if the model source code was provided to *AEMO* by a *Network Service Provider* and that same *Network Service Provider* advises *AEMO* that the provider of the model source code is the *Generator*; or
 - (4) the relevant *Network Service Provider*, if that same *Network Service Provider* advises *AEMO* that the provider of the model source code is itself; or
 - (5) otherwise, the relevant Transmission Network Service Provider.
- (13) If *AEMO* is required under clause 3.13.3(l) to provide information requested under clause 3.13.3(k)(2), *AEMO* may provide:
 - (1) historical information relating to the operating conditions of the *power system*;
 - (2) information and data provided to *AEMO* under clauses 3.13.3(f)(1) and 3.13.3(f)(3) and information of the same type provided under clause 3.13.3(g);
 - (3) *network* dynamic model parameter values obtained under clauses 3.13.3(f)(2) and 3.13.3(g);
 - (4) model parameter values and load flow data derived from a *releasable user guide*;
 - (5) a *network* model of the *national grid*, suitable for load flow and fault studies; and
 - (6) other technical data as listed in Schedules 5.5.3 and 5.5.4.
- (14) Despite clause 3.13.3(l), *AEMO* must not provide information relating to *plant* that is the subject of an *application to connect* or a *connection agreement*, until the earlier of:

- (1) the date when a *connection agreement* relating to that *plant* is executed; or
 - (2) three months before the proposed start of commissioning of that *plant*.
- (15) Subject to clause 3.13.3(16), if a *Transmission Network Service Provider* is responsible for provision of *network* limit advice relating to *power system* stability limits to *AEMO* under clause S5.1.2.3, *AEMO* must, on request from that *Transmission Network Service Provider*, provide all *power system* and *generating system* model information that is reasonably required for planning and operational purposes, if *AEMO* holds that information, including:
 - (1) functional block diagram information, including information provided to *AEMO* under clause S5.2.4(b)(5);
 - (2) *generating unit*, *generating system* and *power system* static and dynamic model information, including model parameters and parameter values; and
 - (3) information provided to *AEMO* in accordance with clause S5.2.4(a).
- (16) If *AEMO* is required to provide information to a *Transmission Network Service Provider* under paragraph (15), this must not include:
 - (1) model source code provided to *AEMO* under clauses S5.2.4(b)(6) and S5.2.4(d), except as allowed under clause 3.13.3(1); and
 - (2) information relating to *plant* that is the subject of an *application to connect* until after the execution of the relevant *connection agreement*.
- (17) Any information provided by *AEMO* under clause 3.13.3(15) to a *Transmission Network Service Provider* must be treated as *confidential information*.
- (m) Where special approvals or exemptions have been granted by *AEMO*, including approval to aggregate *generating units*, *market network services*, *loads* for *central dispatch*, or exemptions from *central dispatch*, details of such special arrangements must be *published* by *AEMO*.
- (n) *AEMO* must determine and *publish intra-regional loss factors* in accordance with clause 3.6.2 by 1 April each year and whenever changes occur.
- (o) *Network Service Providers* must advise *AEMO* of their *distribution loss factors*, duly authorised by the *AER*, and *AEMO* must *publish* such *distribution loss factors* in accordance with clause 3.6.3(i).
- (p) *AEMO* must *publish* on a quarterly basis details of:
 - (1) *interconnector* transfer capability; and

- (2) the discrepancy between *interconnector* transfer capability and the capacity of the relevant *interconnector* in the absence of *outages* on the relevant *interconnector* only,

for each day of the preceding quarter for all *interconnectors*.

(p1) *AEMO* must establish, maintain and *publish* a register which identifies:

- (1) the *Registered Participant* to whom any information is provided under clause 3.13.3(l); and
- (2) the date on which such information was provided.

Statement of opportunities

(q) By 31 August in each year, *AEMO* must prepare and *publish* at a reasonable charge to cover the cost of production, a *statement of opportunities*, including at least the following information for the subsequent 10 year period:

- (1) projections of aggregate MW demand and *energy* requirements for each *region*;
- (2) generating capabilities of existing *generating units* and *generating units* for which formal commitments have been made for construction or installation;
- (3) planned *plant* retirements (including *expected closure years* and *closure dates* for any *generating units* in the subsequent 10 year period);
- (4) a summary of *network capabilities* and *constraints* based upon *Transmission Annual Planning Reports*; and
- (5) operational and economic information about the *market* to assist planning by:
 - (i) *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants*; and
 - (ii) potential *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants*.

(r) If after the publication of the most recent *statement of opportunities*, significant new information becomes available to *AEMO* relating to:

- (1) projections of aggregate MW demand and *energy* requirements for each *region*; or
- (2) generating capabilities of existing *generating units* and *generating units* for which formal commitments have been made for construction or installation; or

- (3) planned *plant* retirements (including any *expected closure year* or *closure date*),

AEMO must, as soon as practicable, *publish* that information in a descriptive form that is consistent with the *statement of opportunities*.

- (s) *AEMO* may by written notice request a *jurisdictional planning body* to provide *AEMO* with information that *AEMO* requires for the preparation of a *statement of opportunities* and the *jurisdictional planning body* must comply with that notice.
- (t) As soon as practicable after a *Scheduled Generator*, *Semi-Scheduled Generator*, *Market Participant* or *Network Service Provider* becomes aware of any information required for *publication* by *AEMO* under paragraph (q), that information must be provided to *AEMO* by that *Scheduled Generator*, *Semi-Scheduled Generator*, *Market Participant* or *Network Service Provider*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (u) *AEMO* must, no less than annually, prepare and publish on its website information on:
 - (1) the accuracy of the demand forecasts to date in the most recent *statement of opportunities*; and
 - (2) any improvements made by *AEMO* or other relevant parties to the forecasting process that will apply to the next *statement of opportunities*.
- (v) **[Deleted]**
- (w) In relation to the *declared transmission system* of an *adoptive jurisdiction*:
 - (1) *AEMO* must maintain the register referred to in paragraph (d); and
 - (2) a *declared transmission system operator* must provide *AEMO* with information reasonably required by *AEMO* for maintaining the register and keeping it up to date.
- (x) A *jurisdictional planning body* must provide assistance *AEMO* reasonably requests in connection with the preparation of a report under paragraph (u).

3.13.4 Spot market

- (a) Each week, in accordance with the *timetable*, *AEMO* must *publish* details of the outputs of the *medium term PASA*.

- (b) The details to be *published* by *AEMO* under clause 3.13.4(a) must include the information specified in clause 3.7.2(f).
- (c) Each *day*, in accordance with the *timetable*, *AEMO* must *publish* details of the outputs of the *short term PASA* for each *trading interval* covered.
- (d) The details of the *short term PASA published* each *day* by *AEMO* under clause 3.13.4(c) must include the information specified in clause 3.7.3(h).
- (e) Each *day*, in accordance with the *timetable*, *AEMO* must *publish* a half hourly *pre-dispatch schedule* for the period described in clause 3.8.20(a).
- (f) Details of the *pre-dispatch schedule* to be *published* must include the following for each *trading interval* in the period covered:
 - (1) forecasts of the most probable peak *power system load* plus required *scheduled reserve* for each *region* and for the total *power system*;
 - (2) forecasts of the most probable *energy* consumption for each *region* and for the total *power system*;
 - (3) forecast *inter-regional loss factors*;
 - (4) aggregate *generating plant* availability for each *region* and aggregate availability of each type of *market ancillary service* for each *region*;
 - (5) projected *supply* surpluses and deficits for each *region*, including shortages of *scheduled reserve* and projected *market ancillary service* surpluses and deficits for each *region*;
- (5A) the aggregated MW allowance (if any) made by *AEMO* for generation from *non-scheduled generating systems* in each forecast:
 - (i) of the most probable peak *power system load* referred to in clause 3.13.4(f)(1);
 - (ii) referred to in clause 3.13.4(f)(2);
 - (iii) of aggregate *generating plant* availability referred to in clause 3.13.4(f)(4); and
 - (iv) of projected *supply* surpluses and deficits referred to in clause 3.13.4(f)(5) but not including shortages of *scheduled reserve* or projected *market ancillary service* surpluses and deficits for each *region*.
- (5B) in respect of each forecast:
 - (i) of the most probable peak *power system load* referred to in clause 3.13.4(f)(1);
 - (ii) referred to in clause 3.13.4(f)(2);

- (iii) of aggregate *generating plant* availability referred to in clause 3.13.4(f)(4); and
 - (iv) of projected *supply* surpluses and deficits referred to in clause 3.13.4(f)(5) but not including shortages of *scheduled reserve* or projected *market ancillary service* surpluses and deficits for each *region*,

a value that is the sum of that forecast and the relevant aggregated MW allowance (if any) referred to in clause 3.13.4(f)(5A); and
- (6) identification and quantification of:
 - (i) where a projected *supply* deficit in one *region* can be supplemented by a surplus in a neighbouring *region* (dependent on forecast *interconnector* capacities) and the expected *interconnector flow*;
 - (ii) forecast *interconnector* transfer capabilities and the projected impact of any *inter-network tests* on those transfer capabilities; and
 - (iii) when and where *network constraints* may become binding on the *dispatch* of *generation* or *load*.
- (g) Each *day*, in accordance with the *timetable*, *AEMO* must *publish* forecasts of *spot prices* and *ancillary service prices* at each *regional reference node* for each *trading interval* or *dispatch interval* (as applicable) of the period described in clause 3.8.20(a), with such forecasts being based on the *pre-dispatch schedule* information.
- (h) Together with its forecast *spot prices*, *AEMO* must *publish* details of the expected sensitivity of the forecast *spot prices* to changes in the forecast *load* or *generating unit* availability.
- (i) In accordance with the *timetable* or more often if there is a *change* in circumstances which in the opinion of *AEMO* results in a significant *change* in forecast *spot price*, or in any event no more than 3 hours after the previous such publication, *AEMO* must prepare and *publish* updated *pre-dispatch schedules* and *spot price forecasts*, including the details specified in clause 3.13.4(f).
- (j) If *AEMO* considers there to be a significant change in a forecast *spot price*, *AEMO* must identify and *publish* the cause of such a change in terms of the aggregate *supply* and demand situation and any *network constraints* in or between the affected *region(s)*.
- (k) *AEMO* must specify and *publish* its criteria for a significant change in forecast *spot price* for the purposes of activating an update in the *published* forecasts.

- (l) Within 5 minutes of each time *AEMO* runs the *dispatch algorithm*, *AEMO* must *publish* the *dispatch price* for each *regional reference node* calculated in accordance with clause 3.9.2 and the *ancillary service price* for each *market ancillary service* for each *regional reference node* calculated in accordance with clause 3.9.2A.
- (m) Within 5 minutes of the conclusion of each *trading interval*, *AEMO* must *publish* the *regional reference prices* for each *region* for that *trading interval*.
- (n) Each *day*, in accordance with the *timetable*, *AEMO* must *publish* the actual *regional reference prices*, *ancillary service prices*, *regional* and *total interconnected system loads and energies*, *inter-regional loss factors* and details of any *network constraints* for each *trading interval* in the previous *trading day*.
- (n1) In accordance with the *timetable*, *AEMO* must *publish* the *inter-regional flows*.
- (o) **[Deleted]**
- (p) Each *day*, in accordance with the *timetable*, *AEMO* must *publish* details of final *dispatch offers*, *dispatch bids* and *market ancillary service offers* received and actual availabilities of *generating units*, *scheduled network services*, *scheduled loads* and *market ancillary services* for the previous *trading day*, including:
 - (1) the number and times at which *rebids* were made, and the reason provided by the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* for each *rebid* under clause 3.8.22(c)(2);
 - (2) identification of the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* submitting the *dispatch bid*, *dispatch offer* or *market ancillary offer*;
 - (3) the *dispatch bid* or *dispatch offer prices*;
 - (4) quantities for each *trading interval*;
 - (5) the *ramp rate* of each *generating unit*, *scheduled load* and *scheduled network service* as measured by *AEMO's* telemetry system;
 - (6) identification of *trading intervals* for which the *plant* was specified as being *inflexible* in accordance with clause 3.8.19 and the reasons provided by the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* in accordance with clause 3.8.19(b)(1);
 - (7) in respect of a *semi-scheduled generating unit*, the availability of that *generating unit* specified in the relevant *unconstrained intermittent generation forecast* for each *dispatch interval*; and

- (8) in respect of *semi-scheduled generating units*, the aggregate of the availability of the *semi-scheduled generating units* referred to in subparagraph (7) in respect of each *region* for each *dispatch interval*.
- (q) Each *day*, in accordance with the *timetable*, *AEMO* must *publish* details of:
 - (1) *dispatched generation*, *dispatched network service* or *dispatched load* for each *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled network service* and *scheduled load* respectively in each *trading interval* and *dispatch interval*; and
 - (2) for each *semi-scheduled generating unit* in each *trading interval* and *dispatch interval*, whether or not a condition for setting a *semi-dispatch interval* applied,for the previous *trading day*.
- (r) In accordance with the *timetable*, *AEMO* must *publish* details of:
 - (1) *actual generation* for each *scheduled generating unit*, *semi-scheduled generating unit* and *non-scheduled generating unit* or *non-scheduled generating system*;
 - (2) *actual network service* for each *scheduled network service*; and
 - (3) *actual load* for each *scheduled load*.
- (s) Where *AEMO publishes* details as referred to in clause 3.13.4(r), the requirement to *publish* applies only to data available to *AEMO*.
- (t) *AEMO* may, in *publishing* the details referred to in clause 3.13.4(s), *publish* aggregated information of *actual generation* for *non-scheduled generating units* or *non-scheduled generating systems* that have a *nameplate rating* that is less than 30 MW.
- (u) Each time *AEMO* runs the *dispatch algorithm* it must, within 5 minutes, *publish* for the relevant *dispatch interval*:
 - (1) details of any MW allowance made by *AEMO* for *generation* from *non-scheduled generating systems* in its forecast regional demand;
 - (2) for each *regional reference node* the sum of the *actual generation* for each *non-scheduled generating unit* or *non-scheduled generating system*; and
 - (3) for each *regional reference node*, a value that is the sum of the *regional demand* value used by *AEMO* in its *dispatch algorithm* to calculate the *dispatch price* referred to in clause 3.13.4(l) and the sum of the *actual generation* referred to in clause 3.13.4(u)(2).
- (v) Where *AEMO publishes* the information referred to in clause 3.13.4(u), the requirement for *AEMO* to *publish* applies only to data available to *AEMO*.

- (w) Each *day*, in accordance with the *timetable*, AEMO must *publish* details of any operational irregularities arising on the previous *trading day* including, for example, any circumstances in which there was *prima facie* evidence of a failure to follow *dispatch instructions*.
- (x) Each *trading interval*, AEMO must, for each *regional reference node*, *publish* the demand for that *trading interval*, both inclusive and exclusive of the aggregate actual *generation* from *non-scheduled generating systems*.
- (y) In accordance with the *timetable* and no more than 3 hours after the last such notification, AEMO must notify electronically on a confidential basis each *Semi-Scheduled Generator* of the *unconstrained intermittent generation forecast* for its *semi-scheduled generating units* that was taken into account for each *trading interval* of the last *pre-dispatch schedule* published by AEMO under paragraph (e).
- (z) At intervals to be determined by AEMO under rule 3.7A(e), AEMO must, in accordance with the *timetable*, *publish* updates to the *congestion information resource*.

3.13.4A Market ancillary services

- (a) AEMO must each *day*, in accordance with the *timetable*, *publish* a forecast of the requirements for each type of *market ancillary service* for each *region* for each *trading interval* during the period described in clause 3.8.20(a).
- (b) AEMO must *publish* information describing the key factors which determine the requirement for each type of *market ancillary service* and how they impact on forecast requirements.
- (b1) AEMO must *publish* annually the actual quantities and types of *market ancillary services*.
- (c) AEMO must *publish* information detailing any significant changes to the forecast requirement for any *market ancillary service* previously *published* under clause 3.13.4A(a), as soon as reasonably practicable after becoming aware of that information.

3.13.5 Ancillary services contracting by AEMO

- (a) AEMO must *publish* annually the costs of all of its operations associated with its acquisition of *market ancillary services* and *non-market ancillary services*.
- (b) AEMO must *publish* annually the quantities and types of NSCAS covered under existing *ancillary services agreements*.
- (c) Information *published* under paragraph (b) must include a breakdown of the actual costs and quantities relating to each *facility* contracted under *ancillary services agreements*.

3.13.5A Settlements residue auctions

- (a) If *AEMO* conducts an *auction* under rule 3.18, *AEMO* must, as soon as practicable thereafter, make available to all *Registered Participants* a report outlining:
 - (1) the *auction* clearing prices;
 - (2) all bids (but not the name of any bidder); and
 - (3) the proceeds of each such *auction*.
- (b) *AEMO* must, as soon as practicable after the *final statements* for a *billing period* have been given to *Market Participants* under clause 3.15.15, make available to all *Registered Participants* a report setting out:
 - (1) the total *settlements residue*;
 - (2) the amount of *settlements residue* attributable to each *directional interconnector* (including the amount paid pursuant to the *jurisdictional derogations* in Chapter 9); and
 - (3) the amount of *settlements residue* attributable to *intra-regional loss factors* for each *region*, for that *billing period*.
- (c) *AEMO* may provide copies of its reports under clauses 3.13.5A(a) and (b) to persons other than *Registered Participants*, and may charge a fee for doing so to cover an appropriate share of the costs of preparing the report.

3.13.6 [Deleted]

3.13.6A Report by AEMO

- (a) *AEMO* must, as soon as reasonably practicable after issuing a *direction*, *publish* a report outlining:
 - (1) the circumstances giving rise to the need for the *direction*;
 - (2) the basis on which it determined the latest time for that *direction* and on what basis that it determined that a *market* response would not have avoided the need for the *direction*;
 - (3) details of the changes in *dispatch* outcomes due to the *direction*;
 - (4) the processes implemented by *AEMO* to issue the *direction*;
 - (5) if applicable, the basis upon which *AEMO* did not follow any or all of the processes set out in rule 4.8 either in whole or in part prior to the issuance of the *direction*;

- (6) if applicable, the basis upon which *AEMO* considered it impractical to set *spot prices* and *ancillary service prices* in accordance with clause 3.9.3(b);
 - (7) details of the adequacy and effectiveness of responses to inquiries made by *AEMO* under clause 4.8.5A(d); and
 - (8) information regarding any notification by a *Registered Participant* that it will not be able to comply with a *direction* under clause 4.8.9(d).
- (b) As soon as reasonably practicable after *AEMO* has, in accordance with clause 3.15.10C, included the amounts arising from a *direction* in a settlement statement provided under clause 3.15.15, *AEMO* must *publish* details of:
- (1) the *compensation recovery amount* arising from the *direction* as calculated under clause 3.15.8(a) for the period of the *direction*;
 - (2) details of the calculation of the regional benefit determined under clause 3.15.8(b1); and
 - (3) a breakdown of the *compensation recovery amount* by each category of *Registered Participant*, as determined by *AEMO*, in each *region*.

3.13.7 Monitoring of significant variation between forecast and actual prices by AER

- (a) The *AER* must, after consulting with the *AEMC*, specify and make available to *Registered Participants* and the public, criteria which the *AER* will use to determine whether there is a significant variation between the *spot price forecast published* by *AEMO* in accordance with clause 3.13.4 and the actual *spot price* in any *trading interval*. The *AER* must, in accordance with these criteria, monitor in each *trading interval* whether any such significant variation has occurred.
- (b) The *AER* must prepare and *publish* a report in respect of each three month period commencing on 1 January, 1 April, 1 July and 1 October in each year. The report must:
- (1) be *published* no later than 4 weeks after the end of each three month period;
 - (2) identify and review each occasion when, in accordance with the criteria specified under clause 3.13.7(a), the *AER* considers that a significant price variation has occurred;
 - (3) state why the *AER* considers that the significant price variation occurred;
 - (4) be available to members of the public on request; and

- (5) be provided to the *AEMC*.
- (c) The *ACCC* or the *AEMC* may request the *AER* to report to it on a particular *market* outcome. If the *ACCC* or the *AEMC* makes a request of this type, the *AER* may provide a report on that *market* outcome. The report must review the *market* outcome raised by the *ACCC* or the *AEMC* (as the case may be) and state why the *AER* considers that the *market* outcome occurred.
- (d) The *AER* must, within 40 *business days* of the end of a week in which the *spot price* exceeded \$5,000/MWh in a *trading interval* or *trading intervals*, prepare and *publish* a report which must for each *trading interval* in which the *spot price* exceeded \$5,000/MWh in that week:
 - (1) describe the significant factors that contributed to the *spot price* exceeding \$5,000/MWh, including the withdrawal of *generation* capacity and *network* availability;
 - (2) assess whether *rebidding* pursuant to clause 3.8.22 contributed to the *spot price* exceeding \$5,000/MWh; and
 - (3) identify the marginal *scheduled generating units* and *semi-scheduled generating units* for the *dispatch intervals* in the relevant *trading interval* and all *scheduled generating units* and *semi-scheduled generating units* for which any *dispatch offer* for the *trading interval* was equal to or greater than \$5,000/MWh and compare these *dispatch offers* to relevant *dispatch offers* in previous *trading intervals*.
- (e) Where
 - (1) prices at a *regional reference node* for a *market ancillary service* over a period significantly exceed the relevant *spot price* for *energy*; and
 - (2) prices for that *market ancillary service* exceed \$5,000 for a number of *trading intervals* within that period,the *AER* must prepare and *publish* a report which:
 - (3) describes the significant factors that contributed to the *ancillary service prices* exceeding \$5,000/MWh;
 - (4) identifies any linkages between *spot prices* in the *energy market* and *ancillary service prices* contributing to the occurrence; and
 - (5) assesses whether *rebidding* pursuant to clause 3.8.22 contributed to prices exceeding \$5,000/MWh.

3.13.8 Public information

- (a) *AEMO* must *publish* on a daily basis the following information for the previous *trading day*:
 - (1) *regional reference price* by *trading interval*;

- (2) *power system load* for each *region* referred to the *regional reference node* by *trading interval*;
 - (3) *regional electricity consumption* in MWh by *trading interval*;
 - (4) *inter-regional power flows* by *trading interval*; and
 - (5) *network constraints* by *trading interval*.
- (b) All *market information* that AEMO is required to *publish* in accordance with the *Rules* shall also be made available by AEMO to persons other than *Registered Participants* using the *electronic communications system* on the fee basis described in clause 8.7.6. AEMO may make the *market information* available to persons other than *Registered Participants* using a mechanism other than the *market information bulletin board* on the fee basis described in clause 8.7.6, so long as that information is also available on the *market information bulletin board*.
- (c) AEMO must make available for purchase by any party the *statement of opportunities* from the date of *publication* of such statement.
- (d) AEMO must retain all information provided to it under the *Rules* for at least 6 years in whatever form it deems appropriate for reasonably easy access.

3.13.9 [Deleted]

3.13.10 Market auditor

- (a) AEMO must appoint one or more *market auditors* to carry out *reviews* of such matters as AEMO considers appropriate which must include (but need not be limited to) a *review* of:
- (1) the calculations and allocations performed by the *metering system* and *settlements system*;
 - (2) the billing and information systems;
 - (3) the scheduling and *dispatch* processes;
 - (4) the processes for software management;
 - (5) the AEMO procedures and their compliance with the *Rules*.
- (b) AEMO must ensure that the *market auditor* carries out the *reviews* to be carried out under clause 3.13.10(a) no less than annually.
- (c) A *market auditor* shall be an *independent person*.
- (d) A *market auditor* must report in writing to AEMO. AEMO must, after receiving the report, either:

- (1) approve the report, and any recommendations made in it, by noting such approval on the report or in a paper attached to the report; or
 - (2) prepare a separate report setting out the matters dealt with in the report which *AEMO* approves and those matters which *AEMO* does not approve and setting out *AEMO*'s reasons for that view.
- (e) *AEMO* must *publish* any report received from the *market auditor* together with the material mentioned in clause 3.13.10(d).

3.13.11 [Deleted]

3.13.12 NMI Standing Data

Note:

Clause 3.13.12 only applies in a participating jurisdiction that has not applied the *NERL* as a law of that jurisdiction. In a participating jurisdiction that has applied the *NERL*, the scheme developed by *AEMO* under clause 3.13.12A supersedes clause 3.13.12 and clause 3.13.12 is revoked (see clause 3.13.12A(d)).

- (a) The authority responsible for administering the *jurisdictional electricity legislation* in for each *participating jurisdiction* may provide *AEMO* with a *Jurisdictional NMI Standing Data schedule* setting out the categories of *NMI Standing Data* which:
- (1) *Registered Participants* are required by the *participating jurisdiction's* legislation or licensing requirements to provide to *AEMO* in relation to *connection points* in that *participating jurisdiction*; and
 - (2) *AEMO* must make available to *Market Customers*, or a class of *Market Customers*, on request pursuant to its disclosure obligations under clauses 3.13.12(d) and (e).

Any such schedule must contain the matters set out in clause 3.13.12(c).

- (b) A responsible authority may from time to time amend the *Jurisdictional NMI Standing Data schedule* in respect of the relevant *participating jurisdiction*, which amendments must be consistent with the matters set out in clause 3.13.12(c), and must promptly provide the amended schedule to *AEMO*.
- (c) A valid *Jurisdictional NMI Standing Data schedule* must contain the following items:
- (1) a specification of the categories of *NMI Standing Data* which *AEMO* must provide to *Market Customers*, or a specified class of *Market Customers*, on request, pursuant to its disclosure obligations under clauses 3.13.12(d) and (e), in respect of *connection points* in the relevant *participating jurisdiction*;
 - (2) details of the *Jurisdictional NMI Standing Data suppliers*, including which *Registered Participants* are required to provide that data in

- respect of particular *connection points* within that *participating jurisdiction*;
- (3) the timetable which the relevant *participating jurisdiction* will implement to ensure *Jurisdictional NMI Standing Data suppliers* supply *NMI Standing Data* in respect of *connection points* in that *participating jurisdiction* to AEMO;
 - (4) the criteria which AEMO must use to identify whether AEMO must disclose *NMI Standing Data* for *connection points* in that *participating jurisdiction* to particular *Market Customers*, pursuant to its disclosure obligations under clauses 3.13.12(d) and (e);
 - (5) the purposes connected with the facilitation of the wholesale electricity *market* for which the *Market Customer* may use *NMI Standing Data*;
 - (6) any additional information or criteria as may be determined by the authority responsible for administering the *jurisdictional electricity legislation* as necessary or appropriate in relation to the obligations of *Jurisdictional NMI Standing Data suppliers* and the release by AEMO of *NMI Standing Data* for *connection points* in that *participating jurisdiction*.
- (d) AEMO must:
- (1) *publish* the *Jurisdictional NMI Standing Data schedules* and any amendments to those schedules provided to it by the responsible authorities under clauses 3.13.12(a) and (b); and
 - (2) subject to clause 3.13.12(e), make available to *Market Customers* on request *NMI Standing Data* within the relevant categories in respect of *connection points* in a *participating jurisdiction* described in the *Jurisdictional NMI Standing Data schedule* for that *participating jurisdiction*.
- (e) AEMO must only provide *NMI Standing Data* under this clause 3.13.12 to a *Market Customer*:
- (1) that is a *Market Customer* or a member of a class of *Market Customers* fitting the criteria stated in the relevant *Jurisdictional NMI Standing Data schedule* as being entitled to receive that data;
 - (2) in accordance with the relevant valid *Jurisdictional NMI Standing Data schedule*; and
 - (3) for the purposes described in clause 3.13.12(g).
- (f) Each *Registered Participant* which is a *Jurisdictional NMI Standing Data supplier* must provide the *NMI Standing Data* to AEMO which it is required to provide in accordance with the relevant *Jurisdictional NMI Standing*

Data schedule, if any such *Jurisdictional NMI Standing Data schedule* has been provided to *AEMO* under clause 3.13.12(a):

- (1) at no charge and in the format reasonably required by *AEMO*; and
- (2) after having first done whatever may be required or otherwise necessary under any applicable privacy legislation (including if appropriate making relevant disclosures or obtaining relevant consents from end-use customers) taking into account that *AEMO* will use and disclose the *NMI Standing Data* in accordance with the *Rules*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (g) *Market Customers* must only use *NMI Standing Data* provided to it by *AEMO* under this clause 3.13.12 for the purposes permitted by the relevant *Jurisdictional NMI Standing Data schedule*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (h) Where a responsible authority has provided *AEMO* with a *Jurisdictional NMI Standing Data schedule* for the relevant *participating jurisdiction* and a *Registered Participant* which is a *Jurisdictional NMI Standing Data supplier* fails to provide *AEMO* with *NMI Standing Data* in accordance with clause 3.13.12(f) and *AEMO* becomes aware of that failure, then:

- (1) *AEMO* must advise the *Registered Participant* that, in its opinion, the *Registered Participant* is failing to comply with clause 3.13.12(f);
- (2) if the *Registered Participant* fails to provide *AEMO* with the *NMI Standing Data* within 5 *business days* of the notice provided under clause 3.13.12(h)(1), *AEMO* must notify the *AER* and the relevant responsible authority of the failure and the failure by the *Registered Participant* to provide the *NMI Standing Data* is to be dealt with by the responsible authority under the relevant *participating jurisdiction's* legislation or licensing requirements unless the responsible authority notifies *AEMO* otherwise in accordance with clause 3.13.12(h)(3); and
- (3) if, after receiving a notice from *AEMO* under clause 3.13.12(h)(2), the responsible authority notifies *AEMO* that the relevant *participating jurisdiction's* legislation or licensing requirements do not contain a regime which empowers the responsible authority to compel the *Registered Participant* to provide the *NMI Standing Data* to *AEMO*, *AEMO* must notify the *AER* of the failure by the *Registered Participant* to provide the *NMI Standing Data* under clause 3.13.12(f).

- (i) Where a responsible authority has provided *AEMO* with a *Jurisdictional NMI Standing Data schedule* for the relevant *participating jurisdiction* and a *Market Customer*, that has been provided with *NMI Standing Data* by *AEMO* under clause 3.13.12(d) in accordance with that schedule, fails to use that *NMI Standing Data* in accordance with clause 3.13.12(g), and *AEMO* becomes aware of that failure, then:
 - (1) *AEMO* must advise the *Market Customer* that, in its opinion, the *Market Customer* is failing to comply with clause 3.13.12(g);
 - (2) if the *Market Customer* does not remedy the failure within 5 *business days* of the notice provided under clause 3.13.12(i)(1), *AEMO* must notify the relevant responsible authority of the failure and the failure by the *Market Customer* to use the *NMI Standing Data* in accordance with this clause 3.13.12 is to be dealt with by the responsible authority under the relevant *participating jurisdiction's* legislation or licensing requirements unless the responsible authority notifies *AEMO* otherwise in accordance with clause 3.13.12(i)(3); and
 - (3) if, after receiving a notice from *AEMO* under clause 3.13.12(i)(2), the responsible authority notifies *AEMO* that the relevant *participating jurisdiction's* legislation or licensing requirements do not contain a regime which empowers the responsible authority to regulate the use of the *NMI Standing Data* by a *Market Customer*, *AEMO* must notify the *AER* of the failure by the *Market Customer* to use the *NMI Standing Data* in accordance with clause 3.13.12(g).
- (j) *AEMO* must if requested by a responsible authority:
 - (1) develop a regime for monitoring and reporting to the responsible authority on requests received by *AEMO* to provide *NMI Standing Data* to *Market Customers* for *connections points* in the relevant *participating jurisdiction*, in consultation with the responsible authority; and
 - (2) provide information to the responsible authority in accordance with the monitoring and reporting regime developed under this clause 3.13.12(j).
- (k) Nothing in this clause 3.13.12:
 - (1) requires *AEMO* to make available *NMI Standing Data* if that *NMI Standing Data* has not been provided to *AEMO*;
 - (2) requires *AEMO* to make available *NMI Standing Data* where the collection, use or disclosure of that information by *AEMO* would breach applicable privacy laws;
 - (3) precludes *AEMO* from providing *NMI Standing Data* to a *Registered Participant* where the provision of that information is required to give effect to other provisions of the *Rules*;

- (4) precludes *AEMO* from disclosing *confidential information* in the circumstances in which the disclosure of *confidential information* is permitted under the *National Electricity Law* or these *Rules*; and
- (5) requires *AEMO* to provide information which its software systems cannot provide without modification.

3.13.12A NMI Standing Data Schedule

Note:

Clause 3.13.12A was inserted in the Rules by the National Electricity Amendment (National Energy Retail Law) Rule 2012. Clause 3.13.12A only applies in a participating jurisdiction that has applied the *NERL* as a law of that jurisdiction. In a participating jurisdiction that has not applied the *NERL* clause 3.13.12 continues to apply.

- (a) *AEMO* must, in consultation with the responsible *authorities* for *participating jurisdictions*, *Registered Participants*, and other interested persons, develop a scheme for an *NMI standing data* schedule (the **NMI Standing Data Schedule**).
- (b) In developing the scheme, *AEMO* must have regard to the *Jurisdictional NMI Standing Data schedules*.
- (c) The proposed scheme must include provisions dealing with:
 - (1) the obligations of *Registered Participants* and others to provide information for inclusion in the Schedule; and
 - (2) the rights of *Registered Participants* and others to have access to the Schedule; and
 - (3) amendment of the Schedule.
- (d) The scheme supersedes clause 3.13.12 and, on the date it takes effect, that clause is revoked.
- (e) *AEMO* must publish a notice of its adoption of the scheme in the South Australian Government Gazette:
 - (1) setting out the provisions of the scheme; and
 - (2) fixing a date for its commencement.
- (f) The scheme takes effect on the date fixed under paragraph (e)(2).

3.13.13 Inter-network tests

- (a) *AEMO* must *publish* the *test program* for an *inter-network test* as soon as practicable after determining it under clause 5.7.7(r).
- (b) If *AEMO* amends the *test program* for an *inter-network test* it must *publish* details of the amendment.

- (c) If *AEMO* proposes to conduct an *inter-network test* it must *publish* the approximate time of the test, giving as much notice as is reasonably practicable.
- (d) If the time of an *inter-network test* is changed, *AEMO* must *publish* details of the change.

3.13.14 Carbon Dioxide Equivalent Intensity Index

Carbon dioxide equivalent intensity index procedures

- (a) *AEMO* must develop, review and amend *carbon dioxide equivalent intensity index procedures* in consultation with *Registered Participants* and such other persons as *AEMO* thinks appropriate, in accordance with the *Rules consultation procedures* and paragraphs (b), (c) and (e)
- (a1) For the purposes of this clause, reference to a *market generating unit* is not taken to include a *small generating unit*.
- (b) The *carbon dioxide equivalent intensity index procedures* must include:
 - (1) the methodology for calculating the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*;
 - (2) where relevant, any assumptions used to calculate the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*;
 - (3) the form of the *emission factors* for the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*;
 - (4) the methodology for estimating an *emission factor* where the data on the *emission factor* for a *scheduled generating unit* or *market generating unit* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* is not publicly available;
 - (5) the form of the energy measurements (in MWh) for the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*;
 - (6) the time interval for updating and publishing the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*; and
 - (7) the time interval for conducting a review of the *emission factors* under paragraph (j).

- (c) In developing the *carbon dioxide equivalent intensity index procedures*, AEMO must:
 - (1) ensure that the methodology used to calculate the *carbon dioxide equivalent intensity index* under paragraph (b)(1) represents the volume weighted average of the carbon dioxide equivalent greenhouse gas emissions from all the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* for the time interval described in paragraph (b)(6);
 - (2) ensure that the methodology used to calculate any *supplementary carbon dioxide equivalent intensity indicators* under paragraph (b)(1) represents the volume weighted average of the carbon dioxide equivalent greenhouse gas emissions from all the *scheduled generating units* and *market generating units* included in the calculation of the *supplementary carbon dioxide equivalent intensity indicators* for the time interval described in paragraph (b)(6);
 - (3) use reasonable endeavours to obtain the data used to calculate the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* from reliable sources; and
 - (4) have regard to the methodology for determining *emission factors* under the *Australian Government's National Greenhouse and Energy Reporting System* when determining the methodology for estimating the *emission factors* under paragraph (b)(4).
- (d) AEMO must publish the first *carbon dioxide equivalent intensity index procedures* by no later than 22 July 2011 and such procedures must be available at all times after this date.
- (e) AEMO must conduct a review of the *carbon dioxide equivalent intensity index procedures* at least once every 3 years after the first *carbon dioxide equivalent intensity index procedures* are published.

Carbon dioxide equivalent intensity index and supplementary carbon dioxide equivalent intensity indicators

- (f) AEMO must calculate, update and publish a *carbon dioxide equivalent intensity index* for the *National Electricity Market* in accordance with the *carbon dioxide equivalent intensity index procedures* and this clause 3.13.14.
- (g) The first *carbon dioxide equivalent intensity index* must be published as soon as practicable after the first *carbon dioxide equivalent intensity index procedures* are published under paragraph (d).
- (h) If AEMO elects to publish any *supplementary carbon dioxide equivalent intensity indicators*, AEMO must calculate, update and publish the

supplementary carbon dioxide equivalent intensity indicators in accordance with the *carbon dioxide equivalent intensity index procedures*.

- (i) At the same time as it publishes the first *carbon dioxide equivalent intensity index* under paragraph (g), AEMO must publish a table which lists:
 - (1) all the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index*; and
 - (2) for each *scheduled generating unit* or *market generating unit* referred to in subparagraph (1), the *emission factor* and the source of that information.
- (j) AEMO must conduct a review of the *emission factors* for the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* in accordance with the *carbon dioxide equivalent intensity index procedures* to determine whether the *emission factors* have *changed* since the last update of the *emission factors*.
- (k) As soon as practicable after a review under paragraph (j), AEMO must update the *carbon dioxide equivalent intensity index* and where appropriate, any *supplementary carbon dioxide equivalent intensity indicators* with any new *emission factors*, if the *emission factor* for any *scheduled generating units* or *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* has *changed* since the last update of the *emission factors*.
- (l) In addition to the obligation under paragraph (k), AEMO must update the *carbon dioxide equivalent intensity index* and where appropriate, any *supplementary carbon dioxide equivalent intensity indicators* with any new *emission factors* as soon as practicable if:
 - (1) AEMO is advised that the *emission factor* for any *scheduled generating units* or *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* has *changed* since the last update of the *emission factors*; and
 - (2) the data on the *emission factor* is publicly available and, in AEMO's opinion, is from a reliable source.
- (m) If:
 - (1) a *generating unit* is classified as a *scheduled generating unit* or *market generating unit* under Chapter 2 after the first *carbon dioxide equivalent intensity index* is published under paragraph (g); and
 - (2) data for that *generating unit* is not included in the calculation of the *carbon dioxide equivalent intensity index*,

then *AEMO* must as soon as practicable update the *carbon dioxide equivalent intensity index* to include data for that *generating unit*.

- (n) For the avoidance of doubt, in updating the *carbon dioxide equivalent intensity index* under paragraph (m), *AEMO* may use the methodology for estimating an *emission factor* under the *carbon dioxide equivalent intensity index procedures* to calculate the *carbon dioxide equivalent intensity index* if the *emission factor* for any *generating units* described in paragraph (m) is not publicly available.
- (o) *AEMO* must, as soon as practicable after it updates the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* under paragraphs (k) to (m):
 - (1) update the table described in paragraph (i) with the new *emission factor(s)*, the source of that information and where appropriate, any new *scheduled generating units* or *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index*; and
 - (2) publish the table.
- (p) *AEMO* must amend the *timetable* to include the time interval in which it must publish the *carbon dioxide equivalent intensity index* under the *carbon dioxide equivalent intensity index procedures* (as amended under this clause 3.13.14).
- (q) Despite clause 3.4.3(b), *AEMO* may amend the *timetable* under paragraph (p) without following the *Rules consultation procedures*.

3.14 Administered Price Cap and Market Suspension

3.14.1 Cumulative Price Threshold and Administered Price Cap

- (a) The *administered price cap* for each *region* is \$300/MWh.
- (b) The *administered floor price* for each *region* to apply to *spot prices* is the negative of the value of the *administered price cap*.
- (c) The *cumulative price threshold* for each *financial year* is the dollar amount calculated by the *AEMC* under paragraph (d).

Note

The current value of the *cumulative price threshold* is set out in a schedule of reliability settings published on the *AEMC*'s website www.aemc.gov.au

- (d) By 28 February of each year (commencing 2012), the *AEMC* must calculate the *cumulative price threshold* to apply on and from 1 July of that year in accordance with paragraphs (e) and (f) and *publish* its calculation on its website as part of a schedule of *reliability* settings.

- (e) Subject to paragraph (f), the *AEMC* must calculate the *cumulative price threshold* using the following formula:

$$CPT^x = BV^{CPT} \times \frac{(Q_1^c + Q_2^c + Q_3^c + Q_4^c)}{(Q_1^b + Q_2^b + Q_3^b + Q_4^b)}$$

Where:

CPT is the *cumulative price threshold* in dollars;

x is the *financial year* for which the *cumulative price threshold* is being calculated;

BV^{CPT} is \$187,500 (being the value of the *cumulative price threshold* prior to 1 July 2012);

Q1 to Q4 are the values of the Reliability Settings Index for each of the four quarters of years c and b (as the case may be) as at five months before the start of year x;

Reliability Settings Index is the All groups, Australia CPI found at Index Numbers, All groups, Australia, in Tables 1 and 2 of the Consumer Price Index, Australia published by the Australian Bureau of Statistics for the relevant quarter, except where that index ceases to be published or is substantially changed, in which case the Reliability Settings Index will be such other index as is determined by the *AEMC* as suitable;

c is the calendar year commencing 18 months before the start of year x; and

b is calendar year 2010.

- (f) If the value calculated by the *AEMC* under paragraph (e) is:
- (1) not in whole hundreds of dollars, then the *cumulative price threshold* for year x will be the value calculated under paragraph (e) rounded to the nearest \$100;
 - (2) less than the *cumulative price threshold* applied under this clause 3.14.1 for the preceding *financial year* (year x-1), then the *cumulative price threshold* for year x will be the value of the *cumulative price threshold* for year x-1.

3.14.2 Application of Administered Price Cap

- (a) **[Deleted]**
- (b) *AEMO* must immediately notify all *Market Participants* of the commencement and closing of an *administered price period* under rule 3.14.
- (c) Each of the following periods is an *administered price period* in a *region*:

- (1) a *trading interval*, where the sum of the *spot prices* in the previous 336 *trading intervals*, calculated as if this clause did not apply, exceeds the *cumulative price threshold*;
- (1A) a *dispatch interval*, where the sum of the *ancillary service prices* for a *market ancillary service* in the previous 2016 *dispatch intervals*, calculated as if this clause did not apply, exceeds 6 times the *cumulative price threshold*;
- (2) a *trading interval* in a *trading day* in which a prior *trading interval* is an *administered price period*;
- (2A) a *dispatch interval* in a *trading day* in which a prior *dispatch interval* is an *administered price period*; or
- (2B) a *dispatch interval* within a *trading interval* that is an *administered price period*.
- (3) **[Deleted]**
- (d) During an *administered price period* the procedures for *PASA*, *dispatch*, *spot price* and *ancillary service price* determination are to continue in accordance with the provisions of the *Rules*.
- (d1) If, within an *administered price period* triggered because of clause 3.14.2(c)(1) or (2) in relation to *energy*, the *dispatch price* for the *region* identified in clause 3.14.2(c) calculated as if this clause 3.14.2(d1) did not apply:
 - (1) exceeds the *administered price cap*, then *AEMO* must set the *dispatch price* to the *administered price cap*; or
 - (2) is less than the *administered floor price*, *AEMO* must set the *dispatch price* to the *administered floor price*.
- (d2) If within an *administered price period* an *ancillary service price* for any *market ancillary service* for the *region* identified in clause 3.14.2(c) calculated as if this clause 3.14.2(d2) did not apply exceeds the *administered price cap*, then *AEMO* must set that *ancillary service price* to the *administered price cap*.
- (e) If during an *administered price period* the *dispatch price*:
 - (1) **[Deleted]**
 - (2) at any *regional reference node* is set to the *administered price cap* under clause 3.14.2(d1)(1), then *dispatch prices* at all other *regional reference nodes* connected by a *regulated interconnector* or *regulated interconnectors* that have an *energy flow* towards that *regional reference node* must not exceed the *administered price cap* divided by the average *loss factor* that applies for *energy flow* in that direction for

that *dispatch interval* and determined in accordance with clause 3.14.2(e)(5).

- (3) **[Deleted]**
- (4) at any *regional reference node* is set to the *administered floor price* under clause 3.14.2(d1)(2), then *dispatch prices* at all other *regional reference nodes* connected by a *regulated interconnector* or *regulated interconnectors* that have an *energy* flow away from that *regional reference node* must be equal to or greater than the *administered floor price* multiplied by the average *loss factor* that applies for *energy* flow in that direction for that *dispatch interval* and determined in accordance with clause 3.14.2(e)(5).
- (5) *AEMO* must determine the average *loss factors* applicable to clause 3.14.2(e)(2) and 3.14.2(e)(4) by reference to the *inter-regional loss factor* equations relating to the relevant *regulated interconnector*.

3.14.3 Conditions for suspension of the spot market

- (a) Subject to clause 3.14.3(b), *AEMO* may declare the *spot market* to be suspended in a *region* when in respect of that *region*:
 - (1) the *power system* has collapsed to a *black system*;
 - (2) *AEMO* has been directed by a *participating jurisdiction* to suspend the *market* or operate all or part of the *power system* in a manner contrary to the provisions of the *Rules* following the formal declaration by that *participating jurisdiction* of a state of emergency under its emergency services or equivalent legislation; or
 - (3) *AEMO* determines that it is necessary to suspend the *spot market* in a *region* because it has become impossible to operate the *spot market* in accordance with the provisions of the *Rules*.
- (a1) **[Deleted]**
- (b) *AEMO* must not suspend the *spot market* solely because:
 - (1) *dispatch prices* have reached the *market price cap*;
 - (1A) *spot prices* have reached the *market floor price*;
 - (2) *AEMO* has issued a *direction*; or
 - (3) *AEMO* has otherwise intervened in the market under rule 3.12.
- (c) *AEMO* must conduct reviews of each occasion when it suspended the *spot market* in order to assess the adequacy of the provision and response of *facilities* or services, and the appropriateness of actions taken to restore or maintain *power system security*.

- (d) The report of the review carried out in accordance with paragraph (c) must be made available to *Registered Participants* and the public.
- (e) A *Registered Participant* must co-operate in any such review conducted by *AEMO* (including making available relevant records and information).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) A *Registered Participant* must provide to *AEMO* such information relating to the performance of its equipment during and after a suspension of the *spot market* as *AEMO* reasonably requires for the purposes of analysing or reporting on that suspension.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (g) *AEMO* must provide to a *Registered Participant* such information or reports relating to the performance of that *Registered Participant's* equipment during a suspension of the *spot market* as that *Registered Participant* reasonably requests and in relation to which *AEMO* is required to conduct a review under this clause 3.14.3.

3.14.4 Declaration of market suspension

- (a) The *spot market* in a *region* can only be suspended by a declaration by *AEMO* in the circumstances described in clause 3.14.3(a), and *AEMO* must *publish* that declaration without delay.
- (b) **[Deleted]**
- (c) The *spot market* in a *region* is deemed to be suspended at the start of the *dispatch interval* in which *AEMO* makes a declaration that the *spot market* is suspended.
- (d) Following a declaration by *AEMO* under clause 3.14.3(a), the *spot market* is to remain suspended in the relevant *region* until *AEMO* declares and informs all *Registered Participants*:
 - (1) that *spot market* operation is to resume in accordance with this Chapter 3; and
 - (2) of the *time* at which the *spot market* is to resume.
- (e) If *AEMO* declares that the *spot market* is suspended:
 - (1) *AEMO* may issue *directions* to *Registered Participants* in accordance with clause 4.8.9; and

- (2) *dispatch prices* and *ancillary service prices* in the relevant *region* are to be set by *AEMO* in accordance with clause 3.14.5 until the *time* at which the *spot market* is resumed.
- (f) *AEMO* must within 10 *business days* following the day on which, in accordance with the notice given by *AEMO* under paragraph (d), the *spot market* resumed, commence an investigation of that *spot market* suspension.
- (g) The investigation must examine and report on the reason for the suspension and the effect that the suspension had on the operation of the *spot market*. *AEMO* must make a copy of the report available to *Registered Participants* and the public as soon as it is practicable to do so.

3.14.5 Pricing during market suspension

- (a) Subject to paragraph (b), if the *spot market* is suspended in a *region* then *central dispatch* and the determination of *dispatch prices*, *spot prices* and *ancillary service prices* in the *suspended region* are to continue in accordance with rules 3.8 and 3.9.
- (b) If, in *AEMO's* reasonable opinion, it is not practicable to operate *central dispatch* and determine *dispatch prices* and *ancillary service prices* in a *suspended region* in accordance with rules 3.8 and 3.9, *AEMO* must set *dispatch prices* and *ancillary service prices* for the *suspended region* at the prices applicable to the relevant *dispatch interval* in the current estimated price schedule developed and published in accordance with paragraph (e).
- (c) *Dispatch prices* and *ancillary service prices* determined in accordance with paragraph (b) for a *suspended region*:
 - (1) continue to be subject to the application of clause 3.14.2(d1) and clause 3.14.2(d2) in respect of *administered price periods*, and are to be adjusted (where applicable) in accordance with clause 3.14.2(e);
 - (2) are not to be adjusted in the circumstances set out in clause 3.9.2(e)(1) or clauses 3.9.2(e)(2) and 3.9.3;
 - (3) are not subject to review under clause 3.9.2B; and
 - (4) are not subject to clause 3.12A.6.
- (d) If the *dispatch prices* and *ancillary service prices* in a *suspended region* are being determined in accordance with paragraph (b), they must continue to be determined in accordance with that paragraph until the earlier of:
 - (1) the *time* that the *spot market* is no longer suspended in the relevant *region*; and
 - (2) if *AEMO* declared the *spot market* to be suspended for the reason set out in clause 3.14.3(a)(1) or (3), the *time* that, in *AEMO's* reasonable opinion, it is practicable to resume *central dispatch* and the

determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9; and

- (3) if AEMO declared the *spot market* to be suspended for the reason set out in clause 3.14.3(a)(2), the *time* that, in AEMO's reasonable opinion, it is practicable to resume *central dispatch* and the determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9, provided that the *participating jurisdiction* that directed AEMO under clause 3.14.3(a)(2) has agreed to the resumption of *central dispatch* and the determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9
- (e) AEMO must:
- (1) develop in accordance with the *Rules consultation procedures* a methodology to be used by AEMO (**estimated price methodology**) to prepare and update schedules containing reasonable estimates of typical *market prices* during the periods to which the schedules relate (**estimated price schedules**);
 - (2) develop and update estimated price schedules in accordance with the estimated price methodology, to be used during any period in which the *spot market* is suspended; and
 - (3) *publish* the estimated price methodology promptly after it has been developed and *publish* the estimated price schedule at least 14 days prior to the first day to which the schedule relates.
- (f) If a *dispatch price* is set in accordance with paragraph (b) at a *regional reference node* (**suspension node**), then *dispatch prices* at all other *regional reference nodes* connected by one or more *regulated interconnectors* that have a net *energy flow* towards the suspension node must not exceed the *dispatch price* in the *suspended region* divided by the average *loss factor* that applies for *energy flow* in that direction for that *dispatch interval*.
- (g) Paragraph (f) does not apply to a *dispatch price* at another *regional reference node* that has been replaced in accordance with clause 3.9.2B or where clause 3.8.21(b) applies.
- (h) AEMO must use reasonable endeavours to ensure that any adjustments required to *dispatch prices* so that they do not exceed the limits set by paragraph (f) are finalised as soon as practicable but in any event by the end of the next *business day* following the day on which the *spot market* in the *region* ceased to be suspended
- (i) AEMO must determine the average *loss factor* applicable to paragraph (f) by reference to the *inter-regional loss factor* equations relating to the relevant *regulated interconnectors*.

3.14.6 Compensation due to the application of an administered price cap or administered floor price

Eligibility for compensation

- (a) For the purposes of this clause 3.14.6:

compensation guidelines means the guidelines made by the AEMC under paragraph (e).

direct costs means the costs directly incurred by the claimant due to a price limit event

direct cost only claim means a claim made under paragraph (i) that does not include a claim for opportunity costs.

eligibility period means the period starting at the beginning of the first *trading interval* in which the price limit event occurs in a *trading day* and ending at the end of the final *dispatch interval* of the last *trading interval* of that *trading day*.

opportunity costs means the value of opportunities foregone by the claimant due to the price limit event as defined in the compensation guidelines.

price limit event means:

- (1) for *Scheduled Generators* and *Non-Scheduled Generators*:
 - (i) the *dispatch price* for a *dispatch interval* is set by the *administered price cap* during an *administered price period*; or
 - (ii) the *dispatch price* for a *dispatch interval* is set as a result of the application of clause 3.14.2(e)(2);
- (2) for *Market Participants* in respect of *scheduled load*:
 - (i) the *dispatch price* for a *dispatch interval* is set by the *administered floor price* during an *administered price period*; or
 - (ii) the *dispatch price* for a *dispatch interval* is set as a result of the application of clause 3.14.2(e)(4); and
- (3) for *Scheduled Network Service Providers*:
 - (i) the *dispatch price* for a *dispatch interval* for a *region* towards which the *Scheduled Network Service Provider* is transporting power is set by the *administered price cap* during an *administered price period*; or
 - (ii) the *dispatch price* for a *dispatch interval* for a *region* towards which the *Scheduled Network Service Provider* is transporting power is set as a result of the application of clause 3.14.2(e)(2).

- (4) for *Ancillary Service Providers*, in respect of an *ancillary service generating unit* or an *ancillary service load*, the *ancillary service price* for a *dispatch interval* is set by the *administered price cap* during an *administered price period*.

relevant region means a *region* in which the *dispatch price* or *ancillary service price* (as relevant) is set by the price limit event.

total costs means the direct costs and opportunity costs determined in accordance with the compensation guidelines provided that, in the case of a claimant that is a *Market Network Service Provider*, the total costs must be the costs incurred due to transporting power towards the relevant region and must not include costs incurred, or revenues earned, due to transporting power away from the relevant region.

- (b) If a price limit event occurs then the following are eligible to claim *Registered Participants* compensation for the eligibility period:
 - (1) a *Scheduled Generator* or *Non-Scheduled Generator* in the relevant region;
 - (2) a *Market Participant* in respect of a *scheduled load* that has been *dispatched* in the relevant region in that eligibility period;
 - (3) a *Scheduled Network Service Provider* that transported power towards the relevant region; and
 - (4) an *Ancillary Service Provider* that provided *market ancillary services* in the relevant region in the eligibility period,

provided that the relevant claimant has incurred total costs during the eligibility period that exceed the total revenue it received from the *spot market* during that period.

Compensation - objective and basis

- (c) The objective of the payment of compensation under this clause 3.14.6 is to maintain the incentive for:
 - (1) *Scheduled Generators*, *Non-Scheduled Generators* and *Scheduled Network Service Providers* to supply energy;
 - (2) *Ancillary Service Providers* to supply *ancillary services*; and
 - (3) *Market Participants* with *scheduled load* to consume energy ,during price limit events.
- (d) The amount of compensation payable in respect of a claim under this clause 3.14.6 must be based on direct costs and opportunity costs.

Compensation guidelines

- (e) The *AEMC* must, in accordance with the *transmission consultation procedures*, develop and *publish* guidelines (**compensation guidelines**) that are consistent with paragraphs (c) and (d) and that:
 - (1) define the types of opportunity costs in relation to which a person can make a claim under this clause 3.14.6;
 - (2) outline the methodology to be used to calculate the amount of any compensation payable in respect of a claim under this clause, including the methodology for calculating direct costs and opportunity costs; and
 - (3) set out the information *AEMO* and a claimant must provide to enable the *AEMC* to make a determination as to compensation under this clause 3.14.6.
- (f) The *AEMC* must ensure that there are compensation guidelines in place at all times.

Note:

The first compensation guidelines were made on 30 June 2009 and have been amended from time to time since that date. The current version of the compensation guidelines are available on the AEMC's website www.aemc.gov.au.

- (g) The *AEMC* may from time to time, in accordance with the *transmission consultation procedures*, amend or replace the compensation guidelines.

Process for making a claim

- (h) A person who is eligible under paragraph (b) may make a claim for compensation by providing the *AEMC* and *AEMO* with written notice of its claim in the form required by the compensation guidelines.
- (i) A claim under paragraph (h) must be made within 5 *business days* of notification by *AEMO* that an *administered price period* has ended.

Initial steps on receipt of claim

- (j) Following its receipt of a notice under paragraph (h), the *AEMC* must promptly:
 - (1) publish a notice on its website stating that it has received a claim under paragraph (h). The notice must:
 - (i) provide information on the general nature of the claim;
 - (ii) state whether or not the claim is a direct cost only claim; and
 - (iii) state that the *AEMC* will publish a notice when it commences formal assessment of the claim; and

- (2) seek such information from the claimant that the *AEMC* reasonably considers is required to enable assessment of the claim including, in the case of a claim other than a direct cost only claim, the methodology used by the claimant to determine its opportunity costs.

Formal commencement of claim

- (k) As soon as practicable after the *AEMC* is reasonably satisfied that it has sufficient information from the claimant to assess its claim, the *AEMC* must publish a notice on its website that it has formally commenced its assessment of the claim specifying whether or not the claim is a direct cost only claim.

Determination of direct cost only claims

- (l) Not later than 45 *business days* after publication of the notice under paragraph (k) in respect of a direct cost only claim, the *AEMC* must *publish* its final decision as to:
 - (1) whether compensation should be paid by *AEMO* in relation to the claim; and
 - (2) if so, the amount of compensation that should be paid.
- (m) Before making its final decision under paragraph (l) the *AEMC* must consult with the claimant.
- (n) In making its final decision under paragraph (l), the *AEMC* must apply the compensation guidelines unless it is satisfied that there are compelling reasons not to do so.

Determination of claims other than direct cost only claims

- (o) In relation to a claim other than a direct cost only claim, the *AEMC* must, as soon as practicable but not later than 35 *business days* after publication of the notice under paragraph (k) *publish*:
 - (1) the claimant's proposed methodology for determining the claimant's opportunity costs;
 - (2) the methodology the *AEMC* proposes to use in determining the claimant's opportunity costs (**draft opportunity cost methodology**); and
 - (3) an invitation for written submissions to be made to the *AEMC* on the draft opportunity cost methodology by a date not less than 20 *business days* after the invitation is made (**submission closing date**).
- (p) Any person may make a written submission to the *AEMC* on the draft opportunity cost methodology by the submission closing date.
- (q) Not later than 35 *business days* after the submission closing date the *AEMC* must *publish* its final decision on:

- (1) the methodology it will use in determining the claimant's opportunity costs; and
 - (2) whether compensation should be paid by *AEMO* in relation to the claim; and
 - (3) if so, the amount of compensation that should be paid.
- (r) Before making its decision on the matters referred to in paragraph (q), the *AEMC* must consult with the claimant.
- (s) In making its final decision as to the matters referred to in paragraph (q), the *AEMC* must:
 - (1) take into account the submissions made in response to the invitation to in subparagraph (o)(3); and
 - (2) apply the compensation guidelines unless it is satisfied that there are compelling reasons not to do so.

Extensions of time

- (t) Despite anything to the contrary in this clause 3.14.6, the *AEMC* may extend a period of time specified in this clause if it considers the extension reasonably necessary to enable it to properly assess the claim because of the complexity or difficulty of assessing the claim or because of a material change in circumstances.
- (u) The *AEMC* must publish any extension of time made under paragraph (t).

Costs of claim

- (v) The *AEMC* may recover from a claimant for compensation under this clause any costs that are incurred by the *AEMC* in carrying out their functions under this clause in respect of that claim. For this purpose the *AEMC* may require the claimant to pay all or a proportion of those costs to the *AEMC* prior to the claim being considered or determined.

3.15 Settlements

3.15.1 Settlements management by AEMO

- (a) *AEMO* must facilitate the billing and *settlement* of payments due in respect of *transactions* under this Chapter 3, including:
 - (1) *spot market transactions*;
 - (2) *reallocation transactions*;
 - (3) negative *settlements residue* under clause 3.6.5; and
 - (4) under clause 3.15.6A.

- (b) *AEMO* must determine the *Participant fees* and the *Market Participants* must pay them to *AEMO* in accordance with the provisions of rule 2.11.

3.15.2 Electronic funds transfer

- (a) *AEMO* must ensure that an electronic funds transfer (**EFT**) facility is provided and made available for all *Market Participants* for the purposes of *settlements* and the collection and payment of all *market fees*.
- (b) Unless otherwise authorised by *AEMO*, all *Market Participants* must use the EFT facility provided by *AEMO* under clause 3.15.2(a) for the payment and receipt of amounts due in respect of *transactions* and the payment of *market fees*.
- (c) In establishing the EFT facility in accordance with clause 3.15.2(a) *AEMO* must use its reasonable endeavours to ensure that the use of that facility does not impose unnecessary restrictions on the normal banking arrangements of *Market Participants*.

3.15.3 Connection point and virtual transmission node responsibility

- (a) For each *market connection point* there is one person that is *financially responsible* for that *connection point*. The person that is *financially responsible* for such a *connection point* is:
 - (1) the *Market Participant* which has classified the *connection point* as a *market load*;
 - (2) the *Market Participant* which has classified the *generating unit connected* at that *connection point* as a *market generating unit*; or
 - (3) the *Market Participant* which has classified the *network service connected* at that *connection point* as a *market network service*.
- (b) For each *virtual transmission node* there is one person that is *financially responsible* for that *virtual transmission node*. The person that is *financially responsible* for such a *virtual transmission node* is the *Market Participant* which is the *Local Retailer* for all of the *market connection points* assigned to that *virtual transmission node*.

3.15.4 Adjusted energy amounts connection points

Where a *connection point* is not a *transmission network connection point*, the *adjusted gross energy* amount for that *connection point* for a *trading interval* is calculated by the following formula:

$$\text{AGE} = \text{ME} \times \text{DLF}$$

where:

AGE is the *adjusted gross energy* amount to be determined;

ME is the amount of electrical *energy*, expressed in MWh, flowing at the *connection point* in the *trading interval*, as recorded in the *metering data* in respect of that *connection point* and that *trading interval* (expressed as a positive value where the flow is towards the *transmission network connection point* to which the *connection point* is assigned and negative value where the flow is in the other direction); and

DLF is the *distribution loss factor* applicable at that *connection point*.

3.15.5 Adjusted energy - transmission network connection points

Where a *connection point* is a *transmission network connection point*, the *adjusted gross energy* amount for that *connection point* for a *trading interval* is calculated by the following formula:

$$AGE = ME - AAGE$$

where:

AGE is the *adjusted gross energy* amount to be determined;

ME is the amount of electrical *energy*, expressed in MWh, flowing at the *connection point* in the *trading interval*, as recorded in the *metering data* in respect of that *connection point* and that *trading interval* (expressed as a positive value where the flow is towards the *transmission network*, and negative value where the flow is in the other direction); and

AAGE is the aggregate of the *adjusted gross energy* amounts for that *trading interval* for each *connection point* assigned to that *transmission network connection point*, for which a *Market Participant* (other than a suspended *Market Participant*) is *financially responsible* (and in that aggregation positive and negative *adjusted gross energy* amounts are netted out to give a positive or negative aggregate amount).

3.15.5A Adjusted energy - virtual transmission nodes

For each *virtual transmission node*, the *adjusted gross energy* amount for that *virtual transmission node* for a *trading interval* is calculated by the following formula:

$$AGE = - AAGE$$

where:

AGE is the *adjusted gross energy* amount to be determined; and

AAGE is the aggregate of the *adjusted gross energy* amounts for that *trading interval* for each *connection point* assigned to that *virtual transmission node* for which a *Market Participant* (other than a suspended *Market Participant*) is *financially responsible* (and in that aggregation positive and negative *adjusted gross energy* amounts are netted out to give a positive or negative aggregate amount).

3.15.6 Spot market transactions

- (a) In each *trading interval*, in relation to each *connection point* and to each *virtual transmission node* for which a *Market Participant* is *financially responsible*, a *spot market transaction* occurs, which results in a *trading amount* for that *Market Participant* determined in accordance with the formula:

$$TA = AGE \times TLF \times RRP$$

where

TA is the *trading amount* to be determined (which will be a positive or negative dollar amount for each *trading interval*);

AGE is the *adjusted gross energy* for that *connection point* or *virtual transmission node* for that *trading interval*, expressed in MWh;

TLF for a *transmission network connection point* or *virtual transmission node*, is the relevant *intra-regional loss factor* at that *connection point* or *virtual transmission node* respectively, and for any other *connection point*, is the relevant *intra-regional loss factor* at the *transmission network connection point* or *virtual transmission node* to which it is assigned in accordance with clause 3.6.2(b)(2); and

RRP is the *regional reference price* for the *regional reference node* to which the *connection point* or *virtual transmission node* is assigned, expressed in dollars per MWh.

Note

Where two *intra-regional loss factors* are determined for a *transmission network connection point* under clause 3.6.2(b)(2), AEMO will determine the relevant *intra-regional loss factor* for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).

- (b) AEMO is entitled to the *trading amount* resulting from a *AEMO intervention event* and, for the purposes of determining *settlement amounts*, any such *trading amount* is not a *trading amount* for the relevant *Market Participant*.
- (c) A *Directed Participant* is entitled to the *trading amount* resulting from any service, other than the service the subject of the *AEMO intervention event*, rendered as a consequence of that event.

3.15.6A Ancillary service transactions

- (a) In each *trading interval*, in relation to each *enabled ancillary service generating unit* or *enabled ancillary service load*, an ancillary services transaction occurs, which results in a *trading amount* for the relevant *Market Participant* determined in accordance with the following formula:

$TA = \text{the aggregate of } \frac{EA \times ASP}{(12)}$ for each *dispatch interval* in a *trading interval*

where:

TA (in \$) = the *trading amount* to be determined (which is a positive number);

EA (in MW) = the amount of the relevant *market ancillary service* which the *ancillary service generating unit* or *ancillary service load* has been *enabled* to provide in the *dispatch interval*; and

ASP (in \$ per MW per hour) = the *ancillary service price* for the *market ancillary service* for the *dispatch interval* for the *region* in which the *ancillary service generating unit* or *ancillary service load* has been *enabled*.

(b) In relation to each *NMAS provider* who provides *non-market ancillary services* under an *ancillary services agreement*, an *ancillary services transaction* occurs, which results in an amount payable by *AEMO* to the *NMAS provider* determined in accordance with that agreement.

(b1) Where an amount payable by *AEMO* under paragraph (b) is not determined on a *trading interval basis*, that amount is recovered in accordance with the relevant paragraphs (c8), (c9), (d) and (e), except that a reference to *trading interval* in the calculation of RBF, AGE, AAGE, TGE, ATGE, TSGE, ATSGE, TCE, ATCE is to be read as "the relevant period", and any other reference to *trading interval* in those paragraphs is to be read as the "relevant *billing period*".

(c) **[Deleted]**

(c1) In this clause:

regional benefit ancillary services procedures means the procedures to determine the relative benefit that each *region* is estimated to receive from the provision of *NMAS*.

regional benefit factors means the factors to allocate, between *regions*, the costs associated with the provision of *NMAS* under each *ancillary services agreement* in accordance with the regional benefit ancillary services procedures.

(c2) Subject to paragraph (b1), *AEMO* must recover its liabilities under *ancillary services agreements* for the provision of:

- (1) *NSCAS* from *Market Customers* in each *region* in accordance with paragraphs (c8) and (c9); and
 - (2) *system restart ancillary services*, from:
 - (i) *Market Generators* and *Market Small Generation Aggregators* in each *region* in accordance with paragraph (d); and
 - (ii) *Market Customers* in each *region* in accordance with paragraph (e).
- (c3) In the statements to be provided under clauses 3.15.14 and 3.15.15 to a *Market Customer*, *AEMO* must separately identify the portion of the total amount payable by *AEMO* in respect of the relevant *billing period* under *ancillary services agreements* for the provision of *NSCAS* that:
- (1) benefits specific *regions* in which there is a *connection point* for which the *Market Customer* is *financially responsible* (being the *regional* amounts given by the first summated term in the paragraph (c8) formula); and
 - (2) does not benefit specific *regions* (being the amount *TNSCASp* in the paragraph (c9) formula).
- (c4) *AEMO* must develop and *publish* the regional benefit ancillary services procedures in accordance with the *Rules consultation procedures*. Without limiting the matters to be included in the regional benefit ancillary services procedures, they must require *AEMO* to take into account:
- (1) for an *NSCAS*, the estimated increase for each *region* of the gross economic benefit from increased *power transfer capability*; and
 - (2) for a *system restart ancillary service*, that can be used to restart *generating units* in two or more *regions*, the relative benefit provided by that service to each *region*.
- (c5) Subject to paragraph (c6), *AEMO* may amend the regional benefit ancillary services procedures from time to time in accordance with the *Rules consultation procedures*.
- (c6) *AEMO* may make minor and administrative amendments to the regional benefit ancillary services procedures without complying with the *Rules consultation procedures*.
- (c7) From time to time, *AEMO* must determine the regional benefit factors.
- (c8) In each *trading interval*, in relation to each *Market Customer* for each *region*, an *ancillary services* transaction occurs, which results in a *trading amount* for the *Market Customer* determined in accordance with the following formula:

$$TA_{p,s} = \left(\sum_{\text{for all 's'}} (TNSCAS_{s,p} \times RBF_{s,p,r}) \right) \times \frac{AGE_{p,r}}{AAGE_{p,r}} \times -1$$

Where

Subscript 'P' is the relevant period;

Subscript 'R' is the relevant

Subscript 'S' is the relevant *NSCAS*;

$TA_{p,r}$ (in \$) = *trading amount* payable by the *Market Customer* in respect of the relevant *region* and *trading interval*;

$TNSCAS_{s,p}$ the total amount payable by *AEMO* for the provision of the relevant *NSCAS* under an *ancillary services agreement* in respect of the relevant *trading interval*;

$RBF_{s,p,r}$ (number) = the latest regional benefit factor assigned to the provision of the relevant *NSCAS* under an *ancillary services agreement* in respect of the relevant *region* and *trading interval*, as determined by *AEMO* under paragraph (c7);

$AGE_{p,r}$ (in MWh) = the sum of the *adjusted gross energy* figures in respect of the *Market Customer's* relevant *connection points* located in the *region* for the relevant *trading interval*; and

$AAGE_{p,r}$ (in MWh) = the aggregate $AGE_{p,r}$ figures for all *Market Customers* in respect of the relevant *region* and *trading interval*.

- (c9) In each *trading interval*, in relation to each *Market Customer*, an *ancillary services* transaction occurs, which results in a *trading amount* for the *Market Customer* determined in accordance with the following formula:

$$TA_p = TNSCAS_p \times \frac{AGE_p}{AAGE_p} \times -1$$

Where

Subscript 'P' is the relevant period;

TA_P(in \$) = the *trading amount* payable by the *Market Customer* in respect of the relevant *trading interval*;

TNSCASP (in \$) = the sum of all amounts payable by AEMO for the provision of NSCAS under *ancillary services agreements* in respect of the relevant *trading interval* minus the sum of the *trading amounts* calculated for all *Market Customers* in respect of all of the relevant *trading interval* under paragraph (c8);

AGE_P (in MWh) = the sum of the *adjusted gross energy* figures in respect of all the *Market Customer's* relevant *connection points* for the relevant *trading interval*; and

AAGE_P (in MWh) = the aggregate AGE_P figures for all *Market Customers* in respect of the relevant *trading interval*.

(c10) AEMO must *publish* the regional benefit factors determined under paragraph (c7);

(d) In each *trading interval*, in relation to each *Market Generator* and each *Market Small Generation Aggregator* for each *region*, an ancillary services transaction occurs, which results in a *trading amount* for the *Market Generator* or the *Market Small Generation Aggregator* determined in accordance with the following formula:

$$TA = \sum \left(\left(\frac{SRP_i \times RBF_{Ri}}{2} \right) \times \left(\frac{TGE_R + TSGE_R}{ATGE_R + ATSGE_R} \right) \right) \times -1$$

Where

TA (in \$) = the *trading amount* to be determined in respect of the relevant region and *trading interval* (which is a negative number);

SRP_i (in \$) = the amount payable by AEMO in respect of the *trading interval* under an individual *ancillary services agreement* in respect of the provision of a specific *system restart ancillary service*;

RBF_{Ri} (number) = the latest regional benefit factor assigned to the provision of the relevant *system restart ancillary service* under an individual *ancillary services agreement* in respect of the relevant *region* and *trading interval*, as determined by AEMO under paragraph (c7);

TGE_R (in MWh) = the *generator energy* for the *Market Generator* for the *trading interval* in that *region*;

TSGE_R (in MWh) = the *small generator energy* for the *Market Small Generator Aggregator* for the *trading interval* in that *region*;

$ATGE_R$ (in MWh) = the aggregate of the *generator energy* figures for all *Market Generators* for the *trading interval* in that *region*; and

$ATSGE_R$ (in MWh) = the aggregate of the *small generator energy* figures for all *Market Small Generator Aggregators* for the *trading interval* in that *region*.

- (e) In each *trading interval*, in relation to each *Market Customer*, for each *region*, an ancillary services transaction occurs, which results in a *trading amount* for the *Market Customer* determined in accordance with the following formula:

$$TA = \sum \left(\left(\frac{SRP_i \times RBF_{Ri}}{2} \right) \times \frac{TCE_R}{ATCE_R} \right) \times -1$$

Where

TA (in \$) = the *trading amount* to be determined in respect of the relevant *region* and *trading interval* (which is a negative number);

SRP_i (in \$) = has the meaning given in clause 3.15.6A(d);

RBF_{Ri} (number) = the latest regional benefit factor assigned to the provision of the relevant *system restart ancillary service* under an individual *ancillary services agreement* in respect of the relevant *region* and *trading interval*, as determined by AEMO under paragraph (c7);

TCE_R (in MWh) = the *customer energy* for the *Market Customer* for the *trading interval* in that *region*; and

$ATCE_R$ (in MWh) = the aggregate of the *customer energy* figures for all *Market Customers* for the *trading interval* in that *region*.

- (f) The total amount calculated by AEMO under clause 3.15.6A(a) for each of the *fast raise service*, *slow raise service* or *delayed raise service* in respect of each *dispatch interval* which falls within the *trading interval* must be allocated to each *region* in accordance with the following procedure and the information provided under clause 3.9.2A(b). AEMO must:
- (1) allocate for each *region* and for each *dispatch interval* within the relevant *trading interval* the proportion of the total amount calculated by AEMO under clause 3.15.6A(a) for each of the *fast raise service*, *slow raise service* or *delayed raise service* between *global market ancillary services requirements* and *local market ancillary service requirement* pro-rata to the respective marginal prices for each such service;
 - (2) calculate for each relevant *dispatch interval* the sum of the costs of acquiring the *global market ancillary service requirements* for all *regions* and the sum of the costs of acquiring each *local market*

ancillary service requirement for all *regions*, as determined pursuant to clause 3.15.6A(f)(1); and

- (3) allocate for each relevant *dispatch interval* the sum of the costs of the *global market ancillary service requirement* and each *local market ancillary service requirement* calculated in clause 3.15.6A(f)(2) to each *region* as relevant to that requirement pro-rata to the aggregate of the *generator energy* for the *Market Generators* and *small generator energy* for the *Market Small Generation Aggregators* in each *region* during the *trading interval*.

For the purpose of this clause 3.15.6A(f) **RTCRSP** is the sum of:

- (i) the *global market ancillary service requirement* cost for that *region*, for all *dispatch intervals* in the relevant *trading interval*, as determined pursuant to clause 3.15.6A(f)(3); and
- (ii) all *local market ancillary service requirement* costs for that *region*, for all *dispatch intervals* in the relevant *trading interval*, as determined pursuant to clause 3.15.6A(f)(3).

In each *trading interval*, in relation to each *Market Generator* and each *Market Small Generation Aggregator* in a given *region*, an ancillary services transaction occurs, which results in a *trading amount* for that *Market Generator* and that *Market Small Generation Aggregator* determined in accordance with the following formula:

$$TA = RTCRSP \times \frac{TGE + TSGE}{RATGE + RATS GE} \times -1$$

where:

TA (in \$)	=	the <i>trading amount</i> to be determined (which is a negative number);
RTCRSP (in \$)	=	the total of all amounts calculated by <i>AEMO</i> as appropriate to recover from the given <i>region</i> as calculated in this clause 3.15.6A(f) for the <i>fast raise service</i> , <i>slow raise service</i> or <i>delayed raise service</i> in respect of <i>dispatch intervals</i> which fall in the <i>trading interval</i> ;
TGE (in MWh)	=	the <i>generator energy</i> for the <i>Market Generator</i> in that <i>region</i> for the <i>trading interval</i> ;
TSGE (in MWh)	=	the <i>small generator energy</i> for the <i>Market Small Generator Aggregator</i> in that

region for the trading interval;

RATGE (in MWh) = the aggregate of the *generator energy* figures for all *Market Generators* in that *region for the trading interval*; and

RATSGE (in MWh) = the aggregate of the *small generator energy* figures for all *Market Small Generator Aggregators* in that *region for the trading interval*.

(g) The total amount calculated by *AEMO* under clause 3.15.6A(a) for each of the *fast lower service*, *slow lower service* or *delayed lower service* in respect of each *dispatch interval* which falls within the *trading interval* must be allocated to each *region* in accordance with the following procedure and the information provided under clause 3.9.2A(b). *AEMO* must:

- (1) allocate for each *region* and for each *dispatch interval* within the relevant *trading interval* the proportion of the total amount calculated by *AEMO* under clause 3.15.6A(a) for each of the *fast lower service*, *slow lower service* or *delayed lower service* between *global market ancillary service requirements* and *local market ancillary service requirement* pro rata to the respective marginal prices of each such service;
- (2) calculate for each relevant *dispatch interval* the sum of the costs of acquiring the *global market ancillary service requirements* for all *regions* and the sum of the costs of acquiring each *local market ancillary service requirement* for all *regions*, as determined pursuant to clause 3.15.6A(g)(1); and
- (3) allocate for each relevant *dispatch interval* the sum of the costs of the *global market ancillary service requirement* and each *local market ancillary service requirement* calculated in clause 3.15.6A(g)(2) to each *region* as relevant to that requirement pro-rata to the aggregate of the *customer energy* figures for all *Market Customers* in each *region* during the *trading interval*.

For the purpose of this clause 3.15.6A(g) **RTCLSP** is the sum of:

- (i) the *global market ancillary service requirement* cost for that *region*, for all *dispatch intervals* in the relevant *trading interval*, as determined pursuant to clause 3.15.6A(g)(3); and
- (ii) all *local market ancillary service requirement* costs for that *region*, for all *dispatch intervals* in the relevant *trading interval*, as determined pursuant to clause 3.15.6A(g)(3).

In each *trading interval*, in relation to each *Market Customer* in a given *region*, an ancillary services transaction occurs, which results in a *trading*

amount for that *Market Customer* determined in accordance with the following formula:

$$TA = RTCLSP \times \frac{TCE}{RATCE} \times -1$$

where:

TA (in \$)	=	the <i>trading amount</i> to be determined (which is a negative number);
RTCLSP (in \$)	=	the total of all amounts calculated by AEMO as appropriate to recover from the given <i>region</i> as calculated in this clause 3.15.6A(g) for the <i>fast lower service</i> , <i>slow lower service</i> or <i>delayed lower service</i> in respect of <i>dispatch intervals</i> which fall in the <i>trading interval</i> ;
TCE (in MWh)	=	the <i>customer energy</i> for the <i>Market Customer</i> in that <i>region</i> for the <i>trading interval</i> ; and
RATCE (in MWh)	=	the aggregate of the <i>customer energy</i> figures for all <i>Market Customers</i> in that <i>region</i> for the <i>trading interval</i> .

- (h) The total amount calculated by AEMO under paragraph (a) for the *regulating raise service* or the *regulating lower service* in respect of each *dispatch interval* which falls within the *trading interval* must be allocated by AEMO to each *region* in accordance with the following procedure and the information provided under clause 3.9.2A(b):
- (1) allocate on a pro-rata basis for each *region* and for each *dispatch interval* within the relevant *trading interval* the proportion of the total amount calculated by AEMO under paragraph (a) for the *regulating raise service* and *regulating lower service* between *global market ancillary service requirements* and *local market ancillary service requirements* to the respective marginal prices for each such service; and
 - (2) calculate for each relevant *dispatch interval* the sum of the costs of acquiring the *global market ancillary service requirements* for all *regions* and the sum of the costs of acquiring *local market ancillary service requirements* for all *regions*, as determined under subparagraph (1).
- (i) In each *trading interval* in relation to:
- (1) each *Market Generator*, *Market Small Generation Aggregator* or *Market Customer* which has *metering* to allow their individual

contribution to the aggregate deviation in *frequency* of the *power system* to be assessed, an ancillary services transaction occurs, which results in a *trading amount* for that *Market Generator*, *Market Small Generation Aggregator* or *Market Customer* determined in accordance with the following formula:

$$TA = PTA \times -I$$

and

$$PTA = \text{the aggregate of} \left(TSFCAS \times \frac{MPF}{AMPF} \right)$$

for each *dispatch interval* in the *trading interval* for *global market ancillary service requirements* and *local market ancillary service requirements* where:

TA (in \$)	=	the <i>trading amount</i> to be determined (which is a negative number);
TSFCAS (in \$)	=	the total of all amounts calculated by AEMO under paragraph (h)(2) for the <i>regulating raise service</i> or the <i>regulating lower service</i> in respect of a <i>dispatch interval</i> ;
MPF (a number)	=	the contribution factor last set by AEMO for the <i>Market Generator</i> , <i>Market Small Generation Aggregator</i> or <i>Market Customer</i> , as the case may be, under paragraph (j) for the <i>region</i> or <i>regions</i> relevant to the <i>regulating raise service</i> or <i>regulating lower service</i> ; and
AMPF (a number)	=	the aggregate of the MPF figures for all <i>Market Participants</i> for the <i>dispatch interval</i> for the <i>region</i> or <i>regions</i> relevant to the <i>regulating raise service</i> or <i>regulating lower service</i> .

or

- (2) in relation to each *Market Customer* for whom the *trading amount* is not calculated in accordance with the formula in subparagraph (1), an ancillary services transaction occurs, which results in a trading amount for that *Market Customer* determined in accordance with the following formula:

$$TA = PTA \times -I$$

and

$$PTA = \text{the aggregate of} \left(TSFCAS \times \frac{MPF}{AMPF} \times \frac{TCE}{ATCE} \right)$$

for each *dispatch interval* in the *trading interval* for *global market ancillary service requirements* and *local market ancillary service requirements* where:

TA (in \$)	=	the <i>trading amount</i> to be determined (which is a negative number);
TSFCAS (in \$)	=	has the meaning given in subparagraph (1);
MPF (a number)	=	the aggregate of the contribution factor set by AEMO under paragraph (j) for <i>Market Customers</i> , for whom the <i>trading amount</i> is not calculated in accordance with the formula in subparagraph (1) for the <i>region</i> or <i>regions</i> relevant to the <i>regulating raise service</i> or the <i>regulating lower service</i> ;
AMPF (a number)	=	the aggregate of the MPF figures for all <i>Market Participants</i> for the <i>dispatch interval</i> for the <i>region</i> or <i>regions</i> relevant to the <i>regulating raise service</i> or <i>regulating lower service</i> ;
TCE (in MWh)	=	the <i>customer energy</i> for the <i>Market Customer</i> for the <i>trading interval</i> in the <i>region</i> or <i>regions</i> relevant to the <i>regulating raise service</i> or <i>regulating lower service</i> ; and
ATCE (in MWh)	=	the aggregate of the <i>customer energy</i> figures for all <i>Market Customers</i> , for whom the <i>trading amount</i> is not calculated in accordance with the formula in subparagraph (1), for the <i>trading interval</i> for the <i>region</i> or <i>regions</i> relevant to that <i>regulating raise service</i> or <i>regulating lower service</i> .

(j) AEMO must determine for the purpose of paragraph (i):

(1) a contribution factor for each *Market Participant*; and

- (2) notwithstanding the estimate provided in paragraph (nb), if a *region* has or *regions* have operated asynchronously during the relevant *trading interval*, the contribution factors relevant to the allocation of *regulating raise service* or *regulating lower service* to that *region* or *regions*,

in accordance with the procedure prepared under paragraph (k).

- (k) AEMO must prepare a procedure for determining contribution factors for use in paragraph (j) and, where AEMO considers it appropriate, for use in paragraph (nb), taking into account the following principles:

- (1) the contribution factor for a *Market Participant* should reflect the extent to which the *Market Participant* contributed to the need for *regulation services*;
- (2) the contribution factor for all *Market Customers* that do not have *metering* to allow their individual contribution to the aggregate need for *regulation services* to be assessed must be equal;
- (3) for the purpose of paragraph (j)(2), the contribution factor determined for a group of *regions* for all *Market Customers* that do not have *metering* to allow the individual contribution of that *Market Customer* to the aggregate need for *regulation services* to be assessed, must be divided between *regions* in proportion to the total *customer energy* for the *regions*;
- (4) the individual *Market Participant's* contribution to the aggregate need for *regulation services* will be determined over a period of time to be determined by AEMO;
- (5) a *Registered Participant* which has classified a *scheduled generating unit*, *scheduled load*, *ancillary service generating unit* or *ancillary service load* (called a **Scheduled Participant**) will not be assessed as contributing to the deviation in the *frequency* of the *power system* if within a *dispatch interval*:
 - (i) the Scheduled Participant achieves its *dispatch* target at a uniform rate;
 - (ii) the Scheduled Participant is *enabled* to provide a *market ancillary service* and responds to a control signal from AEMO to AEMO's satisfaction; or
 - (iii) the Scheduled Participant is not *enabled* to provide a *market ancillary service*, but responds to a need for *regulation services* in a way which tends to reduce the aggregate deviation;
- (6) where contributions are aggregated for *regions* that are operating asynchronously during the calculation period under paragraph (i), the contribution factors should be normalised so that the total contributions from any non-synchronised *region* or *regions* is in the

same proportion as the total *customer energy* for that *region* or *regions*; and

- (7) a *Semi-Scheduled Generator* will not be assessed as contributing to the deviation in the *frequency* of the *power system* if within a *dispatch interval*, the *semi-scheduled generating unit*:
 - (i) achieves its *dispatch level* at a uniform rate;
 - (ii) is *enabled* to provide a *market ancillary service* and responds to a control signal from *AEMO* to *AEMO's* satisfaction; or
 - (iii) is not *enabled* to provide a *market ancillary service*, but responds to a need for *regulation services*.
- (l) *AEMO* may amend the procedure referred to in clause 3.15.6A(j) from time to time.
- (m) *AEMO* must comply with the *Rules consultation procedures* when making or amending the procedure referred to in clause 3.15.6A(k).
- (n) *AEMO* must *publish*, in accordance with the *timetable*, the historical data used in determining a factor for each *Market Participant* for the purposes of clauses 3.15.6A(h) and (i) in accordance with the procedure contemplated by clause 3.15.6A(k).
- (na) Notwithstanding any other provisions of the *Rules*, *AEMO* must *publish* the factors determined in accordance with clause 3.15.6A(j)(1) at least 10 *business days* prior to the application of those factors in accordance with clauses 3.15.6A(h) and 3.15.6A(i).
- (nb) When a *region* is or *regions* are operating asynchronously, *AEMO* must *publish* (where appropriate in accordance with the procedure developed under paragraph (k)), an estimate of the contribution factors referred to in paragraph (j)(2) to be applied for information purposes only by *Market Participants* for the duration of the separation.
- (o) In this clause 3.15.6A:
 - (1) '**generator energy**' in respect of a *Market Generator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Generator's* applicable *connection points*, provided that, if the sum of those figures is negative, then the *Market Generator's generator energy* for that *trading interval* is zero;
 - (2) a *connection point* is an applicable *connection point* of a *Market Generator* if:
 - (A) the *Market Generator* is *financially responsible* for the *connection point*; and

- (B) the *connection point* connects a *market generating unit* to the *national grid*;
- (3) '**customer energy**' in respect of a *Market Customer* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Customer's* relevant *connection points*;
- (4) a *connection point* is a relevant *connection point* of a *Market Customer* if:
 - (A) the *Market Customer* is *financially responsible* for the *connection point*; and
 - (B) the *load* at that *connection point* has been classified (or is deemed to be classified) as a *market load*;
- (5) '**small generator energy**' in respect of a *Market Small Generation Aggregator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Small Generation Aggregator's* applicable *connection points*, provided that, if the sum of those figures is negative, then the *Market Small Generation Aggregator's small generator energy* for that *trading interval* is zero; and
- (6) a *connection point* is an applicable *connection point* of a *Market Small Generator Aggregator* if:
 - (A) the *Market Small Generator Aggregator* is *financially responsible* for the *connection point*; and
 - (B) the *connection point* connects a *small generating unit* classified as a *market generating unit* to the *national grid*.
- (p) When *AEMO* dispatches a quantity of *regulating raise service* or *regulating lower service* in addition to the quantity it determines in accordance with the *dispatch algorithm*, *AEMO* must:
 - (1) for the purposes of paragraphs (f) and (g), include the additional quantity in the cost of *delayed services*; and
 - (2) for the purposes of paragraphs (h) and (i), exclude the additional quantity in the cost of *regulation services*,taking into account the requirements in clauses 3.8.1(a) and (b) to maximise the value of *spot market* trading.

3.15.7 Payment to Directed Participants

- (a) Subject to clause 3.15.7(b), *AEMO* must pay compensation to *Directed Participants* calculated in accordance with clauses 3.15.7, 3.15.7A and

3.15.7B, as the case may be, for any service which the *Directed Participant* was required to provide in order to comply with the *direction*.

- (b) For the purpose of clause 3.15.8 and 3.15.10C the amount of compensation due to a *Directed Participant* pursuant to clause 3.15.7(a) must include interest on the sum of that amount less any payment made in accordance with clause 3.15.10C(a), computed at the average *bank bill rate* for the period beginning on the day on which payment was required to be made under clauses 3.15.16 and 3.15.17 in respect of the *final statement* for the *billing period* in which the *direction* was issued and ending on the day on which payment is required to be made pursuant to clause 3.15.10C.
- (c) Subject to clause 3.15.7(d) and clause 3.15.7B, the compensation payable to each *Directed Participant* for the provision of *energy* or *market ancillary services* pursuant to a *direction* is to be determined in accordance with the formula set out below

$$DCP = AMP \times DQ$$

where:

DCP = the amount of compensation the *Directed Participant* is entitled to receive;

AMP = the price below which are 90% of the *spot prices* or *ancillary service prices* (as the case may be) for the relevant service provided by *Scheduled Generators*, *Semi-Scheduled Generators*, *Scheduled Network Service Providers* or *Market Customers* in the *region* to which the *direction* relates, for the 12 months immediately preceding the *trading day* in which the *direction* was issued; and

DQ = is either:

- (A) the difference between the total *adjusted gross energy* delivered or consumed by the *Directed Participant* and the total *adjusted gross energy* that would have been delivered or consumed by the *Directed Participant* had the *direction* not been issued; or
- (B) the amount of the relevant *market ancillary service* which the *Directed Participant* has been *enabled* to provide in response to the *direction*.

- (d) If at the time *AEMO* issues a *direction*:

- (1) the *Directed Participant* had submitted a *dispatch bid*, *dispatch offer* or *rebid* acknowledged by *AEMO* in accordance with clause 3.8.8 for

dispatch of the service that is to be *dispatched* in accordance with the *direction*; and

- (2) the *direction* was issued because *AEMO* was prevented from *dispatching* the *Directed Participant's plant* in accordance with that *dispatch bid*, *dispatch offer* or *rebid* due to a failure of the *central dispatch process*,

the *Directed Participant* is entitled to receive compensation for the provision of that service at a price equal to the price in that *dispatch bid*, *dispatch offer* or *rebid* acknowledged by *AEMO* in accordance with clause 3.8.8, as the case may be.

- (e) *AEMO* must, in accordance with the *intervention settlement timetable*, advise each *Directed Participant* in writing of the amount the *Directed Participant* is entitled to receive pursuant to clause 3.15.7(c) or clause 3.15.7(d).

3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

- (a) Subject to clause 3.15.7(d) and clause 3.15.7B, *AEMO* must compensate each *Directed Participant* for the provision of services pursuant to a *direction* other than *energy* and *market ancillary services*, at the fair payment price of the services determined in accordance with this clause 3.15.7A.
 - (a1) In this clause 3.15.7A, a *direction* is a *direction* for services other than *energy* and *market ancillary services* to the extent that the need for the *direction* could not have been avoided by the *central dispatch process* had there been a *dispatch bid*, *dispatch offer* or *rebid* made consistent with the requirements of clauses 3.8.6, 3.8.6A, 3.8.7, 3.8.7A or 3.8.8(d) (whichever is applicable) for *dispatch of plant* relevant to that *direction* for one or more of the following services:
 - (1) *energy*; and
 - (2) any one service of the *market ancillary services*.
 - (a2) For the avoidance of doubt, any component of a *direction* that satisfies clause 3.15.7A(a1) is to be considered for compensation under this clause 3.15.7A and clause 3.15.7B, as the case may be. Any other component of the *direction* that does not satisfy clause 3.15.7A(a1) is to be considered for compensation under clause 3.15.7 and clause 3.15.7B, as the case may be.
- (b) Subject to clause 3.15.7A(e) and clause 3.15.7A(e1), *AEMO* must, in accordance with the *intervention settlement timetable* and any guidelines developed by *AEMO* in accordance with the *Rules consultation procedures*, determine if in *AEMO's* reasonable opinion, an independent expert could reasonably be expected to determine a fair payment price for the services provided pursuant to the *direction* within a reasonable time period.

- (b1) If *AEMO* determines pursuant to clause 3.15.7A(b) that an independent expert could reasonably be expected to determine a fair payment price for the services provided pursuant to the *direction* within a reasonable time period it must as soon as reasonably practicable after making such determination *publish* its determination and, subject to clause 3.15.7A(e1), appoint an independent expert, in accordance with the *intervention settlement timetable*, to determine the fair payment price for the services provided pursuant to the *direction*.
- (c) *AEMO* must include as part of the terms of appointment of an independent expert the following requirements:
 - (1) that the independent expert must, in determining the fair payment price of the relevant service for the purposes of clause 3.15.7A, take into account:
 - (i) other relevant pricing methodologies in Australia and overseas, including but not limited to:
 - (A) other electricity markets;
 - (B) other markets in which the relevant service may be utilised; and
 - (C) relevant contractual arrangements which specify a price for the relevant service;
 - (ii) the following principles:
 - (A) the disinclination of *Scheduled Generators*, *Semi-Scheduled Generators*, *Market Generators*, *Scheduled Network Service Providers* or *Market Customers* to provide the service the subject of the *direction* must be disregarded;
 - (B) the urgency of the need for the service the subject of the *direction* must be disregarded;
 - (C) the *Directed Participant* is to be treated as willing to supply at the market price that would otherwise prevail for the directed services the subject of the *direction* in similar demand and supply conditions; and
 - (D) the fair payment price is the market price for the directed services the subject of the *direction* that would otherwise prevail in similar demand and supply conditions;
 - (2) that the independent expert must determine and *publish* a draft report, in accordance with the *intervention settlement timetable*, setting out:
 - (i) a description of the services provided in response to the *direction*;

- (ii) the independent expert's draft determination of each fair payment price for the services provided;
 - (iii) the methodology and assumptions used by the independent expert in making the draft determination of the fair payment price; and
 - (iv) a request for submissions from interested parties on the matters set out in the draft report;
- (3) that the independent expert must, in accordance with the *intervention settlement timetable*, determine the fair payment price for the services provided, taking into account the submissions received, and must prepare and *publish* a final report setting out:
 - (i) the description of the services provided in response to the *direction*;
 - (ii) the independent expert's determination of the fair payment price for the services provided;
 - (iii) the methodology and assumptions used by the independent expert in making the determination of each fair payment price; and
 - (iv) summaries of the submissions made by interested parties;
- (4) that the independent expert must deliver to *AEMO* a final tax invoice for the services rendered at the time he or she *publishes* the final report; and
- (5) that a report *published* by the independent expert pursuant to clause 3.15.7A(c) must not disclose *confidential information* or the identity of a *Directed Participant*.
- (d) In accordance with the *intervention settlement timetable*, *AEMO* must calculate the compensation payable to the *Directed Participant* using the fair payment price *published* by the independent expert under clause 3.15.7A(c)(3).
- (e) The fair payment price determined in accordance with clause 3.15.7A(c)(3) is to be the fair payment price for that service to be applied in all future occurrences where there is a *direction* for that service at any time within a period of 12 calendar months from the date on which the determination of that price was published.
- (e1) *AEMO* must not appoint an independent expert under clause 3.15.7A(b1) in respect of a *direction* for a service in respect of which:
 - (1) there is a determination of an independent expert in place in accordance with clause 3.15.7A(e) in relation to that service; or

- (2) *AEMO* has appointed an independent expert to determine the fair payment price for that service under clause 3.15.7A and the independent expert has not yet made a determination of the fair payment price.

In these circumstances, *AEMO* must apply to the subsequent *direction* the fair payment price for that service determined, or to be determined, by the independent expert.

- (f) Within 1 *business day* of calculating the compensation payable pursuant to clause 3.15.7A(a) by application of clause 3.15.7A(e) or pursuant to clause 3.15.7A(d), *AEMO* must advise the relevant *Directed Participant* in writing of the amount of compensation.
- (g) The determination of a fair payment price pursuant to clause 3.15.7A(c)(1) and the calculation of compensation payable to *Directed Participants* pursuant to clause 3.15.7A(d) is final and binding.

3.15.7B Claim for additional compensation by Directed Participants

- (a) Subject to clauses 3.15.7B(a1) and 3.15.7B(a4), a *Directed Participant* entitled to compensation pursuant to clause 3.15.7 or clause 3.15.7A may, in accordance with the *intervention settlement timetable*, make a written submission to *AEMO* claiming an amount equal to the sum of:
 - (1) the aggregate of the loss of revenue and additional net direct costs incurred by the *Directed Participant* in respect of a *scheduled generating unit*, *semi-scheduled generating unit* or *scheduled network services*, as the case may be, as a result of the provision of the service under *direction*; less
 - (2) the amount notified to that *Directed Participant* pursuant to clause 3.15.7(c) or clause 3.15.7A(f); less
 - (3) the aggregate amount the *Directed Participant* is entitled to receive in accordance with clause 3.15.6(c) for the provision of a service rendered as a result of the *direction*.
- (a1) Subject to clause 3.15.7B(a4), if *AEMO* determines pursuant to clause 3.15.7A(b) that an independent expert could not reasonably be expected to determine within a reasonable period of time the relevant fair payment price, a *Directed Participant* may, in accordance with the *intervention settlement timetable*, make a written submission to *AEMO* claiming compensation from *AEMO* for the provision of services under the *direction* equal to:
 - (1) loss of revenue and additional net direct costs which the *Directed Participant* incurred as a result of the provision of services under the *direction*; and

- (2) a reasonable rate of return on the capital employed in the provision of the service determined by reference as far as reasonably practicable to rates of return for the provision of similar services by similar providers of such services.
- (a2) Subject to clause 3.15.7B(a4), if a *Directed Participant* entitled to compensation pursuant to clause 3.15.7(d) considers that the amount notified pursuant to clauses 3.15.7(e) is less than the amount it is entitled to receive pursuant to that clause, the *Directed Participant* may, in accordance with the *intervention settlement timetable*, make a written submission to AEMO requesting compensation from AEMO for that difference.
- (a3) For the purposes of the calculation of additional net direct costs pursuant to paragraphs (a)(1) and (a1)(1), the additional net direct costs incurred by the *Directed Participant* in respect of that *scheduled generating unit*, *semi-scheduled generating unit* or *scheduled network services* (as the case may be) includes without limitation:
 - (1) fuel costs in connection with the relevant *generating unit* or *scheduled network services*;
 - (2) incremental maintenance costs in connection with the relevant *generating unit* or *scheduled network services*;
 - (3) incremental manning costs in connection with the relevant *generating unit* or *scheduled network services*;
 - (4) acceleration costs of maintenance work in connection with the relevant *generating unit* or *scheduled network services*, where such acceleration costs are incurred to enable the *generating unit* or *scheduled network services* to comply with the *direction*;
 - (5) delay costs for maintenance work in connection with the relevant *generating unit* or *scheduled network services*, where such delay costs are incurred to enable the *generating unit* or *scheduled network services* to comply with the *direction*;
 - (6) other costs incurred in connection with the relevant *generating unit* or *scheduled network services*, where such costs are incurred to enable the *generating unit* or *scheduled network services* to comply with the *direction*; and
 - (7) any compensation which the *Directed Participant* receives or could have obtained by taking reasonable steps in connection with the relevant *generating unit* or *scheduled network services* being available.
- (a4) In respect of a single *intervention price trading interval*, a *Directed Participant* may only make a claim pursuant to clauses 3.15.7B(a), 3.15.7B(a1) or 3.15.7B(a2) if the amount of the claim in respect of that *intervention price trading interval* is greater than \$5,000.

- (b) The submissions pursuant to clauses 3.15.7B(a), 3.15.7B(a1) and 3.15.7B(a2) must:
 - (1) itemise each component of a claim;
 - (2) contain sufficient data and information to substantiate each component of a claim for loss of revenue and additional direct costs incurred and the reasonable rate of return, as the case may be; and
 - (3) be signed by an authorised officer of the applicant certifying that the written submission is true and correct.
- (c) *AEMO* must, in accordance with the *intervention settlement timetable*:
 - (1) refer a claim by a *Directed Participant* under clause 3.15.7B(a), 3.15.7B(a1) or 3.15.7B(a2) to an independent expert to determine such claim in accordance with clause 3.12.3 if the claim is equal to or greater than \$20,000 and the *additional intervention claim* that includes that claim is equal to or greater than \$100,000; and
 - (2) determine in its sole discretion if all other claims by a *Directed Participant* in respect of that *direction* pursuant to clauses 3.15.7B(a), 3.15.7B(a1) and 3.15.7B(a2) are reasonable and if so pay the amount claimed in accordance with clause 3.15.10C.
- (d) If *AEMO* considers that a claim by a *Directed Participant* under clause 3.15.7B(a) or 3.15.7B(a1) or 3.15.7B(a2) is unreasonable, it must, in accordance with the *intervention settlement timetable*:
 - (1) advise the *Directed Participant* of its determination in writing, setting out its reasons; and
 - (2) refer the matter to an independent expert to determine the claim for compensation in accordance with clause 3.12.3.

3.15.8 Funding of Compensation for directions

- (a) *AEMO* must, in accordance with the *intervention settlement timetable*, calculate the *compensation recovery amount* being:
 - (1) the sum of:
 - (i) the total of the compensation payable to *AEMO* by *Affected Participants* and *Market Customers* under clause 3.12.2 in respect of a *direction* for the provision of *energy*; plus
 - (ii) the total of the amounts retained by *AEMO* pursuant to clause 3.15.6(b) in respect of a *direction* for the provision of *energy*;
 - (2) less the sum of:

- (i) the total of the compensation payable by *AEMO* to *Affected Participants* and *Market Customers* pursuant to clause 3.12.2 in respect of a *direction* for the provision of *energy*; plus
 - (ii) the total of the compensation payable by *AEMO* to *Directed Participants* pursuant to clause 3.15.7(a) in respect of a *direction* for the provision of *energy*; plus
 - (iii) the total amount payable by *AEMO* to the independent expert pursuant to clause 3.12.3(c).
- (b) *AEMO* must, in accordance with the *intervention settlement timetable*, calculate a figure for each *Market Customer* in each *region* applying the following formula:

$$MCP = \frac{E}{\sum E} \times \frac{RB}{\sum RB} \times CRA$$

where

MCP is the amount payable or receivable by a *Market Customer* pursuant to this clause 3.15.8(b);

E is the sum of the *Market Customer's adjusted gross energy* amounts at each *connection point* for which the *Market Customer* is *financially responsible* in a *region*, determined in accordance with clauses 3.15.4 and 3.15.5 in respect of the relevant *intervention price trading intervals* excluding any *loads* in respect of which the *Market Customer* submitted a *dispatch bid* for the relevant *intervention price trading interval* in that *region*; and

RB is the regional benefit determined by *AEMO* pursuant to clause 3.15.8(b1) at the time of issuing the *direction*.

CRA is the *compensation recovery amount*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b1) *AEMO* must, as soon as practicable following the issuance of a *direction*, determine the relative benefit each *region* received from the issuance of a *direction* in accordance with the *regional benefit directions procedures*.
- (b2) *AEMO* must develop in accordance with the *Rules consultation procedures* a procedure to determine the relative benefit each *region* receives from the issuance of a *direction* (the *regional benefit directions procedures*). Such procedures must take into account, where applicable to the reason the *direction* was given, the *load* at risk of not being supplied if the *direction* were not issued or the extent of improvement in available *energy reserve* in

the *region*, capability to control *voltage* in the *region*, and capability to control *power system frequency* within the *region* and any other relevant matters.

- (c) If the figure calculated for a *Market Customer* under clause 3.15.8(b) is negative, the absolute value of that amount is the amount payable by the *Market Customer* to AEMO pursuant to clause 3.15.8(b).
- (d) Subject to clause 3.15.22, if the figure calculated for a *Market Customer* under clause 3.15.8(b) is positive, such amount is the amount receivable by the *Market Customer* from AEMO pursuant to clause 3.15.8(b), subject to the provisions of clause 3.15.22.
- (e) AEMO must, in accordance with the *intervention settlement timetable*, calculate for each *ancillary service* the subject of a *direction*, the "***ancillary service compensation recovery amount***" being:
 - (1) the sum of:
 - (i) the total of the compensation payable to AEMO by *Affected Participants* and *Market Customers* under clause 3.12.2 in respect of a *direction* for the provision of that *ancillary service*; plus
 - (ii) the total of the amounts retained by AEMO pursuant to clause 3.15.6(b) in respect of a *direction* for the provision of that *ancillary service*;
 - (2) less the sum of:
 - (i) the total of the compensation payable by AEMO to *Affected Participants* and *Market Customers* pursuant to clause 3.12.2 in respect of a *direction* for the provision of that *ancillary service*; plus
 - (ii) the total of the compensation payable by AEMO to *Directed Participants* pursuant to clause 3.15.7(a) in respect of a *direction* for the provision of that *ancillary service*; plus
 - (iii) the total amount payable by AEMO to the independent expert pursuant to clause 3.12.3(c), if the *direction* the subject of the independent expert's determination was with respect to that *ancillary service*.
- (f) The *trading amount* must be calculated as follows:
 - (1) subject to clause 3.15.8(f)(2) and (3) AEMO must use the appropriate formula set out in clause 3.15.6A(c8), (c9), (d), (e), (f), (g), (h) or (i) depending on which *ancillary service* was the subject of the *direction*;
 - (2) TNSCASP, TSRP, RTCRSP, RTCLSP or TSFCAS (as applicable) in the relevant formula is equal to the *ancillary service compensation*

recovery amount for the relevant *ancillary service* in respect of the *direction*; and

- (3) if TCE, TGE, TSGE, AGE, ATCE, ATGE, ATSGE or AAGE is used in the relevant formula, then the words ‘the *trading interval*’ in the definitions of those terms in the formula are to be read as ‘all of the *trading intervals* during which the *direction* applied’.
- (g) Any compensation payable by AEMO under clause 3.12.2 and 3.15.7 not recovered under clauses 3.15.8(b) and 3.15.8(e) must be recovered from *Market Customers*, *Market Generators* and *Market Small Generation Aggregators*. AEMO must, in accordance with the *intervention settlement timetable*, calculate a figure for each *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* in each *region* applying the following formula:

$$MCP = \frac{TGE + TSGE - TCE}{RATGE + RATSGE - RATCE} \times \frac{RB}{\Sigma RB} \times CRA \times -1$$

where:

MCP	=	the amount payable or receivable by a <i>Market Customer</i> , <i>Market Generator</i> or <i>Market Small Generation Aggregator</i> under this clause 3.15.8(g);
TGE	=	the generator energy for the <i>Market Generator</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
TSGE	=	the small generator energy for the <i>Market Small Generation Aggregator</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
TCE	=	the customer energy for the <i>Market Customer</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
RATGE	=	the aggregate of the generator energy for all <i>Market Generators</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
RATSGE	=	the aggregate of the small generator energy for all <i>Market Small Generation Aggregation</i> in that <i>region</i> of the relevant

		<i>trading interval</i> for the period of the <i>direction</i> ;
RATCE	=	the aggregate of the customer energy for all <i>Market Customers</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
RB	=	the regional benefit determined by <i>AEMO</i> under clause 3.15.8(b1) at the time of issuing the <i>direction</i> ; and
CRA	=	the <i>compensation recovery amount</i> .

(h) In clause 3.15.8(g):

- (1) **customer energy** in respect of a *Market Customer* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Customer's* relevant connection points;
- (2) a *connection point* is a "relevant connection point" of a *Market Customer* if:
 - (i) the *Market Customer* is *financially responsible* for the *connection point*; and
 - (ii) the *load* at that *connection point* has been classified (or is deemed to be classified) as a *market load*;
- (3) **generator energy** in respect of a *Market Generator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Generator's* applicable connection points, provided that, if the sum of those figures is negative, then the *Market Generator's* generator energy for that *trading interval* is zero;
- (4) a *connection point* is an "applicable connection point" of a *Market Generator* if:
 - (i) the *Market Generator* is *financially responsible* for the *connection point*; and
 - (ii) the *connection point* connects a *market generating unit* to the *national grid*;
- (5) **small generator energy** in respect of a *Market Small Generation Aggregator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Small Generation Aggregator's* applicable connection points, provided that, if the sum of those figures is negative, then the *Market*

Small Generation Aggregator's small generator energy for that *trading interval* is zero; and

- (6) a *connection point* is an "applicable connection point" of a *Market Small Generation Aggregator* if:
 - (i) the *Market Small Generation Aggregator* is *financially responsible* for the *connection point*; and
 - (ii) the *connection point* connects a *small generating unit* classified as a *market generating unit* to the *national grid*.

3.15.9 Reserve settlements

- (a) *AEMO's* costs incurred in contracting for the provision of *reserves* are to be met by fees imposed on *Market Customers* in accordance with this clause 3.15.9.
- (b) Included in the statements to be provided under clauses 3.15.14 and 3.15.15, *AEMO* must give each *Market Participant* a statement setting out:
 - (1) the aggregate of the amounts payable by *AEMO* under *reserve contracts* in respect of the relevant *billing period*;
 - (2) any amounts determined as payable by *AEMO*:
 - (i) by the independent expert under clause 3.12.3; or
 - (ii) as a result of a *scheduled generating unit*, *scheduled network service* or *scheduled load* under a *scheduled reserve contract* being *dispatched* or *generating units* or *loads* under an *unscheduled reserve contract* being *activated*,in respect of the relevant *billing period*; and
 - (3) the aggregate of the amounts receivable by *AEMO* under the *Rules* in respect of *reserve contracts* during the relevant *billing period*.
- (c) Separate statements must be provided under paragraph (b):
 - (1) for *reserve contracts* entered into by *AEMO* specifically in respect of the *Market Participant's region* in accordance with paragraph (d); and
 - (2) for *reserve contracts* other than those entered into for and allocated to a specific *region* or *regions*.
- (d) Where either:
 - (1) without the intervention in the *market* of *AEMO* a *region* would otherwise, in *AEMO's* reasonable opinion, fail to meet the minimum *power system security standards* or the *reliability standard*; or

- (2) a *region* requires a level of *power system reliability* or *reserves* which, in *AEMO's* reasonable opinion, exceeds the level required to meet the *reliability standard*,

then *AEMO* must recover its net liabilities, or distribute its net profits, under the terms of *reserve contracts* entered into to meet these requirements, from or to the *Market Customers* in that *region* in accordance with paragraph (e).

- (e) In respect of *reserve contracts* entered into by *AEMO*, *AEMO* must calculate in relation to each *Market Customer* for each *region* in respect of each *billing period* a sum determined by applying the following formula:

$$MCP = \frac{E \times RRC}{\sum E}$$

where:

MCP is the amount payable by a *Market Customer* for a *region* in respect of a *billing period*;

E is the sum of all that *Market Customer's* adjusted gross energy amounts in a *region* (the "**relevant region**") in each *trading interval* which occurs between 0800 hours and 2000 hours (EST) on a *business day* in the *billing period* excluding any *loads* in that *region* in respect of which the *Market Customer* submitted a *dispatch bid* for any such *trading interval*;

RRC is the total amount payable by *AEMO* under *reserve contracts* which relate to the relevant *region* in the *billing period* as agreed under clause 3.20.3(f); and

$\sum E$ is the sum of all amounts determined as "E" in accordance with this paragraph (e) in respect of that *region*.

- (f) A *Market Customer* is liable to pay *AEMO* an amount equal to the sum calculated under paragraph (e) in respect of that *Market Customer*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (g) Operational and administrative costs incurred by *AEMO* in arranging for the provision of *reserves*, other than its liabilities under the terms of the *reserve contracts* into which it has entered, are to be recovered by *AEMO* from all *Market Participants* as part of the fees imposed in accordance with rule 2.11.
- (h) For the purposes of clause 3.15.19, a re-determination by a panel established under clause 3.12.2 is to be taken to be an agreement between *AEMO* and each of the *Market Participants* and *Scheduled Generators*.

3.15.10 Administered price cap or administered floor price compensation payments

(a1) In this clause 3.15.10:

cost recovery region means the *region* in which:

- (1) the *dispatch price* was set by the *administered price cap* or *administered floor price*; or
- (2) the *ancillary service price* was set by the *administered price cap*,

in the eligibility period.

eligibility period has the same meaning as in clause 3.14.6(a).

- (a) If the *AEMC* awards compensation to a *Scheduled Generator*, *Non-Scheduled Generator*, *Market Participant*, *Scheduled Network Service Provider* or *Ancillary Service Provider* under clause 3.14.6, then *AEMO* must determine an amount which shall be payable by each *Market Customer* who purchased electricity from the *spot market* in the cost recovery region.
- (b) *AEMO* shall determine the amounts payable for each eligibility period by each of the *Market Customers* referred to in clause 3.15.10(a) as follows:

$$\frac{APC \times E_i}{\sum E_i}$$

where

APC is the total amount of any compensation payments awarded by the *AEMC* to *Scheduled Generators*, *Non-Scheduled Generators*, *Market Participants*, *Scheduled Network Service Providers* or *Ancillary Service Providers* in respect of that eligibility period in accordance with clause 3.14.6.

E_i is the sum of all of the *Market Customer's adjusted gross energy* amounts, determined in accordance with clauses 3.15.4 and 3.15.5, in respect of each *trading interval* in the eligibility period and each *connection point* for which the *Market Customer* is *financially responsible* in the cost recovery region *i*.

$\sum E_i$ is the sum of all amounts determined as " E_i " in accordance with this clause 3.15.10 for all *Market Customers* in the cost recovery region.

- (c) Within 25 *business days* of being notified by the *AEMC* that compensation is to be paid to a *Scheduled Generator*, *Non-Scheduled Generator*, *Market Participant*, *Scheduled Network Service Providers* or *Ancillary Service Provider* in accordance with clause 3.14.6, *AEMO* shall include in statements provided under clauses 3.15.14 and 3.15.15 separate details of any amounts payable by or to *Market Participants* as determined in accordance with this clause 3.15.10.

3.15.10A Goods and services tax

- (a) In this clause 3.15.10A:

"GST" has the meaning given in the GST Act; and

"GST Act" means the *A New Tax System (Goods and Services Tax) Act 1999* (C'th);

"supply" and "taxable supply" each have the meaning given in the GST Act,

and the definition of "supply" in Chapter 10 does not apply.

- (b) Despite anything else in the *Rules*, *Participant fees*, *spot prices*, adjustments for *directions*, *reserve settlements*, *administered price cap* compensation payments, system security *direction settlements*, *re-allocation transactions*, compensation, interest, *settlements residues*, *ancillary services settlements*, *settlements residue* distributions (including *auction* proceeds), *auction expense fees* and other prices, fees, charges and amounts payable to or by AEMO, the AER or the AEMC in respect of supplies under the *Rules* exclude GST. Accordingly:

- (1) where a *Registered Participant* makes a taxable supply to AEMO, the AER or the AEMC under or in connection with the *Rules* on or after 1 July 2000, AEMO, the AER or the AEMC (as applicable) must also pay the *Registered Participant* making the supply an additional amount equal to the consideration payable for the supply multiplied by the applicable GST rate;
- (2) where AEMO, the AER or the AEMC makes a taxable supply to a *Registered Participant* under the *Rules* on or after 1 July 2000, the *Registered Participant* must also pay AEMO, the AER or the AEMC (as applicable) an additional amount equal to the consideration payable for the supply multiplied by the applicable GST rate; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (3) AEMO must include in *preliminary statements*, *final statements*, *routine revised statements*, *special revised statements*, statements and invoices issued under the *Rules* the additional amounts contemplated by clauses 3.15.10A(b)(1) and (2).
- (c) However, if the additional amount paid or payable to a *Registered participant*, AEMO, the AER or the AEMC under clause 3.15.10A(b) in respect of a taxable supply differs from the actual amount of GST payable by or to the *Registered Participant*, AEMO, the AER or the AEMC (as applicable) under the GST Act in respect of the relevant supply, then adjustments must be made in accordance with clause 3.15.19 so as to ensure

the additional amount paid under this clause in respect of the supply is equal to the actual amount of GST payable under the GST Act in respect of the supply.

3.15.10B Restriction contract amounts

- (a) If clause 3.12A.7(g) applies then *AEMO* must include in the next statement provided under clauses 3.15.14 and 3.15.15 immediately after the end of the relevant *mandatory restriction period* separate details of amounts payable:

- (1) by *Market Customers* in the relevant *region* in which the *mandatory restrictions* apply an amount equal to:

$$EMCP = RSA \times \frac{(AGE)}{(AAGE)}$$

Where:

EMCP is the payment to be made by *Market Customers* to *AEMO*.

RSA is the *restriction shortfall amount*.

AGE is the *adjusted gross energy* of a *Market Customer* in that *region* for the *mandatory restriction period* expressed in MWh.

AAGE is the aggregate of the *adjusted gross energy* of all *Market Customers* in that *region* for the *mandatory restriction period* expressed in MWh;

- (2) by *Scheduled Generators* and *Scheduled Network Service Providers* to *AEMO* in accordance with clause 3.12A.7(a); and
- (3) the amounts payable by *AEMO* to the *Scheduled Generators* or *Scheduled Network Service Providers* pursuant to *accepted restriction offers*.
- (b) Immediately upon the later of the publication of the independent expert's final report in accordance with clause 3.12A.7(i)(8) and the determination of a *dispute resolution panel* pursuant to clause 3.12A.7(m), if any, *AEMO* must include in the next statements provided under clauses 3.15.14 and 3.15.15 separate details of any amounts payable:
- (i) by a *Market Customer* equal to the amount as determined in accordance with clause 3.12A.7(g)(i) less the amount determined in accordance with clause 3.15.10B(a)(1), if such number is positive together with interest on such amount calculated by applying the *bank bill rate* on the date of this statement for the period from the date of the statement referred to in clause 3.15.10B(a) to the date of this statement under clause 3.15.10B(b); and

- (ii) to a *Market Customer* equal to the amount determined in accordance with clause 3.15.10B(a)(1) less the amount determined in accordance with clause 3.12A.7(g)(i), if such number is positive together with interest on such amount calculated by applying the *bank bill rate* on the date of this statement for the period from the date of the statement referred to in clause 3.15.10B(a) to the date of this statement under clause 3.15.10B(b).
- (c) If clauses 3.12A.7(f) or 3.12A.7(h) apply then *AEMO* must include in the next statement provided under clauses 3.15.14 and 3.15.15 immediately after the end of the relevant *mandatory restriction period* separate details of any amounts payable:
 - (i) by or to *Market Customers* as determined in accordance with clauses 3.12A.7(e) or 3.12A.7(h) respectively;
 - (ii) by *Scheduled Generators* and *Scheduled Network Service Providers* to *AEMO* in accordance with clause 3.12A.7(a); and
 - (iii) the amounts payable by *AEMO* to the *Scheduled Generators* or *Scheduled Network Service Providers* pursuant to all *accepted restriction offers*.

3.15.10C Intervention Settlements

- (a) *AEMO* must include in the final statement provided under clause 3.15.14 and 3.15.15 for a *billing period* in which a *direction* was issued:
 - (1) for each *Affected Participant* and *Market Customer* in relation to that *direction* the amount calculated pursuant to clause 3.12.2(c);
 - (2) for each *Directed Participant* in relation to that *direction* the amount calculated pursuant to clause 3.15.7(c) or clause 3.15.7A(a) by application of clause 3.15.7A(e), as the case may be;
 - (3) for each *Market Customer* in relation to that *direction* the amount calculated pursuant to clause 3.15.8(b) by application of clause 3.15.8 mutatis mutandis provided that the amount for the purposes of:
 - (i) clause 3.15.8(a)(1)(i) shall be the total amount payable to *AEMO* by *Affected Participants* and *Market Customers* calculated pursuant to clause 3.12.2(c);
 - (ii) clause 3.15.8(a)(1)(ii) shall be the amount calculated in accordance with that clause;
 - (iii) clause 3.15.8(a)(2)(i) shall be the total amount payable by *AEMO* to *Affected Participants* and *Market Customers* calculated pursuant to clause 3.12.2(c);
 - (iv) clause 3.15.8(a)(2)(ii) shall be the sum of the total amount payable by *AEMO* to *Directed Participants* calculated pursuant

to clause 3.15.7(c) and 3.15.7A(a) by application of 3.15.7A(e);
and

- (v) clause 3.15.8(a)(2)(iii) shall be zero; and
 - (4) for each *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* in relation to that *direction* an amount calculated pursuant to clause 3.15.8(e) by application of clause 3.15.8 mutatis mutandis provided that for the purposes of clause 3.15.8(f)(2) TNSCASP, TSRP, RTCRSP, RTCLSP and TSFCAS shall be the total compensation payable by *AEMO* for the relevant *ancillary service* calculated in accordance with clause 3.15.7(c) or clause 3.15.7A(a) by application of clause 3.15.7A(e), as the case may be.
- (b) *AEMO* must include in the first statement it provides under clauses 3.15.14 and 3.15.15 following a final determination of all total amounts payable or receivable by it pursuant to clause 3.12.2, clause 3.15.7(a) and clause 3.15.8, separate details of the amount:
- (1) receivable by each *Directed Participant* pursuant to clause 3.15.7(a) less the amount, if any, paid to that *Directed Participant* pursuant to clause 3.15.10C(a)(2);
 - (2) receivable by each *Affected Participant* or *Market Customer* pursuant to clause 3.12.2:
 - (i) less the amount paid to that *Affected Participant* or *Market Customer*, in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(1), if any; or
 - (ii) plus the amount paid by that *Affected Participant* or *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(1), if any;
 - (3) payable by each *Affected Participant* or *Market Customer* pursuant to 3.12.2:
 - (i) less the amount paid by that *Affected Participant* or *Market Customer*, in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(1), if any; or
 - (ii) plus the amount paid to that *Affected Participant* or *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(1), if any;
 - (4) receivable by each *Market Customer* pursuant to clause 3.15.8(b):
 - (i) less the amount paid to that *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(3), if any; or

- (ii) plus the amount paid by that *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(3), if any;
- (5) payable by each *Market Customer* pursuant to clause 3.15.8(b):
 - (i) less the amount paid by that *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(3), if any; or
 - (ii) plus the amount paid to that *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(3), if any;
- (6) if an *Affected Participant* or *Market Customer* is not entitled to any compensation pursuant to clause 3.12.2, the amount:
 - (i) receivable by that person equal to the amount paid by that person pursuant to clause 3.15.10C(a); or
 - (ii) payable by that person equal to the amount paid to that person pursuant to clause 3.15.10C(a);
- (7) payable by each *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* equal to:
 - (i) the amount payable by the *Market Customer*, *Market Generator* or *Market Small Generation Aggregator*, as the case may be, pursuant to clause 3.15.8(e) by application of clause 3.15.8 mutatis mutandis provided that for the purposes of clause 3.15.8(f)(2) TNSCASP, TSRP, RTCRSP, RTCLSP and TSFCAS shall be the total compensation payable by AEMO for the relevant *ancillary service* calculated in accordance with clause 3.15.7A(a); less
 - (ii) the amount paid by the *Market Customer*, *Market Generator* or *Market Small Generation Aggregator*, as the case may be, in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(4); and
- (8) payable by *Registered Participants* pursuant to clause 3.15.8(g).
- (c) If on application by the AER a court determines, in relation to a *direction*, that a *Directed Participant* has breached clause 4.8.9(c2) then:
 - (1) the *Directed Participant* shall not be entitled to, and must repay, any compensation plus interest pursuant to clauses 3.15.7, 3.15.7A and 3.15.7B, in relation to that *direction*; and
 - (2) the AER must forward to AEMO a written notice of the court's determination.

- (3) *AEMO* must include in the first relevant statement it provides under clauses 3.15.14 and 3.15.15 following receipt of the notice from the *AER* issued pursuant to clause 3.15.10C(c)(2) separate details of:
- (i) an amount payable to *AEMO* by the *Directed Participant* equal to the total compensation received by that *Directed Participant* in accordance with clauses 3.15.7, 3.15.7A and 3.15.7B plus interest on that total compensation computed at the average *bank bill rate* for the period from the date of payment of such amount to the *Directed Participant* until the date of that first statement;
 - (ii) an amount payable by *AEMO* to each relevant *Market Customer* calculated by applying clause 3.15.8(b) *mutatis mutandis* except that:
 - (A) MCP shall equal the amount receivable by the *Market Customer*; and
 - (B) CRA shall equal that part of the amount, including interest, calculated pursuant to clause 3.15.10C(c)(3)(i) attributable to the provision of *energy* by the *Directed Participant*; and
 - (iii) an amount payable by *AEMO* to each relevant *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* calculated by applying clause 3.15.8(f)(2) *mutatis mutandis* except that:
 - (A) all *trading amounts* determined by this clause 3.15.10C(c)(3)(iii) shall be positive; and
 - (B) TNSCASP, TSRP, RTRSP, RTCLSP, and TSFCAS shall all be an amount equal to that part of the amount, including interest, calculated pursuant to clause 3.15.10C(c)(3)(i) attributable to the provision of the relevant *ancillary service*.

3.15.11 Reallocation transactions

- (a) A *reallocation transaction* is a *transaction* undertaken with the consent of two *Market Participants* and *AEMO*, under which *AEMO* credits one *Market Participant* with a positive *trading amount* in respect of a *trading interval*, in consideration of a matching negative *trading amount* debited to the other *Market Participant* in respect of the same *trading interval*.
- (b) *Reallocation transactions* may be of any type permitted in the *reallocation procedures*.
- (c) A *reallocation transaction* is initiated by a *reallocation request* lodged with *AEMO* by or on behalf of two *Market Participants*.
- (d) A *reallocation request* must:

- (1) contain the information required by the *reallocation procedures*; and
 - (2) be lodged with AEMO in accordance with the *reallocation procedures* and the timetable for *reallocation requests* as published by AEMO from time to time (the **reallocation timetable**).
- (e) Upon receipt of a *reallocation request* AEMO must register the *reallocation request* within the time specified in the *reallocation procedures* and the reallocation timetable and may impose conditions on that registration as contemplated by the *reallocation procedures*.
- (f) After a *reallocation request* has been registered in respect of two *Market Participants*, AEMO may deregister the *reallocation request* if:
 - (1) the *prudential requirements* are not satisfied by either of those *Market Participants*;
 - (2) either of the *Market Participants* fails to comply with any conditions imposed by AEMO in respect of the *reallocation request* at the time it was registered;
 - (3) both *Market Participants* notify AEMO in accordance with the *reallocation procedures* that they require the *reallocation request* to be terminated; or
 - (4) a *default event* occurs in respect of either of the *Market Participants* and AEMO exercises its powers under paragraph (l).
- (g) Deregistration of a *reallocation request* prevents *reallocation transactions* occurring in respect of all the *trading intervals* that occur after the time of deregistration.
- (h) AEMO must not deregister a *reallocation request* under paragraph (f) otherwise than in accordance with the *reallocation procedures*.
- (i) The *Market Participants* may agree to reverse the effect of a registered *reallocation request* by lodging a new *reallocation request* in accordance with the *reallocation procedures* and the reallocation timetable.
- (j) AEMO must include details of *reallocation transactions* in the *settlement statements* issued to all parties to those *reallocation transactions*.
- (k) Where there is a registration of a *reallocation request* in respect of a *trading interval* and that *trading interval* has occurred, a *reallocation transaction* occurs in accordance with that *reallocation request*.
- (l) If a *default event* occurs in relation to a party to a *reallocation request* when one or more of the *trading intervals* specified in the *reallocation request* has not occurred, AEMO may deregister the *reallocation request* by notice given at any time whilst the *default event* is subsisting.

- (m) The deregistration under paragraph (l) is effective immediately upon *AEMO* notifying both parties to a *reallocation request* of the deregistration and the deregistration:
 - (1) is effective for all *trading intervals* commencing after the time specified in the notice, and notwithstanding that the *default event* may be subsequently cured; and
 - (2) prevents the completion of the requested *reallocation transactions* in the *trading intervals* that commence at or after the time specified in the deregistration notice.
- (n) In addition to any other right *AEMO* may exercise following a *default event*, upon deregistration of a *reallocation request* *AEMO* may redetermine the maximum credit limit and *trading limit* for either or both of the parties to the *reallocation request*, having regard to the deregistration that has occurred.

3.15.11A Reallocation procedures

- (a) *AEMO* must develop and *publish* procedures in accordance with the *Rules consultation procedures*, to enable *Market Participants* to create and record *reallocation requests* and *reallocation transactions* in accordance with clause 3.15.11 in respect of electricity trading transactions other than those conducted through the *market* and/or establish mutual indemnification arrangements with other operators of markets for electricity-based trading (the *reallocation procedures*).
- (b) *AEMO* may, from time to time and in accordance with the *Rules consultation procedures*, amend or replace the *reallocation procedures*.
- (c) Paragraph (b) does not apply to amendments to the *reallocation procedures* that are of a minor or administrative nature and *AEMO* may make such amendments at any time.
- (d) *NEMMCO* must develop and *publish* the first *reallocation procedures* by 1 January 2008 and there must be such procedures available at all times after that date.
- (e) *AEMO* is not required to meet its obligations under paragraph (a) in any way which increases *AEMO's* risks in the collection of moneys owed to it in accordance with any provisions of the *Rules*.

3.15.12 Settlement amount

- (a) Subject to clause 3.15.12(b), for each *billing period* *AEMO* must calculate a net *settlement amount* for each *Market Participant* by aggregating the *trading amounts* resulting for each *Market Participant* from each *transaction* in respect of each *trading interval* occurring in that *billing period* together with *Participant fees* determined in accordance with rule 2.11 and any other amounts payable or receivable by the *Market*

Participants in that *billing period* under this Chapter 3. The *settlement amount* will be a positive or negative dollar amount for each *Market Participant*.

- (b) *AEMO* may calculate an estimate of the net *settlement amount* for each *Market Participant* (the "*estimated settlement amount*") if, within the time provided for the giving of *preliminary statements* in accordance with clause 3.15.14, *AEMO* is prevented from calculating the net *settlement amount* in accordance with clause 3.15.12(a) by factors which are beyond the control of *AEMO* and which deprive *AEMO* of the relevant data required to calculate the net *settlement amount* (the "**relevant data**"), including:
 - (1) a failure of:
 - (i) metering data processing;
 - (ii) communications; or
 - (iii) the settlements processing system; and
 - (2) any other events or circumstances which prevent the calculation of the actual net *settlement amount* by *AEMO*.
- (c) *AEMO* must develop the principles and the process to be applied in calculating the *estimated settlement amount*, and make any necessary modifications to those principles and that process, in accordance with the *Rules consultation process*.

3.15.13 Payment of settlement amount

Where the *settlement amount* for a *Market Participant* is negative the absolute value of the *settlement amount* is an amount payable by the *Market Participant* to *AEMO* pursuant to clause 3.15.15. Where the *settlement amount* for a *Market Participant* is positive the *settlement amount* is an amount receivable by the *Market Participant* from *AEMO* pursuant to clause 3.15.15, subject to the provisions of clause 3.15.22.

3.15.14 Preliminary statements

- (a) Subject to clause 3.15.14(b), within 5 *business days* after the end of each *billing period*, *AEMO* must give each *Market Participant* a draft of the statement to be given to the *Market Participant* under clause 3.15.15 together with supporting data relating to the *transactions* in that *billing period* and the prices at which electricity was bought and sold by the *Market Participant*.
- (b) If *AEMO* calculates an *estimated settlement amount* in accordance with clause 3.15.12(b), *AEMO* must:
 - (1) when giving a *preliminary statement* in accordance with this clause 3.15.14, provide a detailed report to affected *Market Participants* setting out the basis and calculations used for its estimation; and

- (2) if requested to do so by affected *Market Participants*, consult with those *Market Participants* to ascertain whether or not any adjustments are required to the *estimated settlement amount* prior to the giving of a *final statement*.

3.15.15 Final statements

- (a) No later than 18 *business days* after the end of each *billing period*, *AEMO* must give to each *Market Participant* a *final statement* stating the amounts payable by the *Market Participant* to *AEMO* or receivable by the *Market Participant* from *AEMO* (subject to clause 3.15.22) in respect of the relevant *billing period*.
- (b) Unless *AEMO* has used an *estimated settlement amount* in accordance with clause 3.15.12, the statements issued under this clause 3.15.15 must include supporting data for all amounts payable or receivable.

3.15.15A Use of estimated settlement amounts by AEMO

- (a) Subject to clause 3.15.15A(b), if *AEMO* calculates an *estimated settlement amount* in accordance with clause 3.15.12(b), then clauses 3.15.13, 3.15.14 and 3.15.15 will have effect mutatis mutandis by applying the *estimated settlement amount* in place of a *settlement amount* for a *Market Participant* for the purposes of those clauses.
- (b) If *AEMO* receives relevant data:
 - (1) after it has given the *preliminary statement* in accordance with clause 3.15.14 but before giving a *final statement*, then it must adjust the *estimated settlement amount* accordingly for the purposes of preparing the *final statement*; or
 - (2) within 60 days after it has given a *final statement* to which the relevant data relates, then *AEMO* must adjust the relevant *estimated settlement amount* accordingly and issue a *revised statement* in accordance with clause 3.15.19(a).

3.15.16 Payment by market participants

On the 20th *business day* after the end of a *billing period*, or 2 *business days* after receiving a statement under clause 3.15.15, whichever is the later, and in accordance with the *timetable* each *Market Participant* must pay to *AEMO* in cleared funds the net amount stated to be payable by that *Market Participant* in that statement whether or not the *Market Participant* continues to dispute the net amount payable.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

3.15.17 Payment to market participants

Subject to clause 3.15.22 on the *day* on which *AEMO* is to be paid under clause 3.15.16, *AEMO* must pay to each *Market Participant* in cleared funds the net amount stated to be payable to that *Market Participant* in the relevant statement given to it under clause 3.15.15.

3.15.18 Disputes

- (a) In the event of a dispute between a *Market Participant* and *AEMO* concerning either the net amount (including any *estimated settlement amount*) stated in a *preliminary statement* provided under clause 3.15.14 to be payable by or to it or the supporting data, they must each use reasonable endeavours to resolve the dispute within 15 *business days* of the end of the relevant *billing period*.
- (b) Disputes in respect of *final statements* or the supporting data provided with them in accordance with clause 3.15.15 must be raised within 6 months of the relevant *billing period*.
- (c) Disputes raised under this clause 3.15.18:
 - (1) can only be raised by a *Market Participant* or *AEMO* issuing a written notice of dispute in the form prescribed by *AEMO's DMS* and otherwise in accordance with rule 8.2;
 - (2) must be resolved by agreement or pursuant to rule 8.2; and
 - (3) are, for the purpose of this clause, deemed to have been raised on the day *AEMO* receives the written notice of dispute.
- (d) A *Market Participant* that may be materially affected by the outcome of a dispute under clause 3.15.18 may be joined to that dispute by the *Adviser* on request by that *Market Participant* or by *AEMO*.

3.15.19 Revised Statements and Adjustments

- (a) Where a dispute about a *final statement* has been either resolved by agreement between *AEMO* and the relevant *Market Participant* ("the **Disputant**") or determined under rule 8.2 and an adjustment to the *settlement amount* stated in the disputed *final statement* is required, or an adjustment is required under clause 3.15.10A, *AEMO* must:
 - (1) recalculate the *settlement amount* for that *Market Participant* and each other *Market Participant* who received a *final statement* for the relevant *billing period*:
 - (i) in accordance with the applicable procedures set out in the *Rules* and,
 - (ii) taking into account the adjustment;

- (2) if the adjustment is required as a result of a dispute and the recalculated *settlement amount* for the Disputant is between 95% and 105% of the relevant *settlement amount*:
 - (i) calculate for each *Market Participant* the amount by which the relevant *settlement amount* must be adjusted to be equal to the recalculated *settlement amount* after taking into account any *routine* or *special revised statement*; and
 - (ii) for each *Market Participant* include that amount in the next *routine revised statement* given to those *Market Participants* for the relevant *billing period* practicable and if there is no *routine revised statement*, in accordance with clauses 3.15.19(a)(3)(ii) and (iii).
- (3) if the adjustment is required under clause 3.15.10A, or the adjustment is required as a result of a dispute and the recalculated *settlement amount* for the Disputant is less than 95% or more than 105% of the relevant *settlement amount*:
 - (i) calculate for each *Market Participant* the amount by which the relevant *settlement amount* must be adjusted to be equal to the recalculated *settlement amount* after taking into account any *routine* or *special revised statement*;
 - (ii) give each *Market Participant* a *special revised statement* for the relevant *billing period* in addition to any *routine revised statement* given under clause 3.15.19(b); and
 - (iii) give each *Market Participant* a notice advising of the reason why a *settlement statement* was given by AEMO under clause 3.15.19(a)(3).
- (b) For each *billing period* AEMO must give each *Market Participant* a *routine revised statement* approximately 20 weeks after the relevant *billing period* and approximately 30 weeks after the relevant *billing period*. Each *routine revised statement* must recalculate the *Market Participant's settlement amount* for that *billing period*:
 - (1) taking into account all amended *metering data*, amended *trading amounts*, amended *Participant fees* and any other amounts payable or receivable by *Market Participants* under this Chapter 3; and
 - (2) using the most recent version of AEMO's settlement calculation software applicable to that *billing period*.
- (c) Each *special* and *routine revised statement* issued under this clause must:
 - (1) state the revised *settlement amount* for the relevant *billing period*;
 - (2) be issued in accordance with the revised statement policy;

- (3) be issued with revised supporting data for the *transactions* for the relevant *billing period* (except in the case of a *special revised statement* dealing with an adjustment required under clause 3.15.10A) and must include supporting data for all amounts payable or receivable.
- (d) If AEMO has issued a *routine revised statement* or *special revised statement* (the *revised statement*) to a *Market Participant* in respect of a *billing period* (the "**original billing period**"), AEMO must include in the next *final statement* to the *Market Participant* issued not less than 8 *business days* after the *revised statement* (the "**next statement**"):
 - (1) the amount necessary to put the *Market Participant* in the position it would have been in at the time payment was made under clause 3.15.16 or 3.15.17 (as applicable) in respect of the *final statement* for the original *billing period*, if the original *revised statement* had been given as the *final statement* for the *billing period*, but taking into account any adjustments previously made under this clause 3.15.19 as a result of any other *routine revised statement* or *special revised statement* in relation to the original *billing period*; and
 - (2) interest on the amount referred to in clause 3.15.19(d)(1) computed at the average *bank bill rate* for the period from the date on which payment was required to be made under clauses 3.15.16 and 3.15.17 in respect of the *final statement* for the original *billing period* to the date on which payment is required to be made under those clauses in respect of the next statement.
- (e) AEMO must develop and publish a policy for *routine* and *special revised statements*. AEMO may amend the policy at any time. AEMO must develop and amend the policy in accordance with the *Rules consultation procedures*. The policy must include:
 - (1) a calendar setting out when *routine revised statements* will be issued by AEMO;
 - (2) the process by which the calendar can be amended or varied by AEMO and the process by which *Market Participants* are notified of any amendment and variation; and
 - (3) a transitional process by which AEMO will issue any outstanding *routine revised statement*.

3.15.20 Payment of adjustments

- (a) Adjustments made and interest calculated and included in a *final statement* under clause 3.15.19 must be paid as part of the *settlement amount* shown on that *final statement* in accordance with either clause 3.15.16 or 3.15.17.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) Clause 3.15.22 does not apply to a *final statement* to the extent that the *final statement* incorporates an adjustment amount and interest pursuant to clause 3.15.19.
- (c) Disputes in respect of adjustment amounts and interest incorporated into a *final statement* pursuant to clause 3.15.19 must be:
 - (1) raised within 20 *business days* of the date of the *final statement* that they are incorporated into; and
 - (2) resolved by agreement or pursuant to the dispute resolution procedures set out in rule 8.2.

3.15.21 Default procedure

- (a) Each of the following is a *default event* in relation to a *Market Participant*:
 - (1) the *Market Participant* does not pay money due for payment to *AEMO* under the *Rules* by the appointed *time* on the due date;
 - (2) *AEMO* does not receive payment in full of any amount claimed by *AEMO* under any *credit support* in respect of a *Market Participant*, within 90 minutes after the due time for payment of that claim;
 - (3) the *Market Participant* fails to provide *credit support* required to be supplied under the *Rules* by the appointed time on the due date;
 - (4) it is unlawful for the *Market Participant* to comply with any of its obligations under the *Rules* or any other obligation owed to *AEMO* or it is claimed to be so by the *Market Participant*;
 - (5) it is unlawful for any *credit support provider* in relation to the *Market Participant* to comply with any of its obligations under the *Rules* or any other obligation owed to *AEMO* or it is claimed to be so by that *credit support provider*;
 - (6) an authorisation from a government body necessary to enable the *Market Participant* or a *credit support provider* which has provided *credit support* for that *Market Participant* to carry on their respective principal business or activities ceases to be in full force and effect;
 - (7) the *Market Participant* or a *credit support provider* which has provided *credit support* for that *Market Participant* ceases or threatens to cease to carry on its business or a substantial part of its business;
 - (8) the *Market Participant* or a *credit support provider* which has provided *credit support* for that *Market Participant* enters into or

takes any action to enter into an arrangement (including a scheme of arrangement), composition or compromise with, or assignment for the benefit of, all or any class of their respective creditors or members or a moratorium involving any of them;

- (9) the *Market Participant* or a *credit support provider* which has provided *credit support* for that *Market Participant* states that it is unable to pay from its own money its debts when they fall due for payment;
 - (10) a receiver or receiver and manager is appointed in respect of any property of the *Market Participant* or a *credit support provider* which has provided *credit support* for that *Market Participant*;
 - (11) an administrator, provisional liquidator, liquidator, trustee in bankruptcy or person having a similar or analogous function is appointed in respect of the *Market Participant* or a provider of *credit support* for the *Market Participant*;
 - (12) an order is made, or a resolution is passed, for the winding up of the *Market Participant* or a provider of *credit support* for the *Market Participant*;
 - (13) A notice under section 601AB(3) of the Corporations Act is given to the *Market Participant* or a *credit support provider* which has provided *credit support* for that *Market Participant* unless the registration of that *Market Participant* or *credit support provider* is reinstated under section 601AH of the Corporations Act;
 - (14) the *Market Participant* or a *credit support provider* which has provided *credit support* for that *Market Participant* dies or is dissolved unless such notice of dissolution is discharged;
 - (15) the *Market Participant* or a *credit support provider* which has provided *credit support* for that *Market Participant* is taken to be insolvent or unable to pay its debts under any applicable legislation.
- (b) Where a *default event* has occurred in relation to a *Market Participant*, *AEMO* may:
- (1) issue a "*default notice*" specifying the alleged default and requiring the *Market Participant* to remedy the default by 1.00 pm (*Sydney time*) the next day following the date of issue of the *default notice*; and/or
 - (2) if it has not already done so, make claim upon any *credit support* held in respect of the obligations of the *Market Participant* for such amount as *AEMO* determines represents the amount of any money actually or contingently owing by the *Market Participant* to *AEMO* pursuant to the *Rules*.

- (c) If a *default event* that is not an *external administration default event* is not remedied by 1.00 pm (*Sydney time*) the next day following the date of issue of the *default notice* or any later deadline agreed to in writing by AEMO, or if AEMO receives notice from the *defaulting Market Participant* that it is not likely to remedy the default, then AEMO may issue a *suspension notice*. For the avoidance of doubt, nothing in paragraphs (c1) to (c6) limits AEMO's discretion in relation to issuing a *suspension notice* under this paragraph (c).
- (c1) If an *external administration default event* is not remedied by 1.00 pm (*Sydney time*) the next day following the date of issue of the *default notice* or any later deadline agreed to in writing by AEMO, or if AEMO receives notice from the *defaulting Market Participant* that it is not likely to remedy the default, then AEMO must:
 - (1) issue a *suspension notice* to the *defaulting Market Participant* under which the *Market Participant* is suspended from all activities in relation to each category of *Market Participant* for which it is registered (each a *registration category*); or
 - (2) make a *non-suspension decision* in relation to all activities in relation to each *registration category* of the *Market Participant*; or
 - (3) issue a *suspension notice* to the *defaulting Market Participant* under which the *Market Participant* is suspended from some specified activities or *registration categories* of the *Market Participant* and make a *non-suspension decision* in relation to the activities or *registration categories* that are not the subject of the suspension notice issued under this subparagraph (3).
- (c2) AEMO may only make a *non-suspension decision* in relation to any activities or *registration categories* of a *defaulting Market Participant* if:
 - (1) the external administrator has requested or consented to the *non-suspension decision* and has undertaken that the *defaulting Market Participant* will meet its relevant liabilities under the *Rules*; and
 - (2) taking into account the following matters, AEMO considers that the *defaulting Market Participant* should not be suspended in relation to that activity or *registration category*:
 - (i) the likelihood that the *defaulting Market Participant* will comply with its obligations under the *Rules* relevant to that registration;
 - (ii) in the case where the *defaulting Market Participant* is a *Market Generator*, *Market Small Generator Aggregator* or *Market Network Service Provider*, the potential impact of the suspension of that registration on the *reliability* of the *power system*;

- (iii) in the case where the *Market Participant* is not in a category referred to in subparagraph (ii), the potential impact of the suspension of that registration on the *reliability* of the *power system* if *AEMO* considers that matter to be relevant; and
 - (iv) any other matters *AEMO* considers relevant to the making of the *non-suspension decision*.
- (c3) *AEMO* may make a *non-suspension decision* conditional on the *defaulting Market Participant* continuing to satisfy specified obligations including, without limitation, conditions relating to compliance with the *Rules*.
- (c4) A *defaulting Market Participant* must comply with any conditions specified in a *non-suspension decision*.
- (c5) Promptly after making a *non-suspension decision* in relation to a *defaulting Market Participant*, *AEMO* must:
 - (1) notify the *defaulting Market Participant* of its decision and any conditions that must be satisfied by the *defaulting Market Participant* if the *non-suspension decision* is to remain in effect; and
 - (2) *publish* a notice specifying:
 - (i) that an *external administration default event* has occurred in respect of the *defaulting Market Participant*;
 - (ii) that *AEMO* has made a *non-suspension decision* in accordance with paragraph (c2);
 - (iii) the *registration categories* of the *defaulting Market Participant* affected by the *non-suspension decision* and the activities (or subset of activities) of those *registration categories* that are the subject of the *non-suspension decision*; and
 - (iv) that despite the *non-suspension decision*, *AEMO* may issue a *suspension notice* in relation to the *registration categories* and activities covered by the *non-suspension decision* in the circumstances set out in subparagraphs (c6)(1) to (3).
- (c6) Despite paragraph (c), if at any time after the issue of a *non-suspension decision*:
 - (1) *AEMO* considers that the *defaulting Market Participant* has failed to satisfy any of the conditions that apply to the *non-suspension decision*;
 - (2) a further *default event* occurs in respect of the *defaulting Market Participant*; or
 - (3) *AEMO* is not satisfied that the *defaulting Market Participant* will meet its relevant liabilities under the *Rules*,

then AEMO may immediately issue a *suspension notice* to the *defaulting Market Participant* in relation to the *registration categories* and activities of the *defaulting Market Participant* covered by that *non-suspension decision*.

- (d) At the time of issue of a *suspension notice*, or as immediately thereafter as is practicable, AEMO must forward a copy of the *suspension notice* to the AER and to each *Market Participant* which is *financially responsible* for a *transmission network connection point* to which is allocated a *connection point* for which the *defaulting Market Participant* is *financially responsible*.
- (e) AEMO must lift a *suspension notice* if the *default event* is remedied and there are no other circumstances in existence which would entitle AEMO to issue a *suspension notice*.
- (f) AEMO must issue a public announcement that the *Market Participant* has been suspended from the *market* including details of the extent of the suspension, simultaneously with, or at any time after, a *suspension notice* is issued. AEMO must issue a public notice promptly after a *suspension notice* is lifted.
- (g) From the time of suspension that AEMO stipulates in a *suspension notice* to a *Market Participant* the *Market Participant* is ineligible to trade or enter into any *transaction* in the *market* to the extent specified in the notice, until such time that AEMO notifies the *Market Participant* and all other *Market Participants* of the date and time that the suspension has been lifted.
- (h) The *defaulting Market Participant* must comply with a *suspension notice*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i) Following the issue of a *suspension notice*, AEMO may do all or any of the following to give effect to the *suspension notice*:
 - (1) reject any *dispatch bid* or *dispatch offer* submitted by the *defaulting Market Participant*;
 - (2) withhold the payment of any amounts otherwise due to the *defaulting Market Participant* under the *Rules*; or
 - (3) deregister or reject any *reallocation request* to which the *defaulting Market Participant* is a party.

The issue of a *suspension notice* which has not been lifted is a "**relevant disconnection event**" (ie. an event for which a *Registered Participant's market loads* may be *disconnected*) within the meaning of section 63(2) of the *National Electricity Law*.

3.15.22 Maximum total payment in respect of a billing period

- (a) For the purposes of this clause 3.15.22, the *maximum total payment* in respect of a *billing period* is equal to:
- (1) the aggregate of the *energy trading amounts* as determined in accordance with clause 3.15.6 and *reallocation* amounts as determined in accordance with clause 3.15.11 received by *AEMO* from *Market Participants* in accordance with clause 3.15.16 in respect of that *billing period* in accordance with the *timetable* on the latest date for payment by *Market Participants* as described in clause 3.15.16 (called the *payment date*),

plus
 - (2) if there is one or more *Market Participants* in default, the aggregate amount which *AEMO* is able to obtain from the *credit support* and apply from security deposits provided by the *Market Participants* in default under rule 3.3 on the *payment date* in accordance with the *timetable*,

minus
 - (3) if there is one or more *Market Participants* in default, the aggregate of amounts payable to *AEMO* by those *Market Participants* in respect of that *billing period* in accordance with clause 3.15.16 but not received in accordance with the *timetable* on the latest date for payment as described in clause 3.15.16 (called the *payment date*),

plus
 - (4) if there is one or more *Market Participants* in default, the aggregate of *energy trading amounts* and *reallocation* amounts payable to *AEMO* under clauses 3.15.6 and 3.15.11 by those *Market Participants* in respect of that *billing period* in accordance with clause 3.15.16 but not received in accordance with the *timetable* on the latest date for payment as described in clause 3.15.16 (called the *payment date*),

minus
 - (5) *inter-regional* and *intra-regional settlements* surpluses as determined or allocated by *AEMO* in accordance with the procedure established under clause 3.6.5.
- (b) The maximum amount which *AEMO* is required to pay to *Market Participants* in respect of *spot market transactions* or *reallocation transactions* in respect of a *billing period* is equal to the *maximum total payment* in respect of that *billing period*.
- (c) If the *maximum total payment* in respect of a *billing period* is not sufficient to meet the aggregate of the net amounts payable by *AEMO* to each of the *Market Participants* to whom payments are to be made in relation to *spot*

market transactions or *reallocation transactions* in respect of the *billing period* (the *aggregate payment due*), then the aggregate amount payable by AEMO to each relevant *Market Participant* for any of these *transactions* in respect of that *billing period* shall be reduced by applying the following formula:

$$AAP = SAP \times \frac{A}{B}$$

where:

AAP is the reduced amount actually payable by AEMO to the relevant *Market Participant* in respect of the relevant *billing period*;

SAP is the net amount that would have been payable to the relevant *Market Participant* in respect of *spot market transactions* or *reallocation transactions* in respect of the relevant *billing period* but for the application of this clause 3.15.22;

A is the *maximum total payment* in respect of the *billing period*; and

B is the *aggregate payment due* in respect of the *billing period*.

- (d) This clause 3.15.22 applies notwithstanding any other provision of this Chapter.

3.15.23 Maximum total payment in respect of a financial year

- (a) If in a *financial year* a *Market Participant* suffers a reduction in payment under clause 3.15.22 the provisions of this clause shall apply to adjust the payments made to each *Market Participant* in the *financial year*.
- (b) The ratio of the overall shortfall to the sum of the *aggregate payments due* for a financial year shall be determined by the following formula:

$$SS = \frac{A_1 + C}{B_1}$$

where:

SS is the ratio of the overall shortfall to the sum of the *aggregate payments due* for the *financial year*;

A₁ is the aggregate of the As referred to in clause 3.15.22, being the *maximum total payment* in respect of each *billing period* forming the *financial year*;

B₁ is the aggregate of the Bs referred to in clause 3.15.22, being the *aggregate payment due* in respect of each *billing period* forming the *financial year*; and

C is the aggregated late payments and *credit support* receipts in respect of *defaulting Market Participants* in the *financial year* plus interest received on such amounts under clause 3.15.25.

- (c) The shortfall for a *financial year* shall be applied pro rata to each *Market Participant* in the *financial year* by applying the following formula:

$$SS_1 = (SAP_1 SS) - AAP_1$$

where:

SS_1 is the shortfall or surplus payable by or due to the *Market Participant* in respect of the *financial year*;

SAP_1 is the aggregate of the SAPs referred to in clause 3.15.22 being the net amounts due to the *Market Participant* in respect of each *billing period* forming the *financial year*;

SS is determined in accordance with clause 3.15.23(b); and

AAP_1 is the aggregate of the AAPs referred to in clause 3.15.22, being the reduced amounts payable to the *Market Participant* in respect of each *billing period* forming the *financial year*.

- (d) *AEMO* must issue a statement stating the SS_1 amount payable to or receivable by the *Market Participant* in respect of this clause 3.15.23. If SS_1 is positive, such that an amount is payable by *AEMO* it will credit the sum to the *Market Participant's* account in the next *billing period*. If SS_1 is negative, such that an amount is payable by a *Market Participant*, *AEMO* will at its discretion either debit the sum to the *Market Participant* in the next *billing period* or issue an invoice for immediate payment of the amount.

3.15.24 Compensation for reductions under clause 3.15.23

- (a) If:
- (1) a *Market Participant* suffers a reduction in payment under clause 3.15.23; and
 - (2) an amount is recovered by *AEMO* after the end of a *financial year* from the person whose default gave rise (in whole or in part) to the reduction, in respect of the default,

then, subject to clause 3.15.24(c), the *Market Participant* is entitled to be paid by *AEMO* out of the amount recovered the amount of the reduction suffered and interest for receiving the amount of the reduction later than it would otherwise have done.

- (b) The amount of the interest payable under clause 3.15.24(a) is to be determined in each case by *AEMO*.

- (c) If the amount recovered from the person whose default gave rise to the reduction is not sufficient to pay all *Market Participants* the amounts to which they are entitled under clause 3.15.23 then the amount recovered is to be distributed amongst them pro rata according to the reductions suffered. Such distribution to be made at any time following the end of a *financial year*.

3.15.25 Interest on overdue amounts

- (a) A *Market Participant* or *AEMO* must pay interest on any unpaid moneys due and payable by it under this Chapter.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) The rate of interest payable under this clause 3.15.25 is the *bank bill rate* calculated as simple interest on a daily basis from the date payment was due, up to and including the date of payment, with interest compounding monthly on the last *day* of each month whilst the unpaid moneys remain outstanding.

3.16 Participant compensation fund

3.16.1 Establishment of Participant compensation fund

- (a) *AEMO* must continue to maintain, in the books of the corporation, a fund called the *Participant compensation fund* for the purpose of paying compensation to *Scheduled Generators*, *Semi-Scheduled Generators* and *Scheduled Network Service Providers* as determined by the *dispute resolution panel* for *scheduling errors* under this Chapter 3.
- (b) *AEMO* must pay to the *Participant compensation fund* that component of *Participant fees* under rule 2.11 attributable to the *Participant compensation fund*.
- (c) The funding requirement for the *Participant compensation fund* for each *financial year* is the lesser of:
 - (1) \$1,000,000; and
 - (2) \$5,000,000 minus the amount which *AEMO* reasonably estimates will be the balance of the *Participant compensation fund* at the end of the relevant *financial year*.
- (d) The *Participant compensation fund* is to be maintained by *AEMO* and is the property of *AEMO*.
- (e) Any interest paid on money held in the *Participant compensation fund* will accrue to and form part of the *Participant compensation fund*.

- (f) *AEMO must pay from the Participant compensation fund all income tax on interest earned by the Participant compensation fund and must pay from the Participant compensation fund all bank account debit tax, financial institutions duty and bank fees in relation to the Participant compensation fund.*
- (g) *Upon ceasing to be a Scheduled Generator or a Semi-Scheduled Generator, the relevant Generator is not entitled to a refund of any contributions made to the Participant compensation fund.*
- (h) *Upon ceasing to be a Scheduled Network Service Provider, a Scheduled Network Service Provider is not entitled to a refund of any contributions made to the Participant compensation fund.*

3.16.2 Dispute resolution panel to determine compensation

- (a) *Where a scheduling error occurs, a Market Participant may apply to the dispute resolution panel for a determination as to compensation under this clause 3.16.2.*
- (b) *Where a scheduling error occurs, the dispute resolution panel may determine that compensation is payable to Market Participants and the amount of any such compensation payable from the Participant compensation fund.*
- (c) *A determination by the dispute resolution panel as to compensation must be consistent with this clause 3.16.2.*
- (d) *A Scheduled Generator or Semi-Scheduled Generator who receives an instruction in respect of a scheduled generating unit or semi-scheduled generating unit (as the case may be) to operate at a lower level than the level at which it would have been instructed to operate had the scheduling error not occurred, will be entitled to receive in compensation an amount determined by the dispute resolution panel.*
- (e) *A Scheduled Network Service Provider who receives an instruction in respect of its scheduled network services to transfer less power on the scheduled network service than it would have been instructed to transfer had the scheduling error not occurred, will be entitled to receive in compensation an amount determined by the dispute resolution panel.*
- (f) *A Scheduled Generator or Semi-Scheduled Generator who receives a dispatch instruction in respect of a generating unit to operate at a level consistent with a dispatch offer price (with reference to the relevant regional reference node) which is higher than the dispatch price, due to the operation of clause 3.9.2B, is entitled to receive in compensation an amount determined by the dispute resolution panel.*
- (g) *A Scheduled Network Service Provider who receives an instruction in respect of its scheduled network services to transfer power on the scheduled network service consistent with a network dispatch offer price but receives*

less net revenue than would be expected under clause 3.8.6A(f) due to adjustment of the *spot price* for a trading interval under clause 3.9.2B, is entitled to receive in compensation an amount determined by the *dispute resolution panel*.

- (h) In determining the level of compensation to which *Market Participants* are entitled in relation to a *scheduling error*, the *dispute resolution panel* must:
 - (1) Where the entitlement to compensation arises under clause 3.16.2(f), determine compensation on the basis of the actual *loading level* and not the *dispatch instruction* applicable to the relevant *scheduled generating unit* or *semi-scheduled generating unit* for that *dispatch interval*;
 - (2) Where the entitlement to compensation arises under clause 3.16.2(g), determine compensation on the basis of the actual *loading level* and not the *dispatch instruction* applicable to the relevant *scheduled network service* for that *dispatch interval*;
 - (3) Use the *spot price* as determined under rule 3.9, including any *spot prices* that have been adjusted in accordance with clause 3.9.2B;
 - (4) Take into account the current balance of the *Participant compensation fund* and the potential for further liabilities to arise during the year;
 - (5) Recognise that the aggregate liability in any year in respect of *scheduling errors* cannot exceed the balance of the *Participant compensation fund* that would have been available at the end of that year if no compensation payments for *scheduling errors* had been made during that year.
- (i) The manner and timing of payments from the *Participant compensation fund* are to be determined by the *dispute resolution panel*.
- (j) To the maximum extent permitted by law, *AEMO* is not liable in respect of a *scheduling error* except out of the *Participant compensation fund* as contemplated in this clause 3.16.2.

3.17 [Deleted]

3.18 Settlements Residue Auctions

3.18.1 Settlements residue concepts

- (a) An *auction participation agreement* is an agreement between *AEMO* and an *eligible person* concerning the participation by the *eligible person* in *auctions*.
- (b) A *settlements residue distribution agreement* or *SRD agreement* is an agreement between *AEMO* and an *eligible person* entered into following an *auction* under which:

- (1) in all cases:
 - (i) *AEMO* agrees to issue a *SRD unit* to an *eligible person*;
 - (ii) the *eligible person* agrees to pay *AEMO* the *auction* clearing price for the *SRD unit*;
- (2) where a secondary trading decision is made under clause 3.18.3A(a):
 - (i) the *eligible person* has a right to offer a *SRD unit* in future *auctions*;
 - (ii) if the *SRD unit* is cleared in a future *auction*, *AEMO* is required to cancel the *SRD unit*; and
 - (iii) the cancellation of a *SRD unit* by *AEMO* pursuant to subparagraph (ii) does not terminate the underlying *SRD agreement* between *AEMO* and the *eligible person* under which that *SRD unit* was issued, and, for the avoidance of doubt, does not affect the obligation of:
 - (A) the *eligible person* to pay *AEMO* for the *SRD unit* issued to it under the *SRD agreement*; or
 - (B) *AEMO* to pay the *eligible person* for cancellation of the *SRD unit* under the *SRD agreement*,

in accordance with this rule 3.18 and the *auction rules*.
- (c) For the purposes of this rule 3.18:
 - (1) all the *regulated interconnectors* between any 2 adjacent *regions* are deemed to constitute a single *interconnector*; and
 - (2) the deemed *interconnector* referred to in paragraph (1) between any 2 adjacent *regions* consists of 2 *directional interconnectors*, one involving a transfer from *region A* to *region B*, and one involving a transfer from *region B* to *region A*.
- (d) Subject to clause 3.18.4, *AEMO* must use the portion of the *settlements residue* allocated to a *directional interconnector* remaining after applying the relevant *jurisdictional derogations* under chapter 9 (as determined by applying the principles referred to in clause 3.6.5) to:
 - (1) distribute *settlements residue* to relevant *eligible persons* holding *SRD units*; and
 - (2) recover the *auction expense fees*.
- (e) Where a person registered as a *Trader* is required to appoint an agent for the purposes of rule 2.5A(c)(2), *AEMO* and the *Trader* must ensure that the *auction participation agreement* and the *SRD agreement* entered into by the

Trader and its agent provides that the *Trader* and the agent are jointly and severally liable in relation to the obligations of the *Trader* under those agreements.

3.18.2 Auctions and eligible persons

- (a) *AEMO* may conduct *auctions* to determine which *eligible persons* will be issued with *SRD units* under *SRD agreements* with *AEMO*.
- (b) *AEMO* may only enter into a *SRD agreement* with a person (called an *eligible person*) who satisfies the following criteria:
 - (1) the person is a *Market Customer*, a *Generator* or a *Trader*, or a person seeking to be eligible for registration as a *Trader* under rule 2.5A; and
 - (2) the person satisfies any criteria specified in the *auction rules*, which criteria must comply with paragraph(g).
- (c) *Auctions* must be conducted in accordance with this rule 3.18 and the *auction rules*.
- (d) *AEMO* may, with the approval of the *settlement residue committee*, suspend, or remove a suspension, on conducting *auctions* for one or more *directional interconnectors* for a specified period if *AEMO* believes it is not practicable to conduct those *auctions* or those *auctions* are unlikely to lead to the entry into of *SRD agreements* in relation to all of the *settlements residues* being auctioned.
- (e) *AEMO* may, after complying with the *Rules consultation procedures*, cease conducting *auctions*.
- (f) If *AEMO* takes any action under paragraph (d) or (e), then it must post a notice on its website specifying the action taken as soon as practicable after taking it.
- (g) Any criteria specified in the *auction rules* concerning persons with whom *AEMO* may enter into *SRD agreements* must be consistent with paragraph (b), not exclude any persons other than those specified in subparagraphs (1) – (6) below and must exclude the persons specified in subparagraphs (1), (2), (5) and (6) below:
 - (1) persons who have not entered into an *auction participation agreement*;
 - (2) *Transmission Network Service Providers*;
 - (3) **[Deleted]**
 - (4) persons:
 - (i) who have previously defaulted on payment obligations under an *auction participation agreement* or a *SRD agreement*; or

- (ii) in relation to whom a *default event* has occurred;
 - (5) any person who *AEMO* considers is acting on behalf of or in concert with a person described in subparagraphs (1) or (2);
 - (5a) any person who *AEMO* considers is acting on behalf of or in concert with a person described in subparagraph (4); or
 - (6) any person who would be a **retail client** as defined in section 761GA of the Corporations Act 2001 (Cth), if they entered into an *SRD agreement* with *AEMO*.
- (h) **[Deleted]**

3.18.3 Auction rules

- (a) In all cases, *AEMO* must develop rules (called *auction rules*) which set out:
- (1) additional criteria which a person must satisfy to be an *eligible person* (which must include, without limitation, criteria requiring the person to enter into an *auction participation agreement* with *AEMO* in a form satisfactory to *AEMO*);
 - (2) the procedures for conducting *auctions* and the timing of *auctions*;
 - (3) the mechanism for calculating the *auction* clearing price in respect of each *directional interconnector* for each *auction*;
 - (4) the mechanism for calculating *auction expense fees*;
 - (5) the procedures and timetable for billing and settling *auction amounts*; and
 - (6) the standard form of any *auction participation agreement* referred to in subparagraph (1).
- (a1) Where a secondary trading decision is made under clause 3.18.3A(a), *AEMO* must amend the *auction rules* to set out:
- (1) a right for an *eligible person* that holds a *SRD unit* to offer that *SRD unit* in another *auction* in accordance with the *auction rules*;
 - (2) if an *eligible person* offers a *SRD unit* in an *auction*, a right for *AEMO* to cancel that *SRD unit* in accordance with the *SRD agreement* and the *auction rules*;
 - (3) the requirements for cancellation of *SRD units* by *AEMO*; and
 - (4) mechanisms for calculating and distributing *auction amounts*;
 - (5) a mechanism for calculating and determining the margin referred to in clause 3.18.4A(b), which must take into account the relevant prices at

which the *eligible person* offers *SRD units* in an *auction* as well as the *auction* clearing prices at which the *eligible person* received *SRD units* in previous *auctions*; and

- (6) the procedures *AEMO* will follow to obtain and manage the margins referred to in clause 3.18.4A.
- (b) In developing and amending the *auction rules*, *AEMO* must give effect to the following principles:
 - (1) **[Deleted]**
 - (2) to the extent reasonably practicable, an *auction* must be structured in a way that maximises the value of the relevant *settlements residue*;
 - (3) the price for each *SRD unit* to be paid by *eligible persons* will be the same for all *SRD units* cleared in the same *auction* and will be equal to the *auction* clearing price in respect of the *directional interconnector* for the *auction*; and
 - (4) enhancing competition and efficiency by promoting interstate trade in electricity.
- (c) *AEMO* must make the *auction rules* available to *Registered Participants* and to any other person who requests a copy.
- (d) *AEMO* may amend the *auction rules*:
 - (1) at any time, with the approval of the *settlement residue committee* and in accordance with the *Rules consultation procedures*; or
 - (2) if *AEMO* has consulted to the extent practicable in the circumstances in relation to the proposed amendment, the amendment has the support of at least three quarters of the members of the *settlement residue committee*, and *AEMO* considers the amendment is urgent.

3.18.3A Secondary trading of SRD units

- (a) *AEMO* may, with the approval of the *settlement residue committee*, decide to implement secondary trading of *SRD units* by *eligible persons* in accordance with this rule 3.18 and the *auction rules* at a specified date (**secondary trading decision**).
- (b) Before the date specified under paragraph (a), *AEMO* must amend the *auction rules* in accordance with clause 3.18.3(d)(1) to include the requirements specified in clause 3.18.3(a1).

3.18.4 Proceeds and fees

- (a) *AEMO* must distribute to the relevant *Network Service Provider*:

- (1) subject to clauses 3.6.5(a)(4) and 3.6.5(a)(4A) and paragraph (a1), the *auction* clearing price for each *SRD unit* received by an *eligible person* in an *auction* in accordance with the *auction rules*; and
- (2) subject to paragraphs (b) and (c), any portion of the *settlements residue* allocated to the *directional interconnector* in respect of which a *SRD unit* has not been issued under a *SRD agreement*,

in accordance with the principles in clause 3.6.5 in relation to the allocation and distribution of *settlements residue* attributable to *regulated interconnectors*.

- (a1) Where a secondary trading decision is made under clause 3.18.3A(a), *AEMO* must pay an *eligible person* the *auction* clearing price for each *SRD unit* that is offered by that *eligible person* and subsequently cancelled by *AEMO* pursuant to clause 3.18.1(b)(2)(ii) and in accordance with the relevant *SRD agreement* and the *auction rules*.
- (b) The costs and expenses incurred by *AEMO* in establishing and administering the arrangements contemplated by this rule 3.18, in conducting *auctions* under this rule 3.18 and in entering into and administering *auction participation agreements* and *SRD agreements* under this rule 3.18 will be recovered from *settlements residue* by way of *auction expense fees*.
- (c) The *auction expense fees* are to be developed by *AEMO* in accordance with the *auction rules* and approved by the *settlement residue committee*, and recovered as follows:
 - (1) to the extent the *settlements residue* is distributed to *eligible persons* under clause 3.18.1(d), in accordance with the *auction rules*; and
 - (2) to the extent the *settlements residue* is distributed to *Network Service Providers* under clause 3.18.4(a)(2), as if the *settlements residue* was being distributed to *eligible persons* in accordance with the *auction rules*.
- (d) The *auction expense fees* for an *auction* are to be *published* before the *auction*.
- (e) *Eligible persons* and *AEMO* must pay *auction amounts* in accordance with the *auction rules*, and, for the avoidance of doubt, amounts payable by *eligible persons* to *AEMO* under *SRD agreements* and any amounts payable by *AEMO* to *eligible persons* under *SRD agreements* will not be regarded as amounts payable under the *Rules* for the purposes of rule 3.15.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) *AEMO* may nominate an electronic funds transfer facility for the purposes of paying *auction amounts* and, if it does so, *eligible persons*, *Network Service Providers* and *AEMO* must use that facility for paying and receiving *auction amounts*.

3.18.4A Secondary trading proceeds and margin

- (a) This clause 3.18.4A applies where a secondary trading decision is made under clause 3.18.3A(a).
- (b) When an *eligible person* offers a *SRD unit* in an *auction*, the *eligible person* must provide a margin to *AEMO* at the same time as it offers the *SRD unit*, in accordance with the requirements of the *auction rules* and the *SRD agreement*.

Note

Clause 3.18.3(a1)(5) requires the *auction rules* to set out a mechanism for calculating and determining the margin.

- (c) If an *eligible person* provides a margin under paragraph (b) and subsequently that *eligible person's SRD agreement* or *auction participation agreement* is terminated by *AEMO*, then *AEMO* must apply the margin provided by that *eligible person* to:

- (1) any outstanding amounts owing to *AEMO* by that *eligible person*; or
- (2) any amounts that would have been owing to *AEMO* by that *eligible person* under *SRD agreements* had the *SRD agreements* or *auction participation agreement* not been terminated,

in accordance with this rule 3.18 and the *auction rules*.

- (d) If the full amount payable by *AEMO* to *eligible persons* for cancellation of *SRD units* pursuant to clause 3.18.4(a1) is less than the amount available to *AEMO* from *auction* proceeds provided to *AEMO* by *eligible persons* (**shortfall**) then *AEMO* must recover that shortfall:

- (1) first, from the *auction* proceeds payable to the relevant *Network Service Provider* under clause 3.18.4(a)(1); and
- (2) if the amount under paragraph (d)(1) is insufficient, then *AEMO* must recover the remaining amount that could not be recovered in accordance with clause 3.6.5, as if references to *negative settlements residue* amounts were references to the shortfall.

- (e) If an *eligible person's SRD agreement* or *auction participation agreement* is terminated by *AEMO*, then any *SRD units* which that person held immediately prior to the relevant agreement being terminated may be made available by *AEMO* in another *auction*.

3.18.5 Settlement residue committee

- (a) *AEMO* must establish a *settlements residue committee* .
- (b) The functions of the *settlement residue committee* are to:
 - (1) approve any suspension, or removal of a suspension, imposed by *AEMO* on the conducting of *auctions*;
 - (2) approve proposed amendments to the *auction rules* developed by *AEMO*;
 - (3) monitor, review and report on the *auctions* conducted by *AEMO* under this rule 3.18; and
 - (4) approve the costs and expenses incurred by *AEMO* in conducting *auctions* under this rule 3.18 and in entering into and administering *auction participation agreements* and *SRD agreements* under this rule 3.18.
- (c) The *settlement residue committee* is to consist of:
 - (1) an employee of *AEMO* appointed by *AEMO*, who will act as chairman of the committee;
 - (2) a person representing *Generators*;
 - (3) a person representing *Market Customers*;
 - (4) a person representing *Transmission Network Service Providers*;
 - (5) a person representing *Traders*;
 - (6) a person appointed jointly by the relevant *Ministers* of the *participating jurisdictions*; and
 - (7) a person appointed by the *AEMC* to represent *retail customers*.
- (d) *AEMO* may remove the person referred to in clause 3.18.5(c)(1) at any time for any reason.
- (e) The persons referred to in clauses 3.18.5(c)(2), (3), (4) and (5) must be appointed and removed by *AEMO* after consultation with the class of *Registered Participants* the person is to represent, and *AEMO* must:
 - (1) appoint a person agreed to by at least one third in number of the relevant class of *Registered Participants*; and
 - (2) commence consultation on the removal of such a person if requested to do so by a member of the relevant class of *Registered participants*, and must remove that person if so agreed by at least one third in number of the relevant class of *Registered Participants*.

- (f) The *Ministers* of the *participating jurisdictions* acting jointly may remove the person referred to in clause 3.18.5(c)(6) at any time for any reason.
- (g) The *AEMC* may remove the person referred to in clause 3.18.5(c)(7) at any time for any reason.
- (h) A person holds office as a member of the *settlement residue committee* until that person:
 - (1) resigns from office;
 - (2) if the person is the person referred to in clause 3.18.5(c)(1), is removed from office by *AEMO* in accordance with clause 3.18.5(d);
 - (3) if the person is a person referred to in clauses 3.18.5(c)(2), (3), (4) or (5), is removed from office by *AEMO* in accordance with clause 3.18.5(e)(2);
 - (4) if the person is the person referred to in clause 3.18.5(c)(6), is removed from office by the *Ministers* of the *participating jurisdictions* in accordance with clause 3.18.5(f); or
 - (5) if the person is the person referred to in clause 3.18.5(c)(7), is removed from office by the *AEMC* in accordance with clause 3.18.5(g),and such a person is eligible for re-appointment.
- (i) A person may resign as a member of the *settlement residue committee* by giving notice in writing to that effect to *AEMO*.

3.19 Market Management Systems Access Procedures

- (a) *AEMO* may develop and *publish Market Management Systems Access Procedures* in consultation with *Registered Participants* in accordance with the *Rules consultation procedures*, which procedures will govern how *Registered Participants*, *Metering Providers* and *Metering Data Providers* can use the *market management systems*.
- (b) *AEMO* may amend the *Market Management Systems Access Procedures* from time to time in consultation with *Registered Participants* in accordance with the *Rules consultation procedures*, and any such amendments must be *published* by *AEMO*.
- (c) *AEMO* and all *Registered Participants*, *Metering Providers* and *Metering Data Providers* must comply with the *Market Management Systems Access Procedures*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) A *Registered Participant* which complies with the *Market Management Systems Access Procedures* and promptly pays all relevant *Participant fees* as and when they fall due has a right to be connected to the *market management systems*.
- (e) If a *Registered Participant* fails to comply with the *Market Management Systems Access Procedures*, *AEMO* must:
 - (1) notify that *Registered Participant* describing the nature of the breach; and
 - (2) at a time following notification of the breach by *AEMO* under clause 3.19(e)(1) determined by *AEMO* having regard to a balancing of the need to provide a *Registered Participant* with the opportunity to remedy the breach and the nature of the breach, notify the AER that the *Registered Participant* has breached the *Market Management Systems Access Procedures*.

3.20 Reliability and Emergency Reserve Trader

3.20.1 [Deleted]

3.20.2 Reliability and emergency reserve trader

- (a) *AEMO* must take all reasonable actions to ensure reliability of *supply* and, where practicable, take all reasonable actions to maintain *power system security* by negotiating and entering into contracts to secure the availability of *reserves* under *reserve contracts* (*reliability and emergency reserve trader* or *RERT*) in accordance with:
 - (1) this rule 3.20;
 - (2) where relevant:
 - (i) clauses 1.11, 3.8.1, 3.8.14, 3.9.3, 3.12, 3.12A.5, 3.15.6, 3.15.9, 4.8.5A and 4.8.5B; and
 - (ii) any other provision of the *Rules* necessary to exercise the *RERT*;
 - (3) the *RERT principles*; and
 - (4) the *RERT guidelines*.
- (b) *AEMO* must have regard to the following principles (*RERT principles*) in exercising the *RERT* under paragraph (a):
 - (1) actions taken should be those which *AEMO* reasonably expects, acting reasonably, to have the least distortionary effect on the operation of the *market*; and
 - (2) actions taken should aim to maximise the effectiveness of *reserve contracts* at the least cost to end use consumers of electricity.

- (c) In having regard to the *RERT principles*, AEMO must have regard where relevant to the *RERT guidelines*.

3.20.3 Reserve contracts

- (a) AEMO may enter into one or more contracts with any person in relation to the capacity of:
 - (1) *scheduled generating units, scheduled network services or scheduled loads* (being *scheduled reserve contracts*); and
 - (2) *unscheduled reserves* (being *unscheduled reserve contracts*).
- (b) AEMO may determine to enter into *reserve contracts* to ensure that the reliability of *supply* in a *region* or *regions* meets the *reliability standard* for the *region* and, where practicable, to maintain *power system security*.
- (c) AEMO must consult with persons nominated by the relevant *participating jurisdictions* in relation to any determination to enter into contracts under paragraph (b).
- (d) AEMO must not enter into, or renegotiate, a *reserve contract* more than nine months prior to the date that AEMO reasonably expects that the *reserve* under that contract may be required to ensure reliability of *supply* and, where practicable, to maintain *power system security*. For the avoidance of doubt, AEMO may negotiate with potential tenderers in relation to *reserve contracts* at any time.
- (e) Subject to paragraph (d), AEMO may:
 - (1) enter into *reserve contracts*; or
 - (2) renegotiate existing *reserve contracts*,in addition to the contracts already entered into by AEMO under this rule 3.20.
- (f) In entering into *reserve contracts* under paragraph (b) AEMO must agree with the relevant nominated persons referred to in paragraph (c) cost-sharing arrangements between the *regions* for the purpose of clause 3.15.9.
- (g) If, at any time AEMO determines that it is necessary to commence contract negotiations for the provision of additional *reserves*, AEMO must *publish* a notice of its intention to do so.
- (h) When contracting for the provision of *scheduled reserves* under *scheduled reserve contracts*, AEMO must not enter contracts in relation to capacity of *generating units, scheduled network services or scheduled loads* for which *dispatch offers* or *dispatch bids* have been submitted or are considered by AEMO to be likely to be submitted or be otherwise available for *dispatch* in the *trading intervals* to which the contract relates.

Terms and conditions of a contract

- (i) If *AEMO* seeks to enter into a *reserve contract* with a *Registered Participant* then the *Registered Participant* must *negotiate* with *AEMO* in good faith as to the terms and conditions of the contract.
- (j) *AEMO* may only enter into a *reserve contract* if the contract contains a provision that the other party to the contract has not and will not otherwise offer the *reserve* the subject of the contract in the *market* for the *trading intervals* to which the contract with *AEMO* relates except in accordance with the contract.

3.20.4 Dispatch pricing methodology for unscheduled reserve contracts

- (a) Subject to paragraph (c), *AEMO* must develop in accordance with the *Rules consultation procedures* and *publish* details of the methodology it will use to request that *generating units* or *loads* under *unscheduled reserve contracts* be *activated*.
- (b) *AEMO* may develop and *publish* the methodology developed in accordance with this clause 3.20.4 as part of the methodology *AEMO* is required to develop under clause 3.9.3(e).
- (c) *AEMO* may make minor and administrative amendments to the methodology developed in accordance with this clause 3.20.4 without complying with the *Rules consultation procedures*.

3.20.5 AEMO's risk management and accounts relating to the reliability safety net

- (a) *AEMO* may enter into insurance arrangements with an insurance provider with a view to minimising potential financial losses in respect of *AEMO's RERT* activities described in this rule 3.20.
- (b) *AEMO* must ensure that it maintains in its books separate accounts relating to the *RERT* functions and powers granted to *AEMO* under this rule 3.20.

3.20.6 Reporting on RERT by AEMO

- (a) If a *scheduled generating unit*, *scheduled network service* or *scheduled load* under a *scheduled reserve contract* with *AEMO* is *dispatched* or *generating units* or *loads* are *activated* under an *unscheduled reserve contract*, then *AEMO* must, as soon as practicable thereafter, *publish* a report detailing:
 - (1) the circumstances giving rise to the need for the *dispatch* of *scheduled reserves* or *activation* of *unscheduled reserves*;
 - (2) the basis on which it determined the latest time for that *dispatch* of *scheduled reserves* or *activation* of *unscheduled reserves* and on what basis it determined that a market response would not have avoided the need for the *dispatch* of *scheduled reserves* or the *activation* of *unscheduled reserves*;

- (3) the changes in *dispatch* outcomes due to the *dispatch* of *scheduled reserves* or *activation* of *unscheduled reserves*; and
 - (4) the processes implemented by *AEMO* to *dispatch* the *scheduled reserves* or *activate* the *unscheduled reserves*,
- and if applicable:
- (5) reasons why *AEMO* did not follow any or all of the processes set out in rule 4.8 either in whole or in part prior to the *dispatch* of *scheduled reserves* or the *activation* of *unscheduled reserves*; and
 - (6) the basis upon which *AEMO* considered it impractical to set *spot prices* and *ancillary service prices* in accordance with clause 3.9.3(b).
- (b) As soon as reasonably practicable after *AEMO* has, in accordance with clause 3.15.9, included the amounts arising under a *reserve contract* in a *final statement* provided under clause 3.15.15, *AEMO* must *publish* details of:
- (1) the payments under the *reserve contract* for the relevant *billing periods*; and
 - (2) a breakdown of the recovery of those costs by each category of *Market Customer*, as determined by *AEMO*, in each *region*.
- (c) Within 30 *days* of the end of each *financial year* in which *AEMO* has exercised the *RERT*, *AEMO* must *publish* a report detailing:
- (1) each occasion during the *financial year* on which it intervened to secure the availability of *reserves*;
 - (2) each occasion during the *financial year* when a *scheduled generating unit*, *scheduled network service* or *scheduled load* under a *scheduled reserve contract* was *dispatched* or *generating units* or *loads* under an *unscheduled reserve contract* were *activated*; and
 - (3) its costs and finances in connection with its *RERT* activities during the *financial year* according to appropriate accounting standards including profit and loss, balance sheet, sources and applications of funds.

3.20.7 AEMO's exercise of the RERT

- (a) Notwithstanding clauses 4.8.5A and 4.8.5B, if *AEMO* considers the latest time for exercising the *RERT* by:
- (1) the *dispatch* of *scheduled reserves* it has available under *scheduled reserve contracts*; or
 - (2) the *activation* of *unscheduled reserves* it has available under *unscheduled reserve contracts*,

has arrived, *AEMO* may *dispatch* such *scheduled reserves* or *activate* such *unscheduled reserves* to ensure that the reliability of supply in a *region* or *regions* meets the *reliability standard* and, where practicable, to maintain *power system security*.

- (b) *AEMO* must follow the relevant procedures in this rule 3.20 prior to *dispatching* a *scheduled generating unit*, *scheduled network service* or *scheduled load* the subject of a *scheduled reserve contract* or *activating generating units* or *loads* the subject of an *unscheduled reserve contract* unless it is not reasonably practicable to do so.
- (c) Subject to paragraph (b), *AEMO* must only *dispatch* a *scheduled generating unit*, a *scheduled network service* or a *scheduled load* the subject of a *scheduled reserve contract* or *activate generating units* or *loads* the subject of an *unscheduled reserve contract* in accordance with the procedures developed pursuant to paragraph (e).
- (d) In order to effect the *dispatch* of a *scheduled generating unit*, *scheduled network service* or *scheduled load* the subject of a *scheduled reserve contract* or the *activation* of *generating units* or *loads* the subject of an *unscheduled reserve contract* *AEMO* may:
 - (1) submit, update or vary *dispatch bids* or *dispatch offers* in relation to all or part of such a *scheduled generating unit*, *scheduled network service* or *scheduled load* which is the subject of a *scheduled reserve contract*; or
 - (2) change other inputs to the *dispatch process* to give effect to the *dispatch* of *scheduled generating units*, *scheduled network services* or *scheduled loads* the subject of a *scheduled reserve contract* or the *activation* of *generating units* or *loads* the subject of an *unscheduled reserve contract*.
- (e) *AEMO* must develop, *publish*, and may amend from time to time, in accordance with the *Rules consultation procedures*, procedures for the exercise of the *RERT* under this rule 3.20 that take into account the *RERT principles* and *RERT guidelines*. These procedures must include measures to be adopted in order to reduce the possibility that *generating units* or *loads* likely to be *activated* under *unscheduled reserve contracts* are otherwise engaged at the time the *unscheduled reserve contracts* are entered into by *AEMO*.
- (f) When exercising the *RERT* under this rule 3.20, *AEMO* must take into account the *RERT guidelines*.
- (g) *NEMMCO* must *publish* the first procedures referred to in paragraph (e) by 30 June 2009.

3.20.8 RERT Guidelines

- (a) For the purposes of this rule 3.20, the *Reliability Panel* must develop and *publish* guidelines (the *RERT guidelines*) for or with respect to:
 - (1) what information *AEMO* must take into account when deciding whether to exercise the *RERT*;
 - (2) the relevance of the *RERT principles* to the exercise of the *RERT*;
 - (3) the actions that *AEMO* may take to be satisfied that the *reserve* that is to be the subject of a *reserve contract* is not available to the *market* through any other arrangement;
 - (4) the process *AEMO* should undertake in contracting for *reserves* including the process for tendering for contracts for such *reserves*;
 - (4A) the process *AEMO* should undertake in contracting for *reserves* in relation to different notice situations specified in the *RERT guidelines* to ensure reliability of *supply* and, where practicable, to maintain *power system security*;
 - (5) any specific or additional assumptions about key parameters that *AEMO* must take into account in assessing the cost effectiveness of exercising the *RERT*;
 - (6) matters relevant to *AEMO* managing a portfolio of *reserve contracts*; and
 - (7) additional forecasts that *AEMO* should take into account prior to exercising the *RERT*.
- (b) The *Reliability Panel* must develop, *publish* and amend from time to time, the *RERT guidelines* in accordance with clauses 8.8.3(d) – (l).
- (c) The *Reliability Panel* must *publish* the first *RERT guidelines* by 30 November 2008 and there must be such guidelines in place at all times after that date.

3.20.9 [Deleted]

Schedule 3.1 Bid and Offer Validation Data

- (a) The *bid and offer validation data* are the standard data requirements for verification and compilation of *dispatch bids* and *dispatch offers* on the *trading day* schedule.
- (b) *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* must notify *AEMO* of their *bid and offer validation data* in accordance with this schedule 3.1 in respect of each of their *scheduled loads*, *semi-scheduled generating units* and *scheduled generating units* at least six weeks prior to commencing participation in the *market*.

- (c) *Scheduled Generators, Semi-Scheduled Generators and Market Participants* must review their *bid and offer validation data* annually in accordance with the *timetable* advised by AEMO and provide details of any *changes* to AEMO.
- (d) A *Scheduled Generator, Semi-Scheduled Generator or Market Participant* must notify AEMO of any proposed change to its *bid and offer validation data* in accordance with clause 3.13.3(h) at least six weeks prior to the date of the proposed change and any proposed change may be subject to audit at AEMO's request and must be consistent with AEMO's register of *performance standards* referred to in rule 4.14(n) in respect of the relevant *plant*.
- (e) A copy of all *changes* to the data must be returned to each *Scheduled Generator, Semi-Scheduled Generator and Market Participant* for verification and resubmission by the *Scheduled Generator, Semi-Scheduled Generator or Market Participant* as necessary.
- (f) **[Deleted]**

Scheduled Generating Unit Data:

Data	Units of Measurement
<i>Power station information:</i>	
<i>power station name</i>	
<i>Scheduled generating unit information:</i>	
Note: Repeat the following items for each <i>scheduled generating unit</i> where there are two or more <i>scheduled generating units</i> in the <i>power station</i> .	
<i>scheduled generating unit name</i>	
Note: This may be the same name as the <i>power station name</i> when the <i>power station</i> has only one single or aggregated <i>scheduled generating unit</i> .	
<i>Dispatchable unit identifier</i>	
maximum generation of the <i>scheduled generating unit</i> , to which the <i>scheduled generating unit</i> may be dispatched.	MW (generated)
maximum ramp rate of the <i>scheduled generating unit</i>	MW/minute

Semi-Scheduled Generating Unit Data:

Data	Units of Measurement
<i>Power station information:</i>	
<i>power station name</i>	
<i>Semi-scheduled generating unit information:</i>	
Note: Repeat the following items for each <i>semi-scheduled generating unit</i> where there are two or more <i>semi-scheduled generating units</i> in the <i>power station</i> .	
<i>semi-scheduled generating unit name</i> Note: This may be the same name as the <i>power station name</i> when the <i>power station</i> has only one <i>semi-scheduled generating unit</i> .	
<i>Dispatchable unit identifier</i>	
maximum generation of the <i>semi-scheduled generating unit</i> , to which the <i>semi-scheduled generating unit</i> may be dispatched	MW (<i>generated</i>)
maximum ramp rate of the <i>semi-scheduled generating unit</i>	MW/minute

Scheduled Load Data:

Data	Units of Measurement
Load installation information:	
<i>load</i> installation name	
Scheduled load information:	
Note: Repeat the following items for each scheduled load where there are two or more scheduled loads.	
<i>scheduled load</i> name	
Note: This may be the same name as the <i>load</i> installation name when the <i>load</i> installation has only one <i>scheduled load</i> .	
<i>Dispatchable unit identifier</i>	
maximum <i>load</i> of the <i>scheduled load</i> , to which the <i>scheduled load</i> may be <i>dispatched</i>	MW
maximum ramp rate of the <i>scheduled load</i>	MW/minute

Scheduled Network Service Data:

Data	Units of Measurement
installation/link name	
<i>Dispatchable Unit Identifier</i>	
<i>connection point</i> identifiers for terminal nodes A and B	
maximum <i>power transfer capability</i> to node A	MW
maximum <i>power transfer capability</i> to node B	MW
maximum ramp rate of <i>power transfer capability</i> of the installation	MW/minute

Ancillary Service Generating Unit and Ancillary Service Load Data:

Data	Units of Measurement
Power station/load installation information:	
<i>power station/load installation name</i>	
Ancillary service generating unit and ancillary service load information	
Note: Repeat the following items for each <i>dispatchable unit identifier</i> where there are two or more of them in the <i>power station/installation</i> .	
Unit/load name	
<i>Dispatchable unit identifier</i>	
<i>market ancillary service*</i>	
<i>maximum market ancillary service capacity*</i>	MW
<i>minimum enablement level*</i>	MW
<i>maximum enablement level*</i>	MW
<i>maximum lower angle*</i>	Degrees
<i>maximum upper angle*</i>	Degrees

Note:

For those items marked with an asterisk, repeat the block of data for each *market ancillary service* offered.

Dispatch Inflexibility Profile:

[Deleted]

Aggregation Data:

[Deleted]

Schedule 3.2 [Deleted]

Schedule 3.3 [Deleted]

CHAPTER 5A

Chapter 5A Electricity connection for retail customers

Part A Preliminary

5A.A.1 Definitions

In this Chapter:

basic connection service

means a *connection service* related to a *connection* (or a proposed *connection*) between a *distribution system* and a *retail customer's* premises (excluding a ~~*non-registered embedded generator's*~~ *non-registered embedded generator's* premises) in the following circumstances:

- (a) either:
 - (1) the *retail customer* is typical of a significant class of *retail customers* who have sought, or are likely to seek, the service; or
 - (2) the *retail customer* is, or proposes to become, a *micro embedded generator*; and
- (b) the provision of the service involves minimal or no *augmentation* of the *distribution network*; and
- (c) a *model standing offer* has been approved by the *AER* for providing that service as a *basic connection service*.

basic micro EG connection service

means a *basic connection service* for a *retail customer* who is a *micro embedded generator*.

confidential information

means, in relation to a *Registered Participant*, *AEMO* or a *connection applicant*, information which is or has been provided to that *Registered Participant*, *AEMO* or *connection applicant* under or in connection with the *Rules* and which is stated under the *Rules*, or by *AEMO*, the *AER* or the *AEMC*, to be *confidential information* or is otherwise confidential or commercially sensitive. It also includes any information which is derived from such information.

connection

means a physical link between a *distribution system* and a *retail customer's* premises to allow the flow of electricity.

connection alteration

means an alteration to an existing *connection* including an addition, upgrade, *extension*, expansion, *augmentation* or any other kind of alteration.

connection applicant

means an applicant for a *connection service* of 1 of the following categories:

- (a) *retail customer*;
- (b) *retailer* or other person acting on behalf of a *retail customer*;

- (c) *real estate developer*.

connection application

means an application under clause 5A.D.3.

connection charge

means a charge imposed by a *Distribution Network Service Provider* for a *connection service*.

connection charge guidelines

- see clause 5A.E.3.

connection charge principles

- see clause 5A.E.1.

connection contract

means a contract formed by the making and acceptance of a *connection offer*.

connection offer

means an offer by a *Distribution Network Service Provider* to enter into a *connection contract* with:

- (a) a *retail customer*; or
- (b) a *real estate developer*.

connection policy

except in the case of an *Embedded Network Service Provider* means a document, approved as a *connection policy* by the AER under clause 5A.E.3A ~~Chapter 6, Part E~~, setting out the circumstances in which *connection charges* are payable and the basis for determining the amount of such charges.

In the case of an *Embedded Network Service Provider*, means the embedded network connection policy made by the AER (see clause 5A.E.3B).

connection service

means either or both of the following:

- (a) a service relating to a *new connection* for premises;
- (b) a service relating to a *connection alteration* for premises,

but, to avoid doubt, does not include a service of providing, installing or maintaining a *metering installation* for premises.

contestable

- a service is *contestable* if the laws of the *participating jurisdiction* in which the service is to be provided permit the service to be provided by more than one supplier as a *contestable* service or on a competitive basis.

customer connection contract

- see section 67 of the *NERL*.

embedded generator

means a person that owns, controls or operates an *embedded generating unit*.

enquiry

means a preliminary *enquiry* under clause 5A.D.2.

embedded network connection policy

means the *embedded network connection policy* made by the AER under clause 5A.E.3B.

micro EG connection

means a *connection* between an *embedded generating unit* and a *distribution network* of the kind contemplated by *Australian Standard AS 4777* (Grid connection of energy systems via inverters).

micro embedded generator

means a *retail customer* who operates, or proposes to operate, an *embedded generating unit* for which a *micro EG connection* is appropriate.

model standing offer

means a document approved by the AER as a *model standing offer* to provide *basic connection services* (see clause 5A.B.3) or as a *model standing offer* to provide *standard connection services* (see clause 5A.B.5).

In the case of an *Embedded Network Service Provider*, includes a *model standing offer* published by the AER in the *embedded network connection policy* and adopted by the *Embedded Network Service Provider* as a *model standing offer* to provide *basic connection services* (or a class or subclass of *basic connection services*) for its *embedded network* (see clause 5A.B.8).

negotiated connection contract

– see clause 5A.C.1.

new connection

means a *connection* established or to be established, in accordance with this Chapter and applicable *energy laws*, where there is no existing *connection*.

non-registered embedded generator

means an *embedded generator* that is neither a *micro embedded generator* nor a *Registered Participant*.

premises connection assets

means the components of a *distribution system* used to provide *connection services*.

real estate developer

means a person who carries out a *real estate development*.

real estate development

means the commercial development of land including its development in 1 or more of the following ways:

- (a) subdivision;
- (b) the construction of commercial or industrial premises (or both);
- (c) the construction of multiple new residential premises.

retail customer

includes a non-registered *embedded generator* and a *micro embedded generator*.

standard connection service

means a *connection service* (other than a *basic connection service*) for a particular class (or sub-class) of *connection applicant* and for which a *model standing offer* has been approved by the AER.

supply service

means a service (other than a *connection service*) relating to the *supply* of electricity.

5A.A.1A Application of this Chapter to Embedded Network Service Providers and off-market retailers

In this Chapter:

- (a) a reference to a *Registered Participant* includes a reference to an *off-market retailer*; and
- (b) a reference to a *Distribution Network Service Provider* includes a reference to an *Embedded Network Service Provider*.

Note

Clause 6.1.5 in Chapter 6 applies in relation to *distribution use of system charges of an Embedded Network Services Provider*.

5A.A.2 Application of this Chapter

- (a) This Chapter does not apply to, or in relation to, a *connection applicant* that is a *Registered Participant* or an *Intending Participant* unless the *Registered Participant* or *Intending Participant* is acting as the agent of a *retail customer*.
- (b) Where a *non-registered embedded generator* wishing to *connect* an *embedded generating unit* to a *Distribution Network Service Provider's network*:
 - (1) falls within a particular class (or subclass) of *connection applicant* for which that *Distribution Network Service Provider* provides a *standard connection service*, this Chapter will apply;
 - (2) does not fall within a particular class (or subclass) of *connection applicant* for which that *Distribution Network Service Provider* provides a *standard connection service*, paragraph (c) will apply.
- (c) A *non-registered embedded generator* that meets the requirements in paragraph (b)(2) may elect to seek *connection* of the relevant *embedded generating unit* under rule 5.3A instead of this Chapter.
- (d) Any election made by a *non-registered embedded generator* under paragraph (c) must be:
 - (1) made before an *enquiry* is made or if no *enquiry* is made, before a *connection application* is lodged with the relevant *Distribution Network Service Provider*;

- (2) in writing; and
- (3) delivered to the relevant *Distribution Network Service Provider* at the same time as lodging an *enquiry* under clause 5.3A.5.
- (e) For the avoidance of doubt, clause 5A.C.1(a)(2) is still applicable when a *non-registered embedded generator* meets the requirements in paragraph (b)(1).

5A.A.3 Small Generation Aggregator deemed to be agent of a retail customer

A *Market Small Generation Aggregator* is deemed to be the agent of a *retail customer*, where there is an agreement between the *Market Small Generation Aggregator* and the *retail customer* relating to the *retail customer's small generating unit* under which the *Market Small Generation Aggregator* is *financially responsible* for the *market connection point* at which the *small generating unit* is connected to the *national grid*.

Part B Standardised offers to provide basic and standard connection services

Division 1 Basic connection services

5A.B.1 Obligation to have model standing offer to provide basic connection services

- (a) Subject to paragraph (b), a *Distribution Network Service Provider* must have a *model standing offer* to provide *basic connection services* to *retail customers*.
- (b) *Basic connection services* are of 2 classes:
 - (1) *basic connection services* for *retail customers* who are not *embedded generators*; and
 - (2) *basic connection services* for *retail customers* who are *micro embedded generators*.

Note

Basic connection services are not available to *non-registered embedded ~~generator~~generators*.

- (c) A *model standing offer* may relate to each class of *basic connection services* (or a subclass for which there is significant demand) within the area served by the relevant *distribution network*.

5A.B.2 Proposed model standing offer for basic connection services

- (a) A *Distribution Network Service Provider* must submit for the AER's approval a proposed *model standing offer* to provide *basic connection services* for each class (or subclass) of *basic connection services* on specified terms and conditions.
 - (a1) An *Embedded Network Service Provider* may, in accordance with clause 5A.B.8, adopt a *model standing offer* published by the AER in the *embedded network connection policy* for a class (or subclass) of *basic connection*

services in relation to its embedded network and if (and for so long as) it does so, the Embedded Network Service Provider is not required to submit a proposed model standing offer for that class (or subclass) for approval under paragraph (a).

- (b) The terms and conditions of the proposed *model standing offer* must cover:
- (1) a description of the *connection* (and the *premises connection assets* of which it is to be comprised) including a statement of its maximum capacity; and
 - (2) timeframes for commencing and completing the work; and
 - (3) the qualifications required for carrying out the work involved in providing a *contestable* service (including reference to the jurisdictional or other legislation and statutory instruments under which the qualifications are required); and
 - (4) the safety and technical requirements (including reference to the jurisdictional or other legislation and statutory instruments under which the requirements are imposed) to be complied with by the provider of a *contestable* service or the *retail customer* (or both); and
 - (5) details of the *connection charges* (or the basis on which they will be calculated) including details of the following (so far as applicable):
 - (i) the cost of any necessary *extension* to the *distribution system* for which provision has not already been made through existing *distribution use of system* charges or a tariff applicable to the *connection*;
 - (ii) **[Deleted]**
 - (iii) the cost of any other relevant *premises connection assets*;
 - (iv) the costs of common components of minor variations from the standard specifications;
 - (v) any other incidental costs; and
 - (6) the manner in which *connection charges* are to be paid by the *retail customer*; and
 - (7) if the service is a *basic micro EG connection service*, the particular requirements with regard to the export of electricity into the *distribution system* including:
 - (i) the special requirements for *metering* and other equipment for the export of electricity; and
 - (ii) the required qualification for installers of relevant equipment (including reference to the jurisdictional or other legislation and statutory instruments under which the qualifications are required); and
 - (iii) the special safety and technical requirements (including reference to the jurisdictional or other legislation and statutory instruments under which they are imposed) to be complied with by the provider of a *contestable* service or the *retail customer* (or both).

5A.B.3 Approval of terms and conditions of model standing offer to provide basic connection services

- (a) The *AER* may approve a proposed *model standing offer* to provide *basic connection services* of a particular class (or subclass) on specified terms and conditions if satisfied that:
 - (1) the services are likely to be sought by:
 - (i) a significant number of *retail customers* in the area served by the *distribution network* (excluding *embedded generators*); or
 - (ii) *micro embedded generators*; and
 - (2) the *connection charges* are consistent with the *Distribution Network Service Provider's* distribution determination including the *connection policy*; and
 - (3) the terms and conditions are fair and reasonable; and
 - (4) the terms and conditions comply with applicable requirements of the *energy laws*.
- (b) In deciding whether to approve a proposed *model standing offer* to provide *basic connection services* on specified terms and conditions, the *AER* must have regard to:
 - (1) the *national electricity objective*; and
 - (2) the basis on which the *Distribution Network Service Provider* has provided the relevant services in the past; and
 - (3) the geographical characteristics of the area served by the relevant *distribution network*.
- (c) If the *AER* does not approve a proposed *model standing offer* to provide *basic connection services* of a particular class on specified terms and conditions:
 - (1) the *AER* must give the *Distribution Network Service Provider* written reasons for its decision; and
 - (2) the *Distribution Network Service Provider* must re-submit the proposed *model standing offer* with appropriate amendments as soon as reasonably practicable.
- (d) The *AER* must deal expeditiously with a proposed *model standing offer* to provide *basic connection services*.

Division 2 Standard connection services

5A.B.4 Standard connection services

- (a) A *Distribution Network Service Provider* (other than an *Embedded Network Service Provider*) may submit for the *AER's* approval a proposed *model standing offer* to provide *standard connection services* on specified terms and conditions.
- (b) Different sets of terms and conditions may be submitted under this *rule* for different classes of *connection services* or different classes of *retail customer*.

- (c) The terms and conditions must cover:
 - (1) a description of the *connection* (and the *premises connection assets* of which it is to be comprised) including a statement of its maximum capacity; and
 - (2) timeframes for commencing and completing the work; and
 - (3) the qualifications required for carrying out the work involved in providing a *contestable* service (including reference to the jurisdictional or other legislation and statutory instruments under which the qualifications are required); and
 - (4) the safety and technical requirements (including reference to the jurisdictional or other legislation and statutory instruments under which the requirements are imposed) to be complied with by the provider of a *contestable* service or the *retail customer* (or both); and
 - (5) details of the *connection charges* (or the basis on which they will be calculated) including details of the following (so far as applicable):
 - (i) the cost of *premises connection assets* to which the *connection charges* relate;
 - (ii) the cost of any necessary *augmentation* of the *distribution system* for which provision has not already been made through existing *distribution use of system* charges or a tariff applicable to the *connection*;
 - (iii) the costs of common components of minor variations from the standard specifications;
 - (iv) any other incidental costs; and
 - (6) the manner in which *connection charges* are to be paid by the *retail customer*.

5A.B.5 Approval of model standing offer to provide standard connection services

- (a) The *AER* may approve a proposed *model standing offer* to provide a particular class of *standard connection services* on specified terms and conditions if satisfied that:
 - (1) the terms and conditions are fair and reasonable; and
 - (2) the *connection charges* are consistent with the *Distribution Network Service Provider's* distribution determination including the *connection policy*; and
 - (3) the terms and conditions comply with applicable requirements of the *energy laws*.
- (b) In deciding whether to approve the proposed *model standing offer*, the *AER* must have regard to the *national electricity objective*.
- (c) If the *AER* does not approve a proposed *model standing offer* to provide *standard connection services*:

- (1) the *AER* must give the *Distribution Network Service Provider* written reasons for its decision; and
- (2) the *Distribution Network Service Provider* may re-submit the proposed *model standing offer* with appropriate amendments.
- (d) The *AER* must deal expeditiously with a proposed *model standing offer* to provide *standard connection services*.

Division 3 Miscellaneous

5A.B.6 Amendment etc of model standing offer

- (a) A *Distribution Network Service Provider* may submit, for the *AER*'s approval, a proposal:
 - (1) for the amendment or substitution of a *model standing offer* to provide *basic connection services*; or
 - (2) for the amendment, substitution or revocation of a *model standing offer* to provide *standard connection services*.
- (b) In deciding whether to approve a proposal submitted for its approval under this clause, the *AER* must, so far as relevant, apply the same principles and have regard to the same matters as are relevant to the approval of a proposed *model standing offer* to provide *basic connection services* or *standard connection services*.
- (c) The amendment, substitution or revocation of a *model standing offer* takes effect on the date of the *AER*'s approval or a later date fixed by the *AER* in its approval.
- (d) If the *AER* does not approve a proposal submitted under paragraph (a):
 - (1) the *AER* must give the *Distribution Network Service Provider* written reasons for its decision; and
 - (2) the *Distribution Network Service Provider* may re-submit the proposal with appropriate amendments.
- (e) The amendment, substitution or revocation of a *model standing offer* does not affect the validity or effect of:
 - (1) a *connection offer* made before the amendment, substitution or revocation takes effect; or
 - (2) a *connection contract* formed on the basis of such an offer.
- (f) The *AER* must deal expeditiously with a proposal for the amendment, substitution or revocation of a *model standing offer*.
- (g) If the *AER*, after making a distribution determination, considers that an existing *model standing offer* to provide *basic connection services* or *standard connection services* may be inconsistent with the *Distribution Network Service Provider*'s distribution determination (including the *connection policy*), the *AER* may require the *Distribution Network Service Provider* to submit a proposal under paragraph (a) to bring the *model standing offer* into consistency with the distribution determination.

5A.B.7 Publication of model standing offers

A *Distribution Network Service Provider* must publish, on its website, each of its *model standing offers* to provide *basic connection services* or *standard connection services*.

5A.B.8 Adoption of AER Publication of model standing offers

- (a) An *Embedded Network Service Provider* may notify the *AER* that it adopts as the *model standing offer* for a class (or subclass) of *basic connection services* a *model standing offer* published by the *AER* in the *embedded network connection policy*, as amended by the *AER* from time to time and subject to alterations, omissions or additions permitted by the *embedded network connection policy*.
- (b) An *Embedded Network Service Provider* who has given a notice under paragraph (a) may at any time submit to the *AER* for approval a proposed *model standing offer* under clause 5A.B.2(a) for a class (or subclass) of *basic connection services* which, if approved by the *AER* under Division 1 of this Part, will replace the *model standing offer* for that class (or subclass) of *basic connection services* adopted under paragraph (a).

Part C Negotiated connection

5A.C.1 Negotiation of connection

- (a) A *connection applicant* and a *Distribution Network Service Provider* may negotiate a *connection contract* (a **negotiated connection contract**):
 - (1) where the *connection service* sought by the *connection applicant* is neither a *basic connection service* nor a *standard connection service*; or
 - (2) where the *connection service* sought by the *connection applicant* is a *basic connection service* or a *standard connection service* but the *connection applicant* elects to negotiate the terms and conditions on which the *connection service* is to be provided.
- (b) The negotiations may, if the *connection applicant* elects, extend to *supply services* available from the *Distribution Network Service Provider*.
- (c) This Part sets out the requirements for negotiation referred to in the *NERL*.
- (d) When reading this Part in the context of the *NERL*:
 - (1) a reference to a *connection applicant* in this Part corresponds to a reference to a *customer* in the *NERL*; and
 - (2) a reference to a *Distribution Network Service Provider* in this Part corresponds to a reference to a distributor in the *NERL*; and
 - (3) this Part will be read subject to any further adaptations and modifications necessary to give effect to the intent of the *NERL*.
- (e) If, but for this paragraph, a contract negotiable under this Part, or parts or aspects of such a contract, would also be negotiable under Chapter 6, this Part applies to the exclusion of the relevant provisions of Chapter 6.

5A.C.2 Process of negotiation

A *Distribution Network Service Provider* and a *connection applicant* for a negotiated *connection contract* must negotiate in accordance with the negotiation framework set out in clause 5A.C.3.

5A.C.3 Negotiation framework

(a) The following rules (collectively described as the **negotiation framework**) govern negotiations between a *Distribution Network Service Provider* and a *connection applicant*:

- (1) each party must negotiate in good faith.
- (2) the *connection applicant* must, at the request of the *Distribution Network Service Provider*, provide the *Distribution Network Service Provider* with information it reasonably requires in order to negotiate on an informed basis.

Note

The information might (for example) include estimates of average and *maximum demand* for electricity to be *supplied* through the *connection*.

- (3) the *Distribution Network Service Provider* must provide the *connection applicant* with information the *connection applicant* reasonably requires in order to negotiate on an informed basis including:
 - (i) an estimate of the amount to be charged by the *Distribution Network Service Provider* for assessment of the application and the making of a connection offer for a negotiated *connection contract*; and
 - (ii) an estimate of *connection charges*; and
 - (iii) a statement of the basis on which *connection charges* are calculated; and
 - (iv) if the *connection applicant* has elected to extend the negotiations to *supply services*— an estimate of any applicable charges for *supply services* and a statement of the basis of their calculation.

Note

The *Distribution Network Service Provider* might, according to the circumstances of a particular case, need to provide further information to ensure the *connection applicant* is properly informed – for example, information about:

- technical and safety requirements;
- the types of *connection* that are technically feasible;
- *network capacity* at the proposed *connection point*;
- possible strategies to reduce the cost of the *connection*.

- (4) the *Distribution Network Service Provider* may consult with other users of the *distribution network* who may be adversely affected by the proposed *new connection* or *connection alteration*.
- (5) in assessing the application, the *Distribution Network Service Provider* must determine:

- (i) the technical requirements for the proposed *new connection* or *connection alteration*; and
 - (ii) the extent and costs of any necessary *augmentation* of the *distribution system*; and
 - (iii) any consequent *change* in charges for *distribution use of system* services; and
 - (iv) any possible material effect of the proposed *new connection* or *connection alteration* on the *network power transfer capability* of the *distribution network* to which the *new connection* or *connection alteration* is proposed to be made and any other *distribution network* that might be affected by the proposed *new connection* or *connection alteration*.
- (6) the *Distribution Network Service Provider* must make reasonable endeavours to make a *connection offer* that complies with the *connection applicant's* reasonable requirements.

Example

Reasonable requirements as to the location of the proposed *connection point* or the level and standard of the *distribution network's power transfer capability*.

- (7) the *Distribution Network Service Provider* must comply with its *connection policy*.
- (b) The following supplementary rules apply:
- (1) if a *Distribution Network Service Provider* requires information from a *connection applicant* in addition to the information provided in the application, a request for the additional information under paragraph (a)(2) must (if practicable) be made within 20 *business days* after the *Distribution Network Service Provider* receives the relevant application;
 - (2) the *Distribution Network Service Provider* must provide the information required under paragraph (a)(3) as soon as practicable after the *Distribution Network Service Provider* receives the *connection applicant's* application or, if the *Distribution Network Service Provider* requests additional information under paragraph (a)(2), as soon as practicable after the *Distribution Network Service Provider* receives the relevant information.
- (c) Each party to the negotiations must maintain the confidentiality of *confidential information* disclosed by the other party in the course of the negotiations unless disclosure of the information is authorised:
- (1) by the party to whom the duty of confidentiality is owed; or
 - (2) under:
 - (i) the Law or the Rules; or
 - (ii) any other law.

5A.C.4 Fee to cover cost of negotiation

- (a) A *Distribution Network Service Provider* may charge a *connection applicant* for a negotiated *connection contract* a reasonable fee to cover expenses directly and reasonably incurred by the *Distribution Network Service Provider* in assessing the applicant's application and making a *connection offer*.
- (b) A fee charged under paragraph (a) is recoverable as a debt (whether or not the *connection applicant* accepts the *connection offer*).

Part D Application for connection service

Division 1 Information

5A.D.1 Publication of information

- (a) A *Distribution Network Service Provider* must publish on its website the following:
 - (1) an application form for a *new connection* or a *connection alteration*; and
 - (2) a description of how an application for a *new connection* or a *connection alteration* is to be made (including a statement of the information required for the application); and
 - (3) a description of the *Distribution Network Service Provider's basic connection services* and *standard connection services* and the classes (or subclasses) of *retail customer* to which they apply. If the *Distribution Network Service Provider* does not provide *standard connection services* for all or some *non-registered embedded generators*~~*non-registered embedded generators*~~, a clear statement to this effect must also be included in the description; and
 - (4) an explanation of the *connection applicant's* right to negotiate with the *Distribution Network Service Provider* for a negotiated *connection contract* and a description of the negotiation process; and
 - (5) the requirements for an expedited *connection*; and
 - (6) the basis for calculation of *connection charges*; and
 - (7) information set out in clause 5.3A.3(b)(1)(vii), (2)-(7) as such information relates to the *connection of embedded generating units* by a *non-registered embedded generator*; and
 - (8) if the *Distribution Network Service Provider* is an *Embedded Network Service Provider*, contact details for the *local embedded network retailer* for its *embedded network* and information about customers' rights to choose a *retailer* other than the *local embedded network retailer*.
- (b) To the extent a *Distribution Network Service Provider* has provided the information required under paragraph (a)(7) by including that information in its information pack *published* under clause 5.3A.3(a)(3), it will be taken to have complied with paragraph (a)(7).

5A.D.1A Register of completed embedded generation projects

- (a) For the purposes of this clause 5A.D.1A:
- completed non-registered embedded generation projects** means all *embedded generating units*, operated or controlled by a *non-registered embedded generator* ~~*non-registered embedded generator*~~ that are *connected* to the *Distribution Network Service Provider's network*.
- DAPR date** means:
- (1) subject to paragraph (2), the DAPR date as ~~has the same meaning as defined~~ in clause 5.13.2; and
- (2) in the case of an *Embedded Network Service Provider*, 31 December.
- (b) In relation to completed non-registered embedded generation projects, a *Distribution Network Service Provider* must establish and *publish*, on its website, a register of the *plant*, including but not limited to:
- (1) technology of *generating unit* (e.g. *synchronous generating unit*, *induction generator*, *photovoltaic array*, etc) and its make and model;
 - (2) maximum power generation capacity of all *embedded generating units* comprised in the relevant *generating system*;
 - (3) contribution to fault levels;
 - (4) the size and rating of the relevant *transformer*;
 - (5) a single line diagram of the *connection* arrangement;
 - (6) *protection systems* and communication systems;
 - (7) *voltage control*, *power factor control* and/or *reactive power capability* (where relevant); and
 - (8) details specific to the location of a *facility connected to the network* that are relevant to any of the details in subparagraphs (1)-(7).
- (c) The *Distribution Network Service Provider* must not *publish confidential information* as part of, or in connection with, the register, unless disclosure of the information is authorised:
- (1) by the party to whom the duty of confidentiality is owed; or
 - (2) under:
 - (i) the *National Electricity Law* or the *Rules*; or
 - (ii) any other law.
- (d) The *Distribution Network Service Provider* must:
- (1) by the DAPR date each year, include in the register the details contained in paragraph (b) for all completed non-registered embedded generation projects since the date the register referred to in paragraph (b) is established; and
 - (2) in the fifth year after the establishment of the register, and in each year thereafter, update the register by the DAPR date with details of all completed non-registered embedded generation projects in the 5 year period preceding the DAPR date.

- (e) To the extent a *Distribution Network Service Provider* includes the information required under paragraphs (b) and (d) in its register established under clause 5.4.5, it will be taken to have complied with paragraphs (b) and (d).
- (f) An *Embedded Network Service Provider* is only required to publish a register under paragraph (b) and maintain the register under paragraph (d) if it has one or more completed non-registered embedded generation projects connected to its embedded network.

Division 2 Preliminary enquiry

5A.D.2 Preliminary enquiry

- (a) A *Distribution Network Service Provider* must, within 5 business days after receiving an *enquiry* about a *connection service* (or some other period agreed between the *Distribution Network Service Provider* and the enquirer), provide the enquirer with the information required to make an informed application.
- (b) The information must include:
 - (1) a description of the *Distribution Network Service Provider's* basic and *standard connection services* and the terms and conditions of the *model standing offers* to provide such services (including possible costs); and
 - (2) a description of the process, including a statement of the information required, for submission of a *connection application* including an application for an expedited *connection*; and
 - (3) a statement of possible site inspection charges; and
 - (4) a statement of a *connection applicant's* right to negotiate the terms of a *connection contract* and a description of the relevant process (including the types of possible costs and expenses); and
 - (5) an indication of whether any aspects of the proposed *connection* are likely to be *contestable*; and
 - (6) any additional information reasonably required by the enquirer.
- (c) A *Distribution Network Service Provider* that publishes any of the above information on its website complies with its obligation to disclose information under this clause if it refers the enquirer to the relevant part of the website.

Exception:

If the enquirer asks for a written reply to the *enquiry* or asks for specific advice about the enquirer's particular situation, the *Distribution Network Service Provider* must reply to the *enquiry* as soon as reasonably practicable and in writing if requested.
- (d) If an *enquiry* is made to a *Distribution Network Service Provider* about a *connection* within the area of another *Distribution Network Service Provider*, the *Distribution Network Service Provider*:

- (1) must inform the enquirer of the identity, and contact details, of the responsible *Distribution Network Service Provider*; and
- (2) on doing so, is released from further obligations in relation to the *enquiry*.

Division 3 Applications

5A.D.3 Application process

- (a) An application for a *connection service* must be in the appropriate form determined by the *Distribution Network Service Provider*.
- (b) An application for a *connection service* may be made by:
 - (1) a *retail customer* for whom the *connection service* is sought; or
 - (2) a *retailer* or other person acting on behalf of a *retail customer*; or
 - (3) a *real estate developer* who seeks *connection services* for premises comprised in a *real estate development*.
- (c) If an application for a *connection service* has been made in error to the wrong *Distribution Network Service Provider*, that *Distribution Network Service Provider*:
 - (1) must inform the *connection applicant* of the identity, and contact details, of the responsible *Distribution Network Service Provider*; and
 - (2) on doing so, is released from further obligations in relation to the application.
- (d) If an application is incomplete in a *material* respect, the *Distribution Network Service Provider* must advise the applicant of the deficiency and may require the *connection applicant* to complete the application and re-submit it.
- (e) If the *Distribution Network Service Provider* reasonably requires additional information to assess the application, it may require the *connection applicant* to provide the necessary information.
- (f) The *Distribution Network Service Provider* must, within 10 *business days* after receipt of a complete application for a *connection service* or if the *connection applicant* is required to provide additional information under paragraph (e), within 10 *business days* after receipt of the information, (or some other period agreed between the *Distribution Network Service Provider* and the *connection applicant*):
 - (1) subject to any statements made on its website under clause 5A.D.1(a)(3), advise the *connection applicant* whether the proposed *connection service* is a *basic connection service*, a *standard connection service* or neither; and
 - (2) if;
 - (i) the *connection service* is neither a *basic connection service* nor a *standard connection service*; or

- (ii) the *connection applicant* elects to have a negotiated *connection contract* even though the proposed *connection service* is a basic or *standard connection service*;

advise the *connection applicant* of the negotiated *connection* process and of possible costs and expenses related to the negotiations.

- (g) A single application may relate to multiple *connection services* of the same or different kinds.

5A.D.4 Site inspection

If a *Distribution Network Service Provider* reasonably needs to make a site inspection in order to determine the nature of a *connection service* sought by a *connection applicant*, the *Distribution Network Service Provider* may charge its reasonable expenses to the *connection applicant* and recover those expenses as a debt.

Part E Connection charges

5A.E.1 Connection charge principles

- (a) This clause states the *connection charge principles* for distribution systems other than embedded networks.

Note

For embedded networks, refer to clause 5A.E.3B.

- (b) A *retail customer* (other than a *non-registered embedded generator* or a *real estate developer*) who applies for a *connection service* for which an *augmentation* is required cannot be required to make a capital contribution towards the cost of the *augmentation* (insofar as it involves more than an *extension*) if:

- (1) the application is for a *basic connection service*; or
- (2) a relevant threshold set in the *Distribution Network Service Provider's connection policy* is not exceeded.

Note

In general, the intention is to exclude deep system *augmentation* charges for *retail customers*.

- (c) Subject to paragraph (b), in determining *connection charges* in accordance with its *connection policy*, a *Distribution Network Service Provider* (other than an Embedded Network Service Provider) must apply the following principles:

- (1) if an *extension* to the *distribution network* is necessary in order to provide a *connection service*, *connection charges* for the service may include a reasonable capital contribution towards the cost of the *extension* necessary to provide the service;
- (2) if *augmentation* of *premises connection assets* at the *retail customer's connection point* is necessary in order to provide a *connection service*, *connection charges* for the service may include a reasonable capital contribution towards the cost of the *augmentation* of *premises*

- connection assets* at the *connection point* necessary to provide the service;
- (3) if *augmentation* of the *distribution system* is necessary in order to provide a *standard connection service*, *connection charges* for the service may include a reasonable capital contribution towards the cost of the *augmentation* necessary to provide the service;
 - (4) if *augmentation* of the *distribution system* is necessary in order to provide a *connection service* under a negotiated *connection contract*, *connection charges* for the service may, subject to any agreement to the contrary, include a reasonable capital contribution towards the cost of *augmentation* of the *distribution system* to the extent necessary to provide the service and to any further extent that a prudent service provider would consider necessary to provide efficiently for forecast *load growth*;
 - (5) despite subparagraphs (1) to (4) if *augmentation* of the *distribution system* is necessary in order to provide, on the application of a *real estate developer*, *connection services* for premises comprised in a *real estate development*, *connection charges* for the services may, subject to any agreement to the contrary, include a reasonable capital contribution towards the cost of *augmentation* of the *distribution system* to the extent necessary to provide the services and to any further extent that a prudent service provider would consider necessary to provide efficiently for forecast *load growth*;
 - (6) however, a capital contribution may only be required in the circumstances described in subparagraphs (1) to (5) if provision for the costs has not already been made through existing *distribution use of system* charges or a tariff applicable to the *connection*.
- (d) If:
- (1) a *connection asset* ceases, within 7 years after its construction or installation, to be dedicated to the exclusive use of the *retail customer* occupying particular premises; and
 - (2) the *retail customer* is entitled, in accordance with the *connection charge guidelines*, to a refund of *connection charges*;
- the *Distribution Network Service Provider* must make the refund, and may recover the amount of the refund, by way of a *connection charge*, from the new users of the asset.
- (e) For the purposes of paragraph (d), a person is taken to be a new user of a *connection asset* if the asset comes to be used to provide a *connection* to that person's premises
 - (f) For the purposes of this clause capital contribution includes a prepayment or financial guarantee.

5A.E.2 Itemised statement of connection charges

A *connection offer* must be accompanied by a schedule containing an itemised statement of *connection* costs including (so far as relevant) the following:

- (a) applicable *connection charges*;
- (b) cost of *network extension*;
- (c) details of upstream *augmentation* required to provide the *connection service* and associated cost;
- (d) any other incidental costs and the basis of their calculation including, if relevant, costs of minor deviation from the standard specification for a *basic connection service* or a *standard connection service* (as the case may require).

5A.E.3 Connection charge guidelines

- (a) The AER must develop and *publish* guidelines (***connection charge guidelines***) for the development of *connection policies* by *Distribution Network Service Providers* other than *Embedded Network Service Providers*.

Note

For *embedded networks*, refer to clause 5A.E.3B.

- (b) The purpose of the guidelines is to ensure that *connection charges*:
 - (1) are reasonable, taking into account the efficient costs of providing the *connection services* arising from the *new connection* or *connection alteration* and the revenue a prudent operator in the circumstances of the relevant *Distribution Network Service Provider* would require to provide those *connection services*; and
 - (2) provide, without undue administrative cost, a user-pays signal to reflect the efficient cost of providing the *connection services*; and
 - (3) limit cross-subsidisation of *connection* costs between different classes (or subclasses) of *retail customer*; and
 - (4) if the *connection services* are *contestable* – are competitively neutral.
- (c) The guidelines must:
 - (1) describe the method for determining charges for *premises connection assets*; and
 - (2) describe the circumstances (or how to determine the circumstances) under which a *Distribution Network Service Provider* may receive a capital contribution, prepayment or financial guarantee from a *retail customer* or *real estate developer* for the provision of a *connection service*; and
 - (3) describe how the amount of any such capital contribution, prepayment or financial guarantee is to be determined; and
 - (4) establish principles for fixing a threshold (based on capacity or any other measure the AER thinks fit) below which *retail customers* (not being a *non-registered embedded generator* or a *real estate developer*) are exempt from any requirement to pay *connection charges* (or to give consideration in the form of a capital contribution, prepayment or financial guarantee) for an *augmentation* (other than an *extension*) to the *distribution network* necessary to make the *connection*; and

- (5) describe the methods for calculating the *augmentation* component for the *connection assets* and, if the *augmentation* consists of or includes an *extension*, the *extension* component of a *connection charge*; and
- (6) describe the method for calculating:
 - (i) the amount of a refund of *connection charges* for a *connection asset* when an *extension* asset originally installed to *connect* the premises of a single *retail customer* is used, within 7 years of its installation, to *connect* other premises and thus comes to be used for the benefit of 2 or more *retail customers*; and
 - (ii) the threshold below which the refund is not payable; and
- (7) describe the treatment of *augmentation* assets.
- (d) The principles for establishing an exemption under paragraph (c)(4) must ensure that the exemption only operates in the following circumstances:
 - (1) the *connection* is a low voltage *connection*; and
 - (2) the *connection* would not normally require *augmentation* of the *network* beyond the *extension* to the *distribution network* necessary to make the *connection*; and
 - (3) the *connection* is not expected to increase the *load* on the *distribution network* beyond a level the *Distribution Network Service Provider* could reasonably be expected to cope with in the ordinary course of managing the *distribution network*.
- (e) In developing the guidelines, the *AER* must have regard to:
 - (1) historical and geographical differences between *networks*; and
 - (2) inter-jurisdictional differences related to regulatory control mechanisms, classification of services and other relevant matters; and
 - (3) the circumstances in which *connection services* may be provided by persons other than *Distribution Network Service Providers* (and are therefore *contestable*).
- (f) In developing guidelines dealing with the method for calculating the amount of a refund of *connection charges* paid before a *connection asset* becomes a shared asset, the *AER* must have regard to:
 - (1) the *Distribution Network Service Provider's* obligation to make the refund; and
 - (2) future projections of *distribution network* expansion and usage and any consequent effect on the *Distribution Network Service Provider's* capacity to finance the acquisition of *augmentation* assets out of increased revenue; and
 - (3) the fact that the *Distribution Network Service Provider's* obligation to make the refund will expire after 7 years.
- (g) In developing guidelines under this clause, the *AER* must act in accordance with the *distribution consultation procedures*.

5A.E.3A Preparation of, and requirements for, connection policy

(a) A Distribution Network Service Provider (other than an Embedded Network Service Provider) must prepare a document (its proposed connection policy) setting out the circumstances in which it may require a retail customer or real estate developer to pay a connection charge, for the provision of a connection service under this Chapter.

(b) The proposed connection policy:

(1) must be consistent with:

- (i) the connection charge principles; and
- (ii) the connection charge guidelines; and

(2) must specify:

- (i) the categories of persons that may be required to pay a connection charge and the circumstances in which such a requirement may be imposed; and
- (ii) the aspects of a connection service for which a connection charge may be made; and

Example

The Distribution Network Service Provider might (for example) make separate connection charges for the provision of a distribution connection asset and for making a necessary extension to, or other augmentation of, the distribution network.

- (iii) the basis on which connection charges are determined; and
- (iv) the manner in which connection charges are to be paid (or equivalent consideration is to be given); and

Examples

The payment (or equivalent consideration) might take the form of a capital contribution, prepayment or financial guarantee.

- (v) a threshold (based on capacity or any other measure identified in the connection charge guidelines) below which a retail customer (not being a non-registered embedded generator or a real estate developer) will not be liable for a connection charge for an augmentation other than an extension.

5A.E.3B Embedded network connection policy

(a) The AER must develop and publish and may amend an embedded network connection policy that sets out for embedded networks:

- (1) the circumstances in which connection charges are payable and the basis for determining the amount of such charges and other relevant matters determined by the AER in accordance with this clause; and
- (2) one or more forms of model standing offer that may be adopted by an Embedded Network Service Provider under clause 5A.B.8.

(b) In developing and amending the embedded network connection policy, the AER must comply with the Rules consultation procedures.

- (c) The *embedded network connection policy* must:
- (1) in specifying the circumstances in which *connection charges* are payable to an *Embedded Network Service Provider*, include:
 - (i) the categories of persons that may be required to pay a *connection charge* and the circumstances in which such a requirement may be imposed;
 - (ii) the aspects of a *connection service* for which a *connection charge* may be made; and
 - (iii) a threshold (based on capacity or any other measure identified in the *embedded network connection policy*) below which a *retail customer* (not being a *non-registered embedded generator* or a *real estate developer*) will not be liable for a *connection charge* for an *augmentation* other than an *extension*, which must be set in a manner consistent with the applicable principles in the *connection charge guidelines*;
 - (2) in setting out the basis for determining *connection charges*:
 - (i) give effect to the principles in paragraphs (d) and (e); and
 - (ii) subject to subparagraph (i), be consistent with the *connection charge principles* in clause 5A.E.1 (c);
 - (3) set out the manner in which *connection charges* are to be paid (or equivalent consideration is to be given);
 - (4) include a scheme for refunds of *connection charges* consistent with clauses 5A.E.1(d) and (e) and clause 5A.E.3(c)(6); and
 - (5) in setting out one or more forms of model standing offer to provide *basic connection services* for an *embedded network*:
 - (i) provide guidance on the circumstances in which each form of model standing offer may be used; and
 - (ii) specify the permitted alterations, omissions or additions that may be made by the *Embedded Network Service Provider* to the form of model standing offer if it is adopted under clause 5A.B.8.
- (d) *Connection charges* for the provision of *connection services* for an *embedded network* must:
- (1) be reasonable, taking into account the efficient costs of providing the *connection services* arising from the *new connection* or *connection alteration* and the revenue a prudent operator in the circumstances of the *Local Network Service Provider* for the *embedded network* would require to provide those *connection services*; and
 - (2) provide, without undue administrative cost, a user-pays signal to reflect the efficient cost of providing the *connection services*; and
 - (3) limit cross-subsidisation of *connection costs* between different classes (or subclasses) of *retail customer*; and
 - (4) if the *connection services* are *contestable* – be competitively neutral.

(e) A retail customer (other than a non-registered embedded generator or a real estate developer) who applies for a connection service for which an augmentation is required (whether on the embedded network or another network to or through which the embedded network is connected) cannot be required to make a capital contribution towards the cost of the augmentation (insofar as it involves more than an extension) if:

- (1) the application is for a basic connection service; or
- (2) a relevant threshold set in the embedded network connection policy is not exceeded; or
- (3) where the augmentation relates to a parent connection point for the embedded network or any other embedded network through which it is connected, a relevant threshold set in the connection policy of the Distribution Network Service Provider is not exceeded.

Note

In general, the intention is to exclude deep system augmentation charges for retail customers.

(f) In developing the embedded network connection policy, the AER must have regard to the following:

- (1) the connection charge guidelines, to the extent applicable to embedded networks;
- (2) the principles in clauses 5A.E.3(d) and (f), to the extent applicable to embedded networks;
- (3) historical and geographical differences between embedded networks and differences between the customers they serve; and
- (4) the circumstances in which connection services may be provided by persons other than Embedded Network Service Providers (and are therefore contestable).

(g) The embedded network connection policy may be made so as to vary according to the persons, times, places or circumstances in which the policy applies.

(h) For the purposes of this clause capital contribution includes a prepayment or financial guarantee.

(i) An Embedded Network Service Provider must comply with the embedded network connection policy in relation to connection charges for a connection service for its embedded network.

Note

The AEMC proposes to recommend that paragraph (i) be classified as a civil penalty provision.

Note

An Embedded Network Service Provider may adopt a form of model standing offer in the embedded network connection policy under clause 5A.B.8 or may submit a proposed model standing offer for approval under Division 1 of Part B of this Chapter.

5A.E.4 Payment of connection charges

- (a) *Connection charges* payable in respect of a *connection service* must be paid to the *Distribution Network Service Provider* by the *retail customer's -retailer* unless:
 - (1) the *retailer* did not apply for the *connection service* and the *Distribution Network Service Provider* has notified the *retail customer* that the *retail customer* must pay the *connection charge* directly; or
 - (2) the *retail customer* asks to pay the *connection charge* directly and the *Distribution Network Service Provider* agrees; or
 - (3) the *Distribution Network Service Provider* and the *retailer* agree that the *Distribution Network Service Provider* is to recover the *connection charge* from the *retail customer*.
- (b) If the *retail customer* pays, or is required to pay, a *connection charge* directly to a *Distribution Network Service Provider* under paragraph (a), the *Distribution Network Service Provider* must not recover that charge from the *retail customer's -retailer*.
- (c) The *Distribution Network Service Provider* must separately identify each *connection charge* on the statement or invoice to the *retailer*.

Note

Rule 25 of the *National Energy Retail Rules* requires the listing of *connection charges* that are passed through by a *retailer* to a retail customer in the customer's bill.

Part F Formation and integration of connection contracts

Division 1 Offer and acceptance – basic and standard connection services

5A.F.1 Distribution Network Service Provider's response to application

- (a) If the *connection service* sought by a *connection applicant* is a *basic connection service* or a *standard connection service* (and the applicant does not elect to apply for a negotiated *connection contract*), the *Distribution Network Service Provider* must make a *connection offer* to the applicant within:
 - (1) 10 *business days* after receiving a properly completed application for the service and the additional information (if any) reasonably required under clause 5A.D.3(e); or
 - (2) some other period agreed between the *Distribution Network Service Provider* and the *connection applicant*.
- (b) The *connection offer* must be in accordance with the relevant *model standing offer* and must include:
 - (1) the date of the offer; and
 - (2) details of the *connection service* to be provided; and
 - (3) a statement of the *connection charges* payable by the *connection applicant*.

5A.F.2 Acceptance of connection offer

- (a) A *connection offer* to provide a *basic connection service* or *standard connection service* remains open for acceptance for 45 *business days* from the date of the offer and, if not accepted within that period, lapses unless the period for acceptance is extended by agreement between the *connection applicant* and the *Distribution Network Service Provider*.
- (b) This clause does not apply if the *connection application* is for an expedited *connection*.

5A.F.3 Offer and acceptance—application for expedited connection

- (a) If:
 - (1) a *connection applicant* requests an expedited *connection* in the *connection application*; and
 - (2) the *Distribution Network Service Provider* is satisfied that the *connection application* is for a *basic connection service* or *standard connection service* that falls within the terms of the relevant *model standing offer*; and
 - (3) the *connection applicant* indicates in the *connection application* that a *connection offer* in terms of the relevant *model standing offer* would be acceptable to the applicant,the *Distribution Network Service Provider* is taken to have made, and the *connection applicant* is taken to have accepted, a *connection offer* in terms of the relevant *model standing offer* on the date the *Distribution Network Service Provider* receives the application.
- (b) If a *connection applicant* applies for an expedited *connection* but the *Distribution Network Service Provider* does not agree that an offer in terms of any *model standing offer* is appropriate, the *Distribution Network Service Provider* must notify the *connection applicant* accordingly and draw the applicant's attention to the provisions of these *Rules* dealing with negotiated *connection*.

Division 2 Offer and acceptance – negotiated connection

5A.F.4 Negotiated connection offer

- (a) A *Distribution Network Service Provider* must use its best endeavours to make a negotiated *connection offer* to the *connection applicant* within 65 *business days* after the date of the application for *connection* (but the *time* taken by the applicant to provide information reasonably sought by the *Distribution Network Service Provider* under clause 5A.C.3(a)(2) will not be counted).
- (b) A negotiated *connection offer*:
 - (1) must be in the form of an offer to enter into a contract in specified terms; and
 - (2) must comply with the minimum requirements set out in Schedule 5A.1.

- (c) If the *connection applicant* elected to extend the negotiations to *supply services*, the *connection offer* must contain terms and conditions relating to the *supply services*.
- (d) A negotiated *connection offer* must not include a *connection charge* that is inconsistent with the *Distribution Network Service Provider's connection policy*.
- (e) A negotiated *connection offer* remains open for acceptance for 20 *business days* from the date of the offer and then lapses unless the period for acceptance is extended by agreement between the *Distribution Network Service Provider* and the *connection applicant*.

Division 3 Formation of contract

5A.F.5 Acceptance of connection offer

- (a) If a *connection offer* to provide a *connection service* is accepted, the terms and conditions of the *connection offer*:
 - (1) become terms and conditions of a *connection contract* formed between the *Distribution Network Service Provider* and the *connection applicant*; and
 - (2) subject to rule 5A.F.6, are enforceable accordingly.
- (b) The *Distribution Network Service Provider* must, at the request of a *connection applicant*, provide a copy of:
 - (1) the contract formed under paragraph (a); or
 - (2) if that contract has been integrated with, and forms part of, a *customer connection contract* arising under the *NERL*—the integrated contract.

Division 4 Contractual performance

5A.F.6 Carrying out connection work

- (a) A *Distribution Network Service Provider* must use its best endeavours to ensure that *connection work* is carried out within the applicable *time limits* fixed by the relevant provisions of the *connection contract*.
- (b) However, a *Distribution Network Service Provider* is not obliged to commence or continue with *connection work* if the *connection applicant* fails to comply with conditions that are to be complied with by the *connection applicant*.

Examples

The *connection applicant* fails to pay *connection charges*.

The *connection applicant* fails to comply with technical or safety requirements.

The *connection applicant* fails to complete work that is to be carried out on the *connection applicant's* premises.

The *connection applicant* fails to comply with the *Distribution Network Service Provider's* reasonable request to allow the *Distribution Network Service Provider* safe and unhindered access to the applicant's premises.

5A.F.7 Retailer required for energisation where new connection

A *Distribution Network Service Provider* is not required to *energise* a *new connection* unless a request to *energise* the *new connection* is submitted by a *retailer*, or the *Distribution Network Service Provider* is otherwise satisfied that there is a relevant contract with a *retailer* in relation to the premises.

Part G Dispute resolution between Distribution Network Service Providers and customers

5A.G.1 Relevant disputes

(a) In this Part:

customer means:

- (a) a *retail customer*; or
- (b) a *real estate developer*.

relevant dispute means:

- (1) a dispute between a *Distribution Network Service Provider* and a customer about:
 - (i) the terms and conditions on which a *basic connection service* or a *standard connection service* is to be provided; or
 - (ii) the proposed or actual terms and conditions of a negotiated *connection contract*; or
 - (2) a dispute between a *Distribution Network Service Provider* and a customer about *connection charges*.
- (b) A relevant dispute is an access dispute for the purposes of section 2A of the Law.

5A.G.2 Determination of dispute

- (a) In determining a relevant dispute, the *AER* must (so far as applicable) give effect to:
 - (1) the relevant *connection policy*; and
 - (2) a relevant *model standing offer* to provide a basic or *standard connection service*; and
 - (3) this Chapter and any other *applicable regulatory instrument*.
- (b) In determining a relevant dispute, the *AER* may also:
 - (1) have regard to other matters the *AER* considers relevant; and
 - (2) hear evidence or receive submissions from the *Distribution Network Service Provider* and the customer; and
 - (3) if the dispute relates to a negotiated *connection contract* – have regard to the negotiation framework set out in clause 5A.C.3.

5A.G.3 Termination of proceedings

- (a) If the *AER* considers that a relevant dispute could be effectively resolved by some means other than an access determination, the *AER* may give the parties to the dispute notice of the alternative means of resolving the dispute.

Example

The *AER* might give such a notice if of the opinion that a particular dispute could be dealt with more efficiently, and with less expense, by a jurisdictional ombudsman.

- (b) The giving of such a notice is a specified dispute termination circumstance for the purposes of section 131(3) of the Law.

Note

It follows that the *AER* may exercise its power to terminate the dispute without making an access determination (See section 131(1)(d) of the Law).

SCHEDULE 5A.1 – Minimum content requirements for connection contract

Part A Connection offer not involving embedded generation

- (a) A *connection offer* must contain:
 - (1) a provision stating that a *connection contract* will be formed, and will come into operation, on acceptance of the *connection offer*; and
 - (2) details of the *connection point*, the maximum capacity of the *connection*, and the *connection assets* required at the *connection point*; and
 - (3) details of the *premises connection assets* and additional equipment to be installed on the premises and responsibility for undertaking the work; and
 - (4) details of any *distribution network extension* or other *augmentation* required for the purposes of the *connection*; and
 - (5) an undertaking to complete the work required to establish the *connection* within a specified *time frame*; and
 - (6) a requirement that the *retail customer* have appropriate metering installed ; and
 - (7) the relevant technical and safety obligations to be met by the *retail customer* relating to the installation; and
 - (8) the *retail customer's* obligation to allow access to the premises by the *Distribution Network Service Provider's* agents, contractors and employees; and
 - (9) the *retail customer's* obligation to accommodate on its premises, and protect from harm, any equipment necessary for the *connection*; and
 - (10) details of the *retail customer's* monetary obligations including billing arrangements and any security to be provided by the *retail customer*; and

- (11) details of the *Distribution Network Service Provider's* monetary obligations (if any) to the *retail customer*; and
 - (12) a provision requiring the *Distribution Network Service Provider* to provide information about the *connection* to the *retail customer*; and
 - (13) provision for amendment of the *connection contract* by agreement between the *Distribution Network Service Provider* and the *retail customer*.
- (b) A *connection offer* that relates to *supply services* must also deal with:
- (1) the *Distribution Network Service Provider's* power to interrupt or reduce the *supply* of electricity to the *connection point*; and
 - (2) warranties and limitations on the *Distribution Network Service Provider's* liability; and
 - (3) *disconnection* and reconnection; and
 - (4) reporting and correction of faults; and
 - (5) dispute resolution; and
 - (6) ongoing *customer* obligations; and
 - (7) termination of the *connection contract*.

Part B Connection offer involving embedded generation

- (a) A *connection offer* to a person who operates, or proposes to operate, an *embedded generating unit* (the **embedded generator**) must contain:
- (1) a provision stating that a *connection contract* will be formed, and will come into operation, on acceptance of the *connection offer*; and
 - (2) details of the *connection point*, the maximum capacity of the *connection* to import and export electricity, and the *embedded generator's* installation required at the *connection point*; and
 - (3) details of the *premises connection assets* and additional equipment to be installed on the premises and responsibility for undertaking the work; and
 - (4) details of any *distribution network extension* or other *augmentation* required for the purposes of the *connection*; and
 - (5) an undertaking to complete the work required to establish the *connection* within a specified *time frame*; and
 - (6) a requirement that the *embedded generator* have appropriate *metering* installed; and
 - (7) the relevant technical and safety obligations to be met by the *embedded generator* relating to the installation; and
 - (8) the *embedded generator's* obligation to allow access to the premises by the *Distribution Network Service Provider's* agents, contractors and employees; and

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- (9) the *embedded generator's* obligation to accommodate on its premises, and protect from harm, any equipment necessary for the *connection*; and
 - (10) details of the *embedded generator's* monetary obligations including billing arrangements and any security to be provided by the *embedded generator*; and
 - (11) details of the *Distribution Network Service Provider's* monetary obligations (if any) to the *embedded generator*; and
 - (12) a provision requiring the *Distribution Network Service Provider* to provide information about the *connection* to the *embedded generator*; and
 - (13) provision for amendment of the *connection contract* by agreement between the *Distribution Network Service Provider* and the *embedded generator*.
- (b) A *connection contract* that relates to *supply services* must also deal with:
- (1) the *Distribution Network Service Provider's* power to interrupt or reduce the *supply* of electricity to the *connection point*; and
 - (2) warranties and limitations on the *Distribution Network Service Provider's* liability; and
 - (3) *disconnection* and reconnection; and
 - (4) reporting and correction of faults; and
 - (5) dispute resolution; and
 - (6) ongoing obligations of the *Distribution Network Service Provider* and the *embedded generator*; and
 - (7) termination of the *connection contract*.

CHAPTER 6

6. Economic Regulation of Distribution Services

Part A Introduction

6.1 Introduction to Chapter 6

6.1.1 AER's regulatory responsibility

The *AER* is responsible, in accordance with this Chapter, for the economic regulation of *distribution services* provided by means of, or in connection with, *distribution systems* that form part of the *national grid*.

6.1.1A [Deleted]

6.1.2 Structure of this Chapter

- (a) This Chapter deals with the classification and economic regulation of *distribution services*.
- (b) It is divided into parts as follows:
 - (1) this Part is introductory;
 - (2) Part B confers power on the *AER* to classify *distribution services*, to determine the forms of control for *distribution services*, and to make distribution determinations;
 - (3) Part C sets out the building block approach to the regulation of services classified as *standard control services*;
 - (4) Part D regulates the prices that may be charged by *Distribution Network Service Providers* for the provision of services classified as *negotiated distribution services*;
 - (4A) Part DA deals with the preparation of, requirements for and approval of, *connection policies*;
 - (5) Part E sets out the procedure and approach for the making of a distribution determination;
 - (6) Part F regulates cost allocation;
 - (7) Part G contains the distribution consultation procedures;
 - (8) Part H deals with ring-fencing;
 - (9) Part I deals with *tariff classes* and tariffs;
 - (10) Part J deals with billing and settlements;
 - (11) Part K deals with prudential requirements, prepayments and capital contributions;
 - (12) Part L deals with dispute resolution;
 - (13) Part M deals with the disclosure of *transmission* and *distribution* charges;
 - (14) Part N provides for services provided by, or in connection with, *dual function assets* to be the subject of distribution determinations; and

- (15) Part O sets out the requirements to prepare *annual benchmarking reports*.

6.1.3 Access to direct control services and negotiated distribution services

- (a) Subject to and in accordance with the *Rules*:
- (1) a person (a ***Service Applicant***) may apply to a *Distribution Network Service Provider* for provision of *direct control services* or *negotiated distribution services*;
 - (2) a *Distribution Network Service Provider* must provide *direct control services* or *negotiated distribution services* (as the case may be) on *terms and conditions of access* as determined under Chapters 4, 5, this Chapter 6 and Chapter 7 of the *Rules*.
- (b) The *terms and conditions of access* are:
- (1) in relation to *negotiated distribution services*:
 - (i) the price of those services (including, if relevant, *access charges*); and
 - (ii) other terms and conditions for the provision of those services;
 - (2) in relation to *direct control services*:
 - (i) the price of those services under the *approved pricing proposal*; and
 - (ii) other terms and conditions for the provision of those services.

6.1.4 Prohibition of DUOS charges for the export of energy

- (a) A *Distribution Network Service Provider* must not charge a *Distribution Network User* *distribution use of system charges* for the export of electricity generated by the user into the *distribution network*.
- (b) This does not, however, preclude charges for the provision of *connection services*.

6.1.5 DUOS for embedded networks

- (a) An *Embedded Network Service Provider* must not charge a *Distribution Network User* *distribution use of system charges* for the conveyance of electricity in an *embedded network* unless:
- (1) the *Distribution Network User* is a large customer or a large corporate entity; and
 - (2) the *Distribution Network Service Provider* and *Distribution Network User* have entered into an agreement providing for the payment of those charges by the *Distribution Network User*.
- (b) An *Embedded Network Service Provider* must not charge a *Distribution Network User* *distribution use of system charges* for the export of electricity generated by the user into the *embedded network*.

- (c) Paragraph (a) does not preclude *distribution use of system charges payable by a retailer* in respect of a *Distribution Network User* having a *connection point with the embedded network*.
- (d) Neither paragraph (a) nor (b) precludes charges for the provision of *connection services*.
- (e) In this clause 6.1.5, the term *Distribution Network User* includes an *embedded generator* and a *retail customer* within the meaning of Chapter 5A.

Part B Classification of Distribution Services and Distribution Determinations

6.2 Classification

6.2.1 Classification of distribution services

- (a) The AER may classify a *distribution service* to be provided by a *Distribution Network Service Provider* as:
 - (1) a *direct control service*; or
 - (2) a *negotiated distribution service*.

Note

If the AER decides against classifying a *distribution service*, the service is, subject to Chapter 5A, not regulated under the *Rules*.

- (b) The AER may group *distribution services* together for the purpose of classification and, if it does so, a single classification made for the group applies to each service comprised in the group as if it had been separately classified.
- (c) The AER must, in classifying a *distribution service* or *distribution services*, have regard to:
 - (1) the form of regulation factors; and
 - (2) the form of regulation (if any) previously applicable to the relevant service or services and, in particular, any previous classification under the present system of classification or under the previous regulatory system (as the case requires); and
 - (3) the desirability of consistency in the form of regulation for similar services (both within and beyond the relevant jurisdiction); and
 - (4) any other relevant factor.
- (d) **[Deleted]**
- (e) If the *Rules*, however, require that a particular classification be assigned to a *distribution service* of a specified kind, a *distribution service* of the relevant kind is to be classified in accordance with that requirement.

6.2.2 Classification of direct control services as standard control services or alternative control services

- (a) *Direct control services* are to be further divided into 2 subclasses:

- (1) *standard control services*; and
 - (2) *alternative control services*.
- (b) The *AER* may group *direct control services* together for the purpose of classification and, if it does so, a single classification made for the group applies to each service comprised in the group as if it had been separately classified.
- (c) The *AER* must, in classifying a *direct control service* as a *standard control service* or an *alternative control service*, have regard to:
 - (1) the potential for development of competition in the relevant market and how the classification might influence that potential; and
 - (2) the possible effects of the classification on administrative costs of the *AER*, the *Distribution Network Service Provider* and users or potential users; and
 - (3) the regulatory approach (if any) applicable to the relevant service immediately before the commencement of the distribution determination for which the classification is made; and
 - (4) the desirability of a consistent regulatory approach to similar services (both within and beyond the relevant jurisdiction); and
 - (5) the extent the costs of providing the relevant service are directly attributable to the person to whom the service is provided; and

Example:

In circumstances where a service is provided to a small number of identifiable customers on a discretionary or infrequent basis, and costs can be directly attributed to those customers, it may be more appropriate to classify the service as an alternative control service than as a standard control service.

- (6) any other relevant factor.
- (d) **[Deleted]**
- (e) If the *Rules*, however, require that a *direct control service* of a specified kind be classified either as a *standard control service* or as an *alternative control service*, a *direct control service* of the relevant kind is to be classified in accordance with that requirement.

6.2.3 Term for which classification operates

A classification forms part of a distribution determination and operates for the *regulatory control period* for which the distribution determination is made.

Note:

The classification is to be reviewed in the course of the making of the next distribution determination, and (subject to these Rules) a reclassification may be made for the purposes of that determination.

6.2.3A Distribution Service Classification Guidelines

- (a) The *AER* must, in accordance with the *distribution consultation procedures*, develop, maintain and *publish* guidelines (the *Distribution Service Classification Guidelines*) that set out the approach the *AER* proposes to take when classifying *distribution services* as:

- (1) *direct control services* or *negotiated distribution services* under clause 6.2.1(a); and
 - (2) *standard control services* or *alternative control services* under clause 6.2.2(a).
- (b) The *Distribution Service Classification Guidelines* must set out an explanation of the AER's proposed approach (including worked examples) to:
 - (1) determining whether to classify a *distribution service*;
 - (2) applying the factors set out in:
 - (i) clause 6.2.1(c), when classifying *distribution services* as *direct control services* or *negotiated distribution services*; and
 - (ii) clause 6.2.2(c), when classifying *direct control services* as *standard control services* or *alternative control services*; and
 - (3) distinguishing between *distribution services* (including, but not limited to, those that are classified as *direct control services*) and the operating and capital inputs that are used to provide such services.
- (c) Nothing prevents the AER from *publishing* the *Distribution Service Classification Guidelines* in the same document as another guideline *published* under this Chapter.

6.2.4 Duty of AER to make distribution determinations

- (a) The AER must make a distribution determination for each *Distribution Network Service Provider*.
- (b) When the AER makes a distribution determination it must follow the process set out in Part E.
- (c) If more than one *distribution system* is owned, controlled or operated by a *Distribution Network Service Provider*, then, unless the AER otherwise determines, a separate distribution determination is to be made for each *distribution system*.
- (d) If 2 or more parts of the same *distribution system* were separately regulated at the commencement of this Chapter, then, unless the AER otherwise determines, a separate distribution determination is to be made for each of those parts of the *distribution system*.

6.2.5 Control mechanisms for direct control services

- (a) A distribution determination is to impose controls over the prices of *direct control services*, the revenue to be derived from *direct control services* or both.
- (b) The control mechanism may consist of:
 - (1) a schedule of fixed prices;
 - (2) caps on the prices of individual services;
 - (3) caps on the revenue to be derived from a particular combination of services;
 - (4) tariff basket price control;

- (5) revenue yield control; or
 - (6) a combination of any of the above.
- (c) In deciding on a control mechanism for *standard control services*, the *AER* must have regard to:
 - (1) the need for efficient tariff structures; and
 - (2) the possible effects of the control mechanism on administrative costs of the *AER*, the *Distribution Network Service Provider* and users or potential users; and
 - (3) the regulatory arrangements (if any) applicable to the relevant service immediately before the commencement of the distribution determination; and
 - (4) the desirability of consistency between regulatory arrangements for similar services (both within and beyond the relevant jurisdiction); and
 - (5) any other relevant factor.
- (d) In deciding on a control mechanism for *alternative control services*, the *AER* must have regard to:
 - (1) the potential for development of competition in the relevant market and how the control mechanism might influence that potential; and
 - (2) the possible effects of the control mechanism on administrative costs of the *AER*, the *Distribution Network Service Provider* and users or potential users; and
 - (3) the regulatory arrangements (if any) applicable to the relevant service immediately before the commencement of the distribution determination; and
 - (4) the desirability of consistency between regulatory arrangements for similar services (both within and beyond the relevant jurisdiction); and
 - (5) any other relevant factor.

6.2.6 Basis of control mechanisms for direct control services

- (a) For *standard control services*, the control mechanism must be of the prospective CPI minus X form, or some incentive-based variant of the prospective CPI minus X form, in accordance with Part C.
- (b) For *alternative control services*, the control mechanism must have a basis stated in the distribution determination.
- (c) The control mechanism for *alternative control services* may (but need not) utilise elements of Part C (with or without modification).

Examples:

The control mechanism might be based on the building block approach.

The distribution determination might provide for the application of clause 6.6.1 to pass through events with necessary adaptations and specified modifications.

6.2.7 Negotiated distribution services

Negotiated distribution services are regulated in accordance with Part D.

6.2.8 Guidelines

- (a) The *AER*:
 - (1) must make and *publish* the *Shared Asset Guidelines*, the *Capital Expenditure Incentive Guidelines*, the *Rate of Return Guidelines*, the *Expenditure Forecast Assessment Guidelines*, the *Distribution Confidentiality Guidelines*, the *Distribution Service Classification Guidelines*, the *Asset Exemption Guidelines* and the *Cost Allocation Guidelines* in accordance with these *Rules*; and
 - (2) may, in accordance with the *distribution consultation procedures*, make and *publish* guidelines as to any other matters relevant to this Chapter.
- (b) A guideline may relate to a specified *Distribution Network Service Provider* or *Distribution Network Service Providers* of a specified class.
- (c) Except as otherwise provided in this Chapter, a guideline is not mandatory (and so does not bind the *AER* or anyone else) but, if the *AER*:
 - (1) makes a distribution determination that is not in accordance with the guideline, the *AER* must state, in its reasons for the distribution determination, the reasons for departing from the guideline;
 - (2) makes a decision in respect of an *asset exemption* under clause 6.4B.1(a)(3) or (4) that is not made in accordance with the *Asset Exemption Guidelines*, the *AER* must state, in its reasons for that decision, the reasons for departing from that guideline; and
 - (3) makes a *framework and approach paper* that is not in accordance with the *Distribution Service Classification Guidelines*, the *AER* must state, in the relevant *framework and approach paper*, the reasons for departing from that guideline.
- (d) If a guideline indicates that there may be a change of regulatory approach in future distribution determinations, the guideline should also (if practicable) indicate how transitional issues are to be dealt with.
- (e) Subject to paragraph (f), the *AER* may, from time to time and in accordance with the *distribution consultation procedures*, amend or replace a guideline.
- (f) The *AER* may make administrative or minor amendments to any guideline without complying with the *distribution consultation procedures*.
- (g) This clause 6.2.8 does not apply to the *Distribution Ring-Fencing Guidelines* or the *Distribution Reliability Measures Guidelines*.

Part C Building Block Determinations for standard control services

6.3 Building block determinations

6.3.1 Introduction

- (a) A *building block determination* is a component of a distribution determination.
- (b) The procedure and approach for the making of a *building block determination* is contained in Part E of this Chapter and involves the submission of a *building block proposal* to the AER by the *Distribution Network Service Provider*.
- (c) The *building block proposal*:
 - (1) must be prepared in accordance with the *post-tax revenue model* and other relevant requirements of this Part;
 - (2) must comply with the requirements of, and must contain or be accompanied by the information required by, any relevant *regulatory information instrument*; and
 - (3) must be prepared in accordance with Schedule 6.1.

6.3.2 Contents of building block determination

- (a) A *building block determination* for a *Distribution Network Service Provider* is to specify, for a *regulatory control period*, the following matters:
 - (1) the *Distribution Network Service Provider's annual revenue requirement* for each *regulatory year* of the *regulatory control period*;
 - (2) appropriate methods for the indexation of the regulatory asset base;
 - (3) how any applicable *efficiency benefit sharing scheme*, *capital expenditure sharing scheme*, *service target performance incentive scheme*, *demand management incentive scheme*, *demand management innovation allowance mechanism* or *small-scale incentive scheme* is to apply to the *Distribution Network Service Provider*;
 - (4) the commencement and length of the *regulatory control period*; and
 - (5) any other amounts, values or inputs on which the *building block determination* is based (differentiating between those contained in, or inferred from, the *Distribution Network Service Provider's building block proposal* and those based on the AER's own estimates or assumptions).
- (b) A *regulatory control period* must be not less than 5 *regulatory years*.

6.4 Post-tax revenue model

6.4.1 Preparation, publication and amendment of post-tax revenue model

- (a) The AER must, in accordance with the *distribution consultation procedures*, prepare and *publish a post-tax revenue model*.

- (b) The *AER* may, from time to time and in accordance with the *distribution consultation procedures*, amend or replace the *post-tax revenue model*.
- (c) The *AER* must develop and *publish* the first *post-tax revenue model* within 6 months after the commencement of this clause and there must be such a model in force at all times after that date.

6.4.2 Contents of post-tax revenue model

- (a) The *post-tax revenue model* must set out the manner in which the *Distribution Network Service Provider's annual revenue requirement* for each *regulatory year* of a *regulatory control period* is to be calculated.
- (b) The contents of the *post-tax revenue model* must include (but are not limited to):
 - (1) a method that the *AER* determines is likely to result in the best estimates of expected inflation; and
 - (2) the timing assumptions and associated discount rates that are to apply in relation to the calculation of the building blocks referred to in clause 6.4.3; and
 - (3) the manner in which working capital is to be treated; and
 - (4) the manner in which the estimated cost of corporate income tax is to be calculated.

6.4.3 Building block approach

(a) Building blocks generally

The *annual revenue requirement* for a *Distribution Network Service Provider* for each *regulatory year* of a *regulatory control period* must be determined using a building block approach, under which the building blocks are:

- (1) indexation of the regulatory asset base – see paragraph (b)(1);
- (2) a return on capital for that year – see paragraph (b)(2);
- (3) the depreciation for that year – see paragraph (b)(3);
- (4) the estimated cost of corporate income tax of the *Distribution Network Service Provider* for that year – see paragraph (b)(4);
- (5) the revenue increments or decrements (if any) for that year arising from the application of any *efficiency benefit sharing scheme*, *capital expenditure sharing scheme*, *service target performance incentive scheme*, *demand management incentive scheme*, *demand management innovation allowance mechanism* or *small-scale incentive scheme* – see subparagraph (b)(5);
- (6) the other revenue increments or decrements (if any) for that year arising from the application of a control mechanism in the previous *regulatory control period* – see paragraph (b)(6);
- (6A) the revenue decrements (if any) for that year arising from the use of assets that provide *standard control services* to provide certain other services – see subparagraph (b)(6A); and

(7) the forecast operating expenditure for that year – see paragraph (b)(7).

(b) **Details of the building blocks**

For the purposes of paragraph (a):

- (1) for indexation of the regulatory asset base:
 - (i) the regulatory asset base is calculated in accordance with clause 6.5.1 and schedule 6.2; and
 - (ii) the building block comprises a negative adjustment equal to the amount referred to in clause S6.2.3(c)(4) for that year; and
- (2) the return on capital is calculated in accordance with clause 6.5.2;
- (3) the depreciation is calculated in accordance with clause 6.5.5;
- (4) the estimated cost of corporate income tax is determined in accordance with clause 6.5.3;
- (5) the revenue increments or decrements referred to in subparagraph (a)(5) are those that arise as a result of the operation of an applicable *efficiency benefit sharing scheme, capital expenditure sharing scheme, service target performance incentive scheme, demand management incentive scheme, demand management innovation allowance mechanism* or *small-scale incentive scheme* as referred to in clauses 6.5.8, 6.5.8A, 6.6.2, 6.6.3, 6.6.3A and 6.6.4;
- (6) the other revenue increments or decrements referred to in paragraph (a)(6) are those that are to be carried forward to the current *regulatory control period* as a result of the application of a control mechanism in the previous *regulatory control period* and are apportioned to the relevant year under the distribution determination for the current *regulatory control period*;
- (6A) the revenue decrements (if any) referred to in paragraph (a)(6A) are those that are determined by the AER under clause 6.4.4 as a result of assets that provide *standard control services* being used to provide:
 - (i) *distribution services* that are not classified under clause 6.2.1; or
 - (ii) services that are neither *distribution services* nor services that are provided by means of, or in connection with, *dual function assets*; and
- (7) the forecast operating expenditure for the year is the forecast operating expenditure as accepted or substituted by the AER in accordance with clause 6.5.6.

6.4.4 Shared assets

- (a) Where an asset is used to provide both *standard control services* and either:
 - (1) *distribution services* that are not classified under clause 6.2.1; or
 - (2) services that are neither:
 - (i) *distribution services*; nor

- (ii) services that are provided by means of, or in connection with, *dual function assets* that are owned, operated or controlled by the *Distribution Network Service Provider*,

the AER may, in a distribution determination for a *regulatory control period*, reduce the *annual revenue requirement* for that *Distribution Network Service Provider* for a *regulatory year* in that *regulatory control period* by such amount as it considers reasonable to reflect such part of the costs of that asset as the *Distribution Network Service Provider* is recovering through charging for the provision of a service referred to in subparagraph (1) or (2).

- (b) In making a decision under paragraph (a), the AER must have regard to the *shared asset principles* and the *Shared Asset Guidelines*.
- (c) The *shared asset principles* are as follows:
 - (1) the *Distribution Network Service Provider* should be encouraged to use assets that provide *standard control services* for the provision of other kinds of services where that use is efficient and does not materially prejudice the provision of those services;
 - (2) a shared asset cost reduction should not be dependent on the *Distribution Network Service Provider* deriving a positive commercial outcome from the use of the asset other than for *standard control services*;
 - (3) a shared asset cost reduction should be applied where the use of the asset other than for *standard control services* is material;
 - (4) regard should be had to the manner in which costs have been recovered or revenues reduced in respect of the relevant asset in the past and the reasons for adopting that manner of recovery or reduction;
 - (5) a shared asset cost reduction should be compatible with the *Cost Allocation Principles* and *Cost Allocation Method*; and
 - (6) any reduction effected under paragraph (a) should be compatible with other incentives provided under the *Rules*.
- (d) The AER must, in accordance with the *distribution consultation procedures*, make and *publish* guidelines (the *Shared Asset Guidelines*) that set out the approach the AER proposes to take in applying the *shared asset principles* (which may include a methodology that the AER proposes to use to determine reductions for the purposes of paragraph (a)).
- (e) There must be *Shared Asset Guidelines* in force at all times after the date on which the AER first *publishes* the *Shared Asset Guidelines* under these *Rules*.

6.4.5 Expenditure Forecast Assessment Guidelines

- (a) The AER must, in accordance with the *distribution consultation procedures*, develop and *publish* guidelines (the *Expenditure Forecast Assessment Guidelines*) that specify the approach the AER proposes to use to assess the forecasts of operating expenditure and capital expenditure that form part of *Distribution Network Service Providers' regulatory proposals* and the information the AER requires for the purposes of that assessment.

- (b) There must be *Expenditure Forecast Assessment Guidelines* in force at all times after the date on which the AER first publishes the *Expenditure Forecast Assessment Guidelines* under these Rules.

6.4A Capital expenditure incentive mechanisms

- (a) The *capital expenditure incentive objective* is to ensure that, where the value of a regulatory asset base is subject to adjustment in accordance with the Rules, then the only capital expenditure that is included in an adjustment that increases the value of that regulatory asset base is capital expenditure that reasonably reflects the *capital expenditure criteria*.
- (b) The AER must, in accordance with the *distribution consultation procedures*, make and publish guidelines (the *Capital Expenditure Incentive Guidelines*) that set out:
 - (1) any *capital expenditure sharing schemes* developed by the AER in accordance with clause 6.5.8A, and how the AER has taken into account the *capital expenditure sharing scheme principles* in developing those schemes;
 - (2) the manner in which it proposes to make determinations under clause S6.2.2A(a) if the *overspending requirement* is satisfied;
 - (3) the manner in which it proposes to determine whether depreciation for establishing a regulatory asset base as at the commencement of a *regulatory control period* is to be based on actual or forecast capital expenditure;
 - (4) the manner in which it proposes to make determinations under clause S6.2.2A(i) if the *margin requirement* is satisfied; and
 - (5) the manner in which it proposes to make determinations under clause S6.2.2A(j) if the *capitalisation requirement* is satisfied; and
 - (6) how each scheme and proposal referred to in subparagraphs (1) to (5), and all of them taken together, are consistent with the *capital expenditure incentive objective*.
- (c) There must be *Capital Expenditure Incentive Guidelines* in force at all times after the date on which the AER first publishes the *Capital Expenditure Incentive Guidelines* under these Rules.

6.4B Asset exemptions

6.4B.1 Asset exemption decisions and Asset Exemption Guidelines

- (a) The AER may, following receipt of an *exemption application* and in accordance with this Chapter, approve:
 - (1) for the purpose of clause 6.5.7(c)(2), the inclusion of *expenditure for a restricted asset* in a *Distribution Network Service Provider's* forecast of required capital expenditure;
 - (2) for the purpose of clause 6.6A.1(b1), the inclusion of *expenditure for a restricted asset* in a *Distribution Network Service Provider's proposed contingent capital expenditure* for a *proposed contingent project*;

- (3) for the purpose of clause 6.6.1(d2), the inclusion of *expenditure for a restricted asset* in a *Distribution Network Service Provider's positive pass through amount* for a *positive change event*; and
 - (4) for the purpose of clause 6.6.5(f1), the inclusion of *expenditure for a restricted asset* in the *Distribution Network Service Provider's* proposed capital expenditure,

(each being an *asset exemption*).
- (b) In considering whether to approve an *asset exemption*, the AER must have regard to:
 - (1) the likely impacts on the development of competition in markets for energy related services if the *Distribution Network Service Provider* invests in the assets the subject of the *asset exemption*; and
 - (2) the *Asset Exemption Guidelines*.
- (c) The AER must, in accordance with the *distribution consultation procedures*, develop, maintain and *publish* guidelines (the *Asset Exemption Guidelines*) that set out:
 - (1) the approach the AER proposes to take when determining whether to grant an *asset exemption*; and
 - (2) the information the AER requires from a *Distribution Network Service Provider* (in addition to that set out in clause 6.4B.2(c)(1) to (4)) in order to assess a request for an *asset exemption*.
- (d) Nothing prevents the AER from *publishing* the *Asset Exemption Guidelines* in the same document as another guideline *published* under this Chapter.

6.4B.2 Exemption applications

- (a) A *Distribution Network Service Provider* may request an *asset exemption* from the AER in respect of a specific asset or class of asset by submitting a written request in accordance with this Chapter (an *exemption application*).
- (b) A *Distribution Network Service Provider* must have regard to the *Asset Exemption Guidelines* when preparing and submitting an *exemption application*.
- (c) An *exemption application* must include:
 - (1) details of the type of *asset exemption* which is being sought by the *Distribution Network Service Provider* under clause 6.4B.1(a);
 - (2) a description of the asset or class of asset in respect of which the proposed *asset exemption* would apply, including the location and anticipated or known cost of the proposed asset or class of asset;
 - (3) details of the *standard control services* that would be provided by the asset or class of asset in respect of which the proposed *asset exemption* would apply;
 - (4) the likely impacts on the development of competition in markets for energy related services if the *Distribution Network Service Provider* invests in the assets the subject of the *asset exemption*; and

- (5) any additional information that must be submitted by a *Distribution Network Service Provider* under the *Asset Exemption Guidelines*.

6.5 Matters relevant to the making of building block determinations

6.5.1 Regulatory asset base

Nature of regulatory asset base

- (a) The regulatory asset base for a *distribution system* owned, controlled or operated by a *Distribution Network Service Provider* is the value of those assets that are used by the *Distribution Network Service Provider* to provide *standard control services*, but only to the extent that they are used to provide such services.

Preparation, publication and amendment of model for rolling forward regulatory asset base

- (b) The *AER* must, in accordance with the *distribution consultation procedures*, develop and *publish* a model for the roll forward of the regulatory asset base for *distribution systems*, referred to as the *roll forward model*.
- (c) The *AER* may, from time to time and in accordance with the *distribution consultation procedures*, amend or replace the *roll forward model*.
- (d) The *AER* must develop and *publish* the first *roll forward model* within 6 months after the commencement of this clause, and there must be such a model available at all times after that date.

Contents of roll forward model

- (e) The *roll forward model* must set out the method for determining the roll forward of the regulatory asset base for *distribution systems*:
 - (1) from the immediately preceding *regulatory control period* to the beginning of the first year of the subsequent *regulatory control period*, so as to establish the value of the regulatory asset base as at the beginning of the first *regulatory year* of that subsequent *regulatory control period*; and
 - (2) from one *regulatory year* in a *regulatory control period* to a subsequent *regulatory year* in that same *regulatory control period*, so as to establish the value of the regulatory asset base as at the beginning of that subsequent *regulatory year*;

under which:

- (3) the roll forward of the regulatory asset base from the immediately preceding *regulatory control period* to the beginning of the first *regulatory year* of a subsequent *regulatory control period* entails the value of the first mentioned regulatory asset base being adjusted for actual inflation, consistently with the method used for the indexation of the control mechanism (or control mechanisms) for *standard control services* during the preceding *regulatory control period*.

Other provisions relating to regulatory asset base

- (f) Other provisions relating to regulatory asset bases are set out in schedule 6.2.

6.5.2 Return on capital

Calculation of return on capital

- (a) The return on capital for each *regulatory year* must be calculated by applying a rate of return for the relevant *Distribution Network Service Provider* for that *regulatory year* that is determined in accordance with this clause 6.5.2 (the *allowed rate of return*) to the value of the regulatory asset base for the relevant *distribution system* as at the beginning of that *regulatory year* (as established in accordance with clause 6.5.1 and schedule 6.2).

Allowed rate of return

- (b) The *allowed rate of return* is to be determined such that it achieves the *allowed rate of return objective*.
- (c) The *allowed rate of return objective* is that the rate of return for a *Distribution Network Service Provider* is to be commensurate with the efficient financing costs of a benchmark efficient entity with a similar degree of risk as that which applies to the *Distribution Network Service Provider* in respect of the provision of *standard control services* (the *allowed rate of return objective*).
- (d) Subject to paragraph (b), the *allowed rate of return* for a *regulatory year* must be:
- (1) a weighted average of the return on equity for the *regulatory control period* in which that *regulatory year* occurs (as estimated under paragraph (f)) and the return on debt for that *regulatory year* (as estimated under paragraph (h)); and
 - (2) determined on a nominal vanilla basis that is consistent with the estimate of the value of imputation credits referred to in clause 6.5.3.
- (e) In determining the *allowed rate of return*, regard must be had to:
- (1) relevant estimation methods, financial models, market data and other evidence;
 - (2) the desirability of using an approach that leads to the consistent application of any estimates of financial parameters that are relevant to the estimates of, and that are common to, the return on equity and the return on debt; and
 - (3) any interrelationships between estimates of financial parameters that are relevant to the estimates of the return on equity and the return on debt.

Return on equity

- (f) The return on equity for a *regulatory control period* must be estimated such that it contributes to the achievement of the *allowed rate of return objective*.
- (g) In estimating the return on equity under paragraph (f), regard must be had to the prevailing conditions in the market for equity funds.

Return on debt

- (h) The return on debt for a *regulatory year* must be estimated such that it contributes to the achievement of the *allowed rate of return objective*.
- (i) The return on debt may be estimated using a methodology which results in either:
 - (1) the return on debt for each *regulatory year* in the *regulatory control period* being the same; or
 - (2) the return on debt (and consequently the *allowed rate of return*) being, or potentially being, different for different *regulatory years* in the *regulatory control period*.
- (j) Subject to paragraph (h), the methodology adopted to estimate the return on debt may, without limitation, be designed to result in the return on debt reflecting:
 - (1) the return that would be required by debt investors in a benchmark efficient entity if it raised debt at the time or shortly before the making of the distribution determination for the *regulatory control period*;
 - (2) the average return that would have been required by debt investors in a benchmark efficient entity if it raised debt over an historical period prior to the commencement of a *regulatory year* in the *regulatory control period*; or
 - (3) some combination of the returns referred to in subparagraphs (1) and (2).
- (k) In estimating the return on debt under paragraph (h), regard must be had to the following factors:
 - (1) the desirability of minimising any difference between the return on debt and the return on debt of a benchmark efficient entity referred to in the *allowed rate of return objective*;
 - (2) the interrelationship between the return on equity and the return on debt;
 - (3) the incentives that the return on debt may provide in relation to capital expenditure over the *regulatory control period*, including as to the timing of any capital expenditure; and
 - (4) any impacts (including in relation to the costs of servicing debt across *regulatory control periods*) on a benchmark efficient entity referred to in the *allowed rate of return objective* that could arise as a result of changing the methodology that is used to estimate the return on debt from one *regulatory control period* to the next.
- (l) If the return on debt is to be estimated using a methodology of the type referred to in paragraph (i)(2) then a resulting change to the *Distribution Network Service Provider's annual revenue requirement* must be effected through the automatic application of a formula that is specified in the distribution determination.

Rate of Return Guidelines

- (m) The *AER* must, in accordance with the *distribution consultation procedures*, make and *publish* guidelines (the *Rate of Return Guidelines*).
- (n) The *Rate of Return Guidelines* must set out:
 - (1) the methodologies that the *AER* proposes to use in estimating the *allowed rate of return*, including how those methodologies are proposed to result in the determination of a return on equity and a return on debt in a way that is consistent the *allowed rate of return objective*; and
 - (2) the estimation methods, financial models, market data and other evidence the *AER* proposes to take into account in estimating the return on equity, the return on debt and the value of imputation credits referred to in clause 6.5.3.
- (o) There must be *Rate of Return Guidelines* in force at all times after the date on which the *AER* first publishes the *Rate of Return Guidelines* under these *Rules*.
- (p) The *AER* must, in accordance with the *distribution consultation procedures*, review the *Rate of Return Guidelines*:
 - (1) at intervals not exceeding five years for the first interval and three years for all subsequent intervals, with the first interval starting from the date that the first *Rate of Return Guidelines* are *published* under these *Rules*; and
 - (2) at the same time as it reviews the *Rate of Return Guidelines* made under clause 6A.6.2.
- (q) For the avoidance of doubt, nothing prevents the *AER* from *publishing* the *Rate of Return Guidelines* made under this clause 6.5.2 in the same document as the *Rate of Return Guidelines* made under clause 6A.6.2.

6.5.3 Estimated cost of corporate income tax

The estimated cost of corporate income tax of a *Distribution Network Service Provider* for each *regulatory year* (ETC_t) must be estimated in accordance with the following formula:

$$ETC_t = (ETI_t \times r_t) (1 - \gamma)$$

where:

ETI_t is an estimate of the taxable income for that *regulatory year* that would be earned by a benchmark efficient entity as a result of the provision of *standard control services* if such an entity, rather than the *Distribution Network Service Provider*, operated the business of the *Distribution Network Service Provider*, such estimate being determined in accordance with the *post-tax revenue model*;

r_t is the expected statutory income tax rate for that *regulatory year* as determined by the *AER*; and

γ is the value of imputation credits.

6.5.4 [Deleted]

6.5.5 Depreciation

- (a) The depreciation for each *regulatory year*:
 - (1) must be calculated on the value of the assets as included in the regulatory asset base, as at the beginning of that *regulatory year*, for the relevant *distribution system*; and
 - (2) must be calculated:
 - (i) providing such depreciation schedules conform with the requirements set out in paragraph (b), using the depreciation schedules for each asset or category of assets that are nominated in the relevant *Distribution Network Service Provider's building block proposal*; or
 - (ii) to the extent the depreciation schedules nominated in the *Distribution Network Service Provider's building block proposal* do not so conform, using the depreciation schedules determined for that purpose by the *AER*.
- (b) The depreciation schedules referred to in paragraph (a) must conform to the following requirements:
 - (1) the schedules must depreciate using a profile that reflects the nature of the assets or category of assets over the economic life of that asset or category of assets;
 - (2) the sum of the real value of the depreciation that is attributable to any asset or category of assets over the economic life of that asset or category of assets (such real value being calculated as at the time the value of that asset or category of assets was first included in the regulatory asset base for the relevant *distribution system*) must be equivalent to the value at which that asset or category of assets was first included in the regulatory asset base for the relevant *distribution system*;
 - (3) the economic life of the relevant assets and the depreciation methods and rates underpinning the calculation of depreciation for a given *regulatory control period* must be consistent with those determined for the same assets on a prospective basis in the distribution determination for that period.

6.5.6 Forecast operating expenditure

- (a) A *building block proposal* must include the total forecast operating expenditure for the relevant *regulatory control period* which the *Distribution Network Service Provider* considers is required in order to achieve each of the following (the *operating expenditure objectives*):
 - (1) meet or manage the expected demand for *standard control services* over that period;
 - (2) comply with all applicable *regulatory obligations or requirements* associated with the provision of *standard control services*;

- (3) to the extent that there is no applicable *regulatory obligation or requirement* in relation to:
 - (i) the quality, reliability or security of supply of *standard control services*; or
 - (ii) the reliability or security of the *distribution system* through the supply of *standard control services*,to the relevant extent:
 - (iii) maintain the quality, reliability and security of supply of *standard control services*; and
 - (iv) maintain the reliability and security of the *distribution system* through the supply of *standard control services*; and
- (4) maintain the safety of the *distribution system* through the supply of *standard control services*.
- (b) The forecast of required operating expenditure of a *Distribution Network Service Provider* that is included in a *building block proposal* must:
 - (1) comply with the requirements of any relevant *regulatory information instrument*;
 - (2) be for expenditure that is properly allocated to *standard control services* in accordance with the principles and policies set out in the *Cost Allocation Method* for the *Distribution Network Service Provider*; and
 - (3) include both:
 - (i) the total of the forecast operating expenditure for the relevant *regulatory control period*; and
 - (ii) the forecast operating expenditure for each *regulatory year* of the relevant *regulatory control period*.
- (c) The *AER* must accept the forecast of required operating expenditure of a *Distribution Network Service Provider* that is included in a *building block proposal* if the *AER* is satisfied that the total of the forecast operating expenditure for the *regulatory control period* reasonably reflects each of the following (the *operating expenditure criteria*):
 - (1) the efficient costs of achieving the *operating expenditure objectives*; and
 - (2) the costs that a prudent operator would require to achieve the *operating expenditure objectives*; and
 - (3) a realistic expectation of the demand forecast and cost inputs required to achieve the *operating expenditure objectives*.
- (d) If the *AER* is not satisfied as referred to in paragraph (c), it must not accept the forecast of required operating expenditure of a *Distribution Network Service Provider* that is included in a *building block proposal*.

- (e) In deciding whether or not the *AER* is satisfied as referred to in paragraph (c), the *AER* must have regard to the following (the *operating expenditure factors*):
 - (1) [Deleted]
 - (2) [Deleted]
 - (3) [Deleted]
 - (4) the most recent *annual benchmarking report* that has been *published* under rule 6.27 and the benchmark operating expenditure that would be incurred by an efficient *Distribution Network Service Provider* over the relevant *regulatory control period*;
 - (5) the actual and expected operating expenditure of the *Distribution Network Service Provider* during any preceding *regulatory control periods*;
 - (5A) the extent to which the operating expenditure forecast includes expenditure to address the concerns of electricity consumers as identified by the *Distribution Network Service Provider* in the course of its engagement with electricity consumers;
 - (6) the relative prices of operating and capital inputs;
 - (7) the substitution possibilities between operating and capital expenditure;
 - (8) whether the operating expenditure forecast is consistent with any incentive scheme or schemes that apply to the *Distribution Network Service Provider* under clauses 6.5.8 or 6.6.2 to 6.6.4;
 - (9) the extent the operating expenditure forecast is referable to arrangements with a person other than the *Distribution Network Service Provider* that, in the opinion of the *AER*, do not reflect arm's length terms;
 - (9A) whether the operating expenditure forecast includes an amount relating to a project that should more appropriately be included as a *contingent project* under clause 6.6A.1(b);
 - (10) the extent the *Distribution Network Service Provider* has considered, and made provision for, efficient and prudent *non-network options* ; and
 - (11) any relevant final project assessment report (as defined in clause 5.10.2) *published* under clause 5.17.4(o), (p) or (s);
 - (12) any other factor the *AER* considers relevant and which the *AER* has notified the *Distribution Network Service Provider* in writing, prior to the submission of its revised *regulatory proposal* under clause 6.10.3, is an *operating expenditure factor*.

6.5.7 Forecast capital expenditure

- (a) A *building block proposal* must include the total forecast capital expenditure for the relevant *regulatory control period* which the *Distribution Network Service Provider* considers is required in order to achieve each of the following (the *capital expenditure objectives*):

- (1) meet or manage the expected demand for *standard control services* over that period;
 - (2) comply with all applicable *regulatory obligations or requirements* associated with the provision of *standard control services*;
 - (3) to the extent that there is no applicable *regulatory obligation or requirement* in relation to:
 - (i) the quality, reliability or security of supply of *standard control services*; or
 - (ii) the reliability or security of the *distribution system* through the supply of *standard control services*,to the relevant extent:
 - (iii) maintain the quality, reliability and security of supply of *standard control services*; and
 - (iv) maintain the reliability and security of the *distribution system* through the supply of *standard control services*; and
 - (4) maintain the safety of the *distribution system* through the supply of *standard control services*.
- (b) The forecast of required capital expenditure of a *Distribution Network Service Provider* that is included in a *building block proposal* must:
- (1) comply with the requirements of any relevant *regulatory information instrument*;
 - (2) be for expenditure that is properly allocated to *standard control services* in accordance with the principles and policies set out in the *Cost Allocation Method* for the *Distribution Network Service Provider*;
 - (3) include both:
 - (i) the total of the forecast capital expenditure for the relevant *regulatory control period*; and
 - (ii) the forecast capital expenditure for each *regulatory year* of the relevant *regulatory control period*; and
 - (4) identify any forecast capital expenditure for the relevant *regulatory control period* that is for an option that has satisfied the *regulatory investment test for transmission* or the *regulatory investment test for distribution* (as the case may be); and
 - (5) not include *expenditure for a restricted asset*, unless:
 - (i) to the extent that any such expenditure includes an amount of unspent capital expenditure for a *contingent project* in accordance with paragraph (g), an *asset exemption* has been granted by the AER under clause 6.4B.1(a)(2) in respect of that asset or that class of asset for that *contingent project*;
 - (ii) to the extent that any such expenditure relates to a *positive pass through amount*, an *asset exemption* has been granted by the AER

- under clause 6.4B.1(a)(3) in respect of that asset or that class of asset for that *positive pass through amount*; or
- (iii) otherwise, the *Distribution Network Service Provider* has submitted an *exemption application* with the *regulatory proposal* requesting an *asset exemption* under clause 6.4B.1(a)(1) for the *regulatory control period* in respect of that asset or class of asset.
- (c) The *AER* must:
- (1) subject to subparagraph (c)(2), accept the forecast of required capital expenditure of a *Distribution Network Service Provider* that is included in a *building block proposal* if the *AER* is satisfied that the total of the forecast capital expenditure for the *regulatory control period* reasonably reflects each of the following (the *capital expenditure criteria*):
- (i) the efficient costs of achieving the *capital expenditure objectives*;
- (ii) the costs that a prudent operator would require to achieve the *capital expenditure objectives*; and
- (iii) a realistic expectation of the demand forecast and cost inputs required to achieve the *capital expenditure objectives*.
- (2) not accept the forecast of required capital expenditure of a *Distribution Network Service Provider* that is included in a *building block proposal* if that forecast includes *expenditure for a restricted asset*, unless:
- (i) to the extent that any such expenditure includes an amount of unspent capital expenditure for a *contingent project* in accordance with paragraph (g), an *asset exemption* has been granted by the *AER* under clause 6.4B.1(a)(2) in respect of that asset or that class of asset for that *contingent project*;
- (ii) to the extent that any such expenditure relates to a *positive pass through amount*, an *asset exemption* has been granted by the *AER* under clause 6.4B.1(a)(3) in respect of that asset or that class of asset for that *positive pass through amount*; or
- (iii) otherwise:
- (A) that *Distribution Network Service Provider* has requested an *asset exemption* under subparagraph (b)(5) in respect of that asset or that class of asset; and
- (B) the *AER* has granted that *asset exemption*.
- (d) If the *AER* is not satisfied as referred to in paragraph (c), it must not accept the forecast of required capital expenditure of a *Distribution Network Service Provider*.
- (e) In deciding whether or not the *AER* is satisfied as referred to in paragraph (c), the *AER* must have regard to the following (the *capital expenditure factors*):
- (1) [Deleted]
- (2) [Deleted]
- (3) [Deleted]

- (4) the most recent *annual benchmarking report* that has been *published* under rule 6.27 and the benchmark capital expenditure that would be incurred by an efficient *Distribution Network Service Provider* over the relevant *regulatory control period*;
- (5) the actual and expected capital expenditure of the *Distribution Network Service Provider* during any preceding *regulatory control periods*;
- (5A) the extent to which the capital expenditure forecast includes expenditure to address the concerns of electricity consumers as identified by the *Distribution Network Service Provider* in the course of its engagement with electricity consumers;
- (6) the relative prices of operating and capital inputs;
- (7) the substitution possibilities between operating and capital expenditure;
- (8) whether the capital expenditure forecast is consistent with any incentive scheme or schemes that apply to the *Distribution Network Service Provider* under clauses 6.5.8A or 6.6.2 to 6.6.4;
- (9) the extent the capital expenditure forecast is referable to arrangements with a person other than the *Distribution Network Service Provider* that, in the opinion of the *AER*, do not reflect arm's length terms;
- (9A) whether the capital expenditure forecast includes an amount relating to a project that should more appropriately be included as a *contingent project* under clause 6.6A.1(b);
- (10) the extent the *Distribution Network Service Provider* has considered, and made provision for, efficient and prudent *non-network options* ;
- (11) any relevant final project assessment report (as defined in clause 5.10.2) *published* under clause 5.17.4(o), (p) or (s); and
- (12) any other factor the *AER* considers relevant and which the *AER* has notified the *Distribution Network Service Provider* in writing, prior to the submission of its revised *regulatory proposal* under clause 6.10.3, is a *capital expenditure factor*.

Forecast capital expenditure and contingent projects

- (f) Paragraphs (g) - (j) apply where:
 - (1) in a *regulatory control period* (the **first regulatory control period**), the *AER* determines under clause 6.6A.2(e)(1)(iii) that the likely completion date for a *contingent project* is a date which occurs in the immediately following *regulatory control period* (the **second regulatory control period**); and
 - (2) there is an unspent amount of capital expenditure for that *contingent project* under paragraph (g).
- (g) Subject to paragraphs (ga) and (j), a *Distribution Network Service Provider's regulatory proposal* for the second *regulatory control period* must include in the forecast of required capital expenditure referred to in paragraph (a) an amount of any unspent capital expenditure for each *contingent project* as described in subparagraph (f)(2), that equals the difference (if any) between:

- (1) the total capital expenditure for that *contingent project*, as determined by the *AER* in the first *regulatory control period* under clause 6.6A.2(e)(1)(ii); and
 - (2) the total of the capital expenditure actually incurred (or estimated capital expenditure for any part of the first *regulatory control period* for which actual capital expenditure is not available) in the first *regulatory control period* for that *contingent project*.
- (ga) For the purposes of calculating any unspent capital expenditure in accordance with paragraph (g), the total or estimate of capital expenditure referred to in subparagraph (g)(2) must not include *expenditure for a restricted asset*, unless:
 - (1) the *Distribution Network Service Provider* has submitted an *exemption application* under clause 6.6A.1(a1) for the previous *regulatory control period*, which requested an *asset exemption* under clause 6.4B.1(a)(2) in respect of that asset or class of asset for that *contingent project*; and
 - (2) the *AER* has granted that *asset exemption*.
- (h) The *AER* must include in any forecast capital expenditure for the second *regulatory control period* which is accepted in accordance with paragraph (c) or substituted in accordance with clause 6.12.1(3)(ii) (as the case may be) the amount of any unspent capital expenditure calculated in accordance with paragraph (g).
- (i) Without limiting the requirement in paragraph (h), in deciding whether or not to accept the forecast of required capital expenditure of a *Distribution Network Service Provider* for the second *regulatory control period* in accordance with this clause 6.5.7, the *AER* must not:
 - (1) assess the reasonableness of the amount of unspent capital expenditure for a *contingent project* referred to in paragraph (g) or the remaining period to which the *contingent project* applies;
 - (2) assess the reasonableness of the timing of the unspent capital expenditure within the remaining period for a *contingent project* referred to in paragraph (g) except as part of the assessment of the total forecast capital expenditure under paragraph (c); or
 - (3) take into account any amount which represents for a *contingent project* referred to in paragraph (g) the difference between:
 - (i) the amount representing the sum of the forecast capital expenditure for that *contingent project* for each year of the immediately preceding *regulatory control period* referred to in clause 6.6A.2(e)(1)(i); and
 - (ii) the total capital expenditure actually incurred (or estimated capital expenditure for any part of the preceding *regulatory control period* for which actual capital expenditure is not available) in the immediately preceding *regulatory control period* for that *contingent project*.
- (j) A *regulatory proposal* in respect of the second *regulatory control period* must not include in the forecast of required capital expenditure referred to in

paragraph (a) any capital expenditure for a *contingent project* for the first *regulatory control period*:

- (1) to the extent that the capital expenditure was included in the amount of capital expenditure for that *contingent project* as determined in the first *regulatory control period* under clause 6.6A.2(e)(1)(i); and
- (2) the capital expenditure actually incurred (or estimated capital expenditure for any part of the first *regulatory control period* for which actual capital expenditure is not available) in the first *regulatory control period* for that *contingent project* exceeded the capital expenditure referred to in subparagraph (1).

6.5.8 Efficiency benefit sharing scheme

- (a) The AER must, in accordance with the *distribution consultation procedures*, develop and *publish* an incentive scheme or schemes (*efficiency benefit sharing scheme*) that provide for a fair sharing between *Distribution Network Service Providers* and *Distribution Network Users* of:
 - (1) the efficiency gains derived from the operating expenditure of *Distribution Network Service Providers* for a *regulatory control period* being less than; and
 - (2) the efficiency losses derived from the operating expenditure of *Distribution Network Service Providers* for a *regulatory control period* being more than,the forecast operating expenditure accepted or substituted by the AER for that *regulatory control period*.
- (b) An *efficiency benefit sharing scheme* may (but is not required to) be developed to cover efficiency gains and losses related to *distribution losses*.
- (c) In developing and implementing an *efficiency benefit sharing scheme*, the AER must have regard to:
 - (1) the need to ensure that benefits to electricity consumers likely to result from the scheme are sufficient to warrant any reward or penalty under the scheme for *Distribution Network Service Providers*;
 - (2) the need to provide *Distribution Network Service Providers* with a continuous incentive, so far as is consistent with economic efficiency, to reduce operating expenditure ;
 - (3) the desirability of both rewarding *Distribution Network Service Providers* for efficiency gains and penalising *Distribution Network Service Providers* for efficiency losses;
 - (4) any incentives that *Distribution Network Service Providers* may have to capitalise expenditure; and
 - (5) the possible effects of the scheme on incentives for the implementation of *non-network options*.
- (d) The AER may, from time to time and in accordance with the *distribution consultation procedures*, amend or replace an *efficiency benefit sharing scheme*.

6.5.8A Capital expenditure sharing scheme

- (a) A *capital expenditure sharing scheme* is a scheme that provides *Distribution Network Service Providers* with an incentive to undertake efficient capital expenditure during a *regulatory control period*.
- (b) If the AER develops a *capital expenditure sharing scheme* in accordance with this clause, the *capital expenditure sharing scheme* must be consistent with the *capital expenditure incentive objective*.
- (c) In developing a *capital expenditure sharing scheme*, the AER must take into account the following principles (the *capital expenditure sharing scheme principles*):
 - (1) *Distribution Network Service Providers* should be rewarded or penalised for improvements or declines in efficiency of capital expenditure; and
 - (2) the rewards and penalties should be commensurate with the efficiencies or inefficiencies in capital expenditure, but a reward for efficient capital expenditure need not correspond in amount to a penalty for the same amount of inefficient capital expenditure.
- (d) In developing a *capital expenditure sharing scheme*, the AER must also take into account:
 - (1) the interaction of the scheme with other incentives that *Distribution Network Service Providers* may have in relation to undertaking efficient operating or capital expenditure; and
 - (2) the *capital expenditure objectives* and, if relevant, the *operating expenditure objectives*.
- (e) In deciding:
 - (1) whether to apply a *capital expenditure sharing scheme* to a *Distribution Network Service Provider* for a *regulatory control period*; and
 - (2) the nature and details of any *capital expenditure sharing scheme* that is to apply to a *Distribution Network Service Provider* for a *regulatory control period*,the AER must:
 - (3) make that decision in a manner that contributes to the achievement of the *capital expenditure incentive objective*; and
 - (4) take into account:
 - (i) both the *capital expenditure sharing scheme principles*, and the matters referred to in paragraph (d), as they apply to the *Distribution Network Service Provider*; and
 - (ii) the circumstances of the *Distribution Network Service Provider*.

6.5.9 The X factor

- (a) A *building block determination* is to include the X factor for each control mechanism for each *regulatory year* of the *regulatory control period*.
- (b) The X factor:

- (1) must be set by the *AER* with regard to the *Distribution Network Service Provider's total revenue requirement* for the *regulatory control period*; and
 - (2) must be such as to minimise, as far as reasonably possible, variance between expected revenue for the last *regulatory year* of the *regulatory control period* and the *annual revenue requirement* for that last *regulatory year*; and
 - (3) must conform with whichever of the following requirements is applicable:
 - (i) if the control mechanism relates generally to *standard control services* – the X factor must be designed to equalise (in terms of net present value) the revenue to be earned by the *Distribution Network Service Provider* from the provision of *standard control services* over the *regulatory control period* with the provider's *total revenue requirement* for the *regulatory control period*;
 - (ii) if there are separate control mechanisms for different *standard control services* – the X factor for each control mechanism must be designed to equalise (in terms of net present value) the revenue to be earned by the *Distribution Network Service Provider* from the provision of *standard control services* to which the control mechanism relates over the *regulatory control period* with the portion of the provider's *total revenue requirement* for the *regulatory control period* attributable to those services.
- (c) There may be different X factors:
- (1) for different *regulatory years* of the *regulatory control period*; and
 - (2) if there are 2 or more control mechanisms – for each control mechanism.

6.5.10 Pass through events

- (a) A *building block proposal* may include a proposal as to the events that should be defined as *pass through events* under clause 6.6.1(a1)(5) having regard to the *nominated pass through event considerations*.
- (b) In determining whether to accept the pass through events nominated by a *Distribution Network Service Provider* in its *building block proposal* under paragraph (a), the *AER* must take into account the *nominated pass through event considerations*.

6.6 Adjustments after making of building block determination.

6.6.1 Cost pass through

- (a1) Any of the following is a *pass through event* for a distribution determination:
- (1) a *regulatory change event*;
 - (2) a *service standard event*;
 - (3) a *tax change event*;

- (4) a *retailer insolvency event*; and
 - (5) any other event specified in a distribution determination as a *pass through event* for the determination.
- (a) If a *positive change event* occurs, a *Distribution Network Service Provider* may seek the approval of the AER to pass through to *Distribution Network Users* a *positive pass through amount*.
 - (b) If a *negative change event* occurs, the AER may require the *Distribution Network Service Provider* to pass through to *Distribution Network Users* a *negative pass through amount* as determined by the AER under paragraph (g).

Positive pass through

- (c) To seek the approval of the AER to pass through a *positive pass through amount*, a *Distribution Network Service Provider* must submit to the AER, within 90 *business days* of the relevant *positive change event* occurring, a written statement which specifies:
 - (1) the details of the *positive change event*;
 - (2) the date on which the *positive change event* occurred;
 - (3) the *eligible pass through amount* in respect of that *positive change event*;
 - (4) the *positive pass through amount* the *Distribution Network Service Provider* proposes in relation to the *positive change event*;
 - (5) the amount of the *positive pass through amount* that the *Distribution Network Service Provider* proposes should be passed through to *Distribution Network Users* in the *regulatory year* in which, and each *regulatory year* after that in which, the *positive change event* occurred;
 - (6) evidence:
 - (i) of the actual and likely increase in costs referred to in subparagraph (3);
 - (ii) that such costs occur solely as a consequence of the *positive change event*; and
 - (iii) in relation to a *retailer insolvency event*, of:
 - (A) the amount to which the *Distribution Network Service Provider* is entitled under any relevant *credit support*;
 - (B) the maximum amount of *credit support* (if any) that the *Distribution Network Service Provider* was entitled to request the *retailer* to provide under the *credit support rules*; and
 - (C) any amount that the *Distribution Network Service Provider* is likely to receive on a winding-up of the *retailer*; and
 - (7) such other information as may be required under any relevant *regulatory information instrument*.
- (c1) The *positive pass through amount* proposed by the *Distribution Network Service Provider* under subparagraph (c)(4) must not, in whole or in part, be

in respect of *expenditure for a restricted asset*, unless the *Distribution Network Service Provider* has submitted an *exemption application* with the statement under paragraph (c), which requests an *asset exemption* under clause 6.4B.1(a)(3) in respect of that asset or class of asset for the *positive pass through amount*.

- (d) If the *AER* determines that a *positive change event* has occurred in respect of a statement under paragraph (c), the *AER* must:
 - (1) determine:
 - (i) the *approved pass through amount*; and
 - (ii) the amount of that *approved pass through amount* that should be passed through to *Distribution Network Users* in the *regulatory year* in which, and each *regulatory year* after that in which, the *positive change event* occurred, taking into account the matters referred to in paragraph (j); and
 - (2) determine whether or not to grant the *asset exemption* requested under paragraph (c1).
- (d1) The *AER* must *publish*:
 - (1) the reasons for its determination under subparagraph (d)(2); and
 - (2) any content required under clause 6.2.8(c)(2),at the same time as making its determination under subparagraph (d)(1).
- (d2) The *AER* must not determine an *approved pass through amount* that is, in whole or in part, in respect of *expenditure for a restricted asset*, unless:
 - (1) the *Distribution Network Service Provider* has requested an *asset exemption* under paragraph (c1) in respect of that asset or that class of asset for the *positive pass through amount*; and
 - (2) the *AER* has granted that *asset exemption* under subparagraph (d)(2).
- (e) Subject to paragraph (k1), if the *AER* does not make the determinations referred to in paragraph (d) within 40 *business days* from the later of the date it receives the *Distribution Network Service Provider's* statement and accompanying evidence under paragraph (c), and the date it receives any additional information required under paragraph (e1), then, on the expiry of that period, the *AER* is taken to have determined that:
 - (1) the *positive pass through amount* as proposed in the *Distribution Network Service Provider's* statement under paragraph (c) is the *approved pass through amount* in respect of that *positive change event*;
 - (2) the amount of that *positive pass through amount* that the *Distribution Network Service Provider* proposes in its statement under paragraph(c) should be passed through to *Distribution Network Users* in the *regulatory year* in which, and each *regulatory year* after that in which, the *positive change event* occurred, is the amount that should be so passed through in each such *regulatory year*; and
 - (3) the *asset exemption* requested under paragraph (c1) is granted.

- (e1) A *Distribution Network Service Provider* must provide the *AER* with such additional information as the *AER* requires for the purpose of making a determination under paragraph (d) within the time specified by the *AER* in a notice provided to the *Distribution Network Service Provider* by the *AER* for that purpose.

Negative pass through

- (f) A *Distribution Network Service Provider* must submit to the *AER*, within 90 *business days* of becoming aware of the occurrence of a *negative change event* for the *Distribution Network Service Provider*, a written statement which specifies:
 - (1) the details of the *negative change event* concerned;
 - (2) the date the *negative change event* occurred;
 - (3) the costs in the provision of *direct control services* that the *Distribution Network Service Provider* has saved and is likely to save as a result of the *negative change event* until:
 - (i) unless subparagraph (ii) applies – the end of the *regulatory control period* in which the *negative change event* occurred; or
 - (ii) if the distribution determination for the *regulatory control period* following that in which the *negative change event* occurred does not make any allowance for the pass through of those cost savings – the end of the *regulatory control period* following that in which the *negative change event* occurred;
 - (4) the aggregate amount of those saved costs that the *Distribution Network Service Provider* proposes should be passed through to *Distribution Network Users*;
 - (5) the amount of the costs referred to in subparagraph (4) the *Distribution Network Service Provider* proposes should be passed through to *Distribution Network Users* in the *regulatory year* in which, and each *regulatory year* after that in which, the *negative change event* occurred; and
 - (6) such other information as may be required under any relevant *regulatory information instrument*.
- (f1) If the occurrence of the *negative change event* is not notified by the *Distribution Network Service Provider* to the *AER* under paragraph (f) then, as soon as is reasonably practicable and before making a determination referred to in paragraph (g), the *AER* must notify the *Distribution Network Service Provider* of the occurrence of that *negative change event*.
- (g) If a *negative change event* occurs (whether or not the occurrence of that *negative change event* is notified by the *Distribution Network Service Provider* to the *AER* under paragraph (f)) and the *AER* determines to impose a requirement on the provider in relation to that *negative change event* as described in paragraph (b), the *AER* must determine:
 - (1) the *required pass through amount*; and
 - (2) taking into account the matters referred to in paragraph (j):

- (i) how much of that *required pass through amount* should be passed through to *Distribution Network Users* (the "*negative pass through amount*"); and
 - (ii) the amount of that *negative pass through amount* that should be passed through to *Distribution Network Users* in the *regulatory year* in which, and each *regulatory year* after that in which, the *negative change event* occurred.
- (g1) Subject to paragraph (k1), if the *AER* does not make the determinations referred to in paragraph (g) within 40 *business days* from:
 - (1) where the *Distribution Network Service Provider* notifies the *AER* of the occurrence of the *negative change event* under paragraph (f) - the later of the date the *AER* receives the *Distribution Network Service Provider's* statement under paragraph (f) and the date the *AER* receives any information required by the *AER* under paragraph (h); or
 - (2) where the *Distribution Network Service Provider* does not notify the *AER* of the occurrence of the *negative change event* under paragraph (f) – the later of the date the *AER* notifies the *Distribution Network Service Provider* under paragraph (g1) and the date the *AER* receives any information required by the *AER* under paragraph (h),then the *AER* is taken to have determined that the *required pass through amount* is zero.
- (h) A *Distribution Network Service Provider* must provide the *AER* with such information as the *AER* requires for the purpose of making a determination under paragraph (g) within the time specified by the *AER* in a notice provided to the *Distribution Network Service Provider* by the *AER* for that purpose.

Consultation

- (i) Before making a determination under paragraph (d) or (g), the *AER* may consult with the relevant *Distribution Network Service Provider* and such other persons as the *AER* considers appropriate, on any matters arising out of the relevant *pass through event* the *AER* considers appropriate.

Relevant factors

- (j) In making a determination under paragraph (d) or (g) in respect of a *Distribution Network Service Provider*, the *AER* must take into account:
 - (1) the matters and proposals set out in any statement given to the *AER* by the *Distribution Network Service Provider* under paragraph (c) or (f); and
 - (2) in the case of a *positive change event*, the increase in costs in the provision of *direct control services* that, as a result of the *positive change event*, the *Distribution Network Service Provider* has incurred and is likely to incur until:
 - (i) unless subparagraph(ii) applies – the end of the *regulatory control period* in which the *positive change event* occurred; or
 - (ii) if the distribution determination for the *regulatory control period* following that in which the *positive change event* occurred does

- not make any allowance for the recovery of that increase in costs – the end of the *regulatory control period* following that in which the *positive change event* occurred;
- (2A) in the case of a *negative change event*, the costs in the provision of *direct control services* that, as a result of the *negative change event*, the *Distribution Network Service Provider* has saved and is likely to save until:
- (i) unless subparagraph(ii) applies – the end of the *regulatory control period* in which the *negative change event* occurred; or
 - (ii) if the distribution determination for the *regulatory control period* following that in which the *negative change event* occurred does not make any allowance for the pass through of those cost savings to *Distribution Network Users* – the end of the *regulatory control period* following that in which the *negative change event* occurred;
- (3) in the case of a *positive change event*, the efficiency of the *Distribution Network Service Provider's* decisions and actions in relation to the risk of the *positive change event*, including whether the *Distribution Network Service Provider* has failed to take any action that could reasonably be taken to reduce the magnitude of the *eligible pass through amount* in respect of that *positive change event* and whether the *Distribution Network Service Provider* has taken or omitted to take any action where such action or omission has increased the magnitude of the amount in respect of that *positive change event*;
- (4) the time cost of money based on the *allowed rate of return* for the *Distribution Network Service Provider* for the *regulatory control period* in which the *pass through event* occurred;
- (5) the need to ensure that the *Distribution Network Service Provider* only recovers any actual or likely increment in costs under this paragraph (j) to the extent that such increment is solely as a consequence of a *pass through event*;
- (6) in the case of a *tax change event*, any change in the way another *tax* is calculated, or the removal or imposition of another *tax*, which, in the *AER's* opinion, is complementary to the *tax change event* concerned;
- (7) whether the costs of the *pass through event* have already been factored into the calculation of the *Distribution Network Service Provider's annual revenue requirement* for the *regulatory control period* in which the *pass through event* occurred or will be factored into the calculation of the *Distribution Network Service Provider's annual revenue requirement* for a subsequent *regulatory control period*;
- (7A) the extent to which the costs that the *Distribution Network Service Provider* has incurred and is likely to incur are the subject of a previous determination made by the *AER* under this clause 6.6.1; and
- (8) any other factors that the *AER* considers relevant.

Extension of time limits

- (k) The *AER* must, by written notice to a *Distribution Network Service Provider*, extend a time limit fixed in paragraph (c) or (f) if the *AER* is satisfied that the difficulty of assessing or quantifying the effect of the relevant *pass through event* justifies the extension.
- (k1) If the *AER* is satisfied that the making of a determination under paragraph (d) or (g) involves issues of such complexity or difficulty that the time limit fixed in paragraph (e) or (g1) should be extended, the *AER* may extend that time limit by a further period of up to 60 *business days*, provided that it gives written notice to the *Distribution Network Service Provider* of that extension not later than 10 *business days* before the expiry of that time limit.
- (k2) If the *AER* extends a time limit under paragraph (k1), it must make available on its website a notice of that extension as soon as is reasonably practicable.
- (k3) Subject to paragraph (k6), if the *AER* gives a written notice to the *Distribution Network Service Provider* stating that it requires information from an *Authority* in order to make a determination under paragraph (d) or (g) then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Distribution Network Service Provider* and when the *AER* receives that information from that *Authority* is to be disregarded.
- (k4) Subject to paragraph (k6), if the *AER* gives a written notice to the *Distribution Network Service Provider* stating that, in order to make a determination under paragraph (d) or (g), it requires information that it anticipates will be made publicly available by a judicial body or royal commission then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Distribution Network Service Provider* and when that information is made publicly available is to be disregarded.
- (k5) Where the *AER* gives a notice to the *Distribution Network Service Provider* under paragraph (k3) or (k4), it must:
 - (1) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (k3) or (k4), as the case may be, has commenced;
 - (2) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (k3) or (k4), as the case may be, has ended; and
 - (3) if the information specified in that notice is required from an *Authority*, promptly request that information from the relevant *Authority*.
- (k6) Paragraphs (k3) and (k4) do not apply if the *AER* gives the notice specified in those paragraphs to the *Distribution Network Service Provider* later than 10 *business days* before the expiry of the time limit fixed in paragraphs (e) or (g1).

Retailer insolvency event

- (l) For the purposes of calculating the *eligible pass through amount* in relation to a *positive change event* which is a *retailer insolvency event*, the increase in costs is the *retailer insolvency costs* excluding:

- (i) any amount recovered or recoverable from a *retailer* or a guarantor of a *retailer* under any relevant *credit support*; and
 - (ii) amounts that the *Distribution Network Service Provider* is likely to receive on a winding-up of the *retailer*; and
 - (iii) any costs that are recoverable under a *RoLR cost recovery scheme distributor payment determination*.
- (m) The amount the *AER* determines should be passed through to *Distribution Network Users* in respect of a *retailer insolvency event* must be taken to be a cost that can be passed through and not a revenue impact of the event.

6.6.1A Reporting on jurisdictional schemes

- (a) If during a *regulatory control period*:
- (1) a scheme becomes a *jurisdictional scheme*; or
 - (2) a *Distribution Network Service Provider* first becomes subject to *jurisdictional scheme obligations* under a *jurisdictional scheme*; and
 - (3) the relevant *jurisdictional scheme* is not an *approved jurisdictional scheme*,
- then a *Distribution Network Service Provider* may request the *AER* to determine how the *Distribution Network Service Provider* is to report to the *AER* on its recovery of *jurisdictional scheme amounts* in respect of that scheme for each *regulatory year* of the *regulatory control period* and on the adjustments to be made to subsequent *pricing proposals* to account for over or under recovery of those amounts.
- (b) To make a request under paragraph (a), a *Distribution Network Service Provider* must submit to the *AER*, as soon as practicable after the event referred to in subparagraph (a)(1) or (2), a written statement which specifies:
- (1) the name of the relevant *jurisdictional scheme*;
 - (2) the date of the event referred to in subparagraph (a)(1) or (2);
 - (3) details of how the *Distribution Network Service Provider* proposes to:
 - (i) estimate the *jurisdictional scheme amounts* for the relevant *jurisdictional scheme* for the purposes of clause 6.18.7A(b);
 - (ii) carry out any adjustments to *jurisdictional scheme amounts* for the relevant *jurisdictional scheme* for the purposes of clause 6.18.7A(b); and
 - (iii) report to the *AER* on the recovery process under clause 6.18.7A (a) to (c).
- (c) The *AER* must as soon as practicable after receiving a statement under paragraph (b), *publish* the statement.
- (d) Before making a determination under paragraph (e), the *AER* may consult with the relevant *Distribution Network Service Provider* and such other persons as the *AER* considers appropriate, on any matters arising out of the statement the *AER* considers appropriate.

- (e) Within 60 *business days* of receiving the statement under paragraph (b), the AER must make a determination on how the *Distribution Network Service Provider* is to report to the AER on its recovery of *jurisdictional scheme amounts* for the relevant *jurisdictional scheme* for each *regulatory year* of the *regulatory control period* and on the adjustments to be made to subsequent *pricing proposals* to account for over or under recovery of those amounts.
- (f) If the AER does not make the determination referred to in paragraph (e) within 60 *business days* of receiving the statement under paragraph (b) then, on expiry of that period, the AER is taken to have approved the process proposed in the *Distribution Network Service Provider's* statement.

6.6.2 Service target performance incentive scheme

- (a) The AER must, in accordance with the *distribution consultation procedures*, develop and *publish* an incentive scheme or schemes (*service target performance incentive scheme*) to provide incentives (which may include targets) for *Distribution Network Service Providers* to maintain and improve performance.
- (b) In developing and implementing a *service target performance incentive scheme*, the AER:
 - (1) must consult with the authorities responsible for the administration of relevant *jurisdictional electricity legislation*; and
 - (2) must ensure that service standards and service targets (including guaranteed service levels) set by the scheme do not put at risk the *Distribution Network Service Provider's* ability to comply with relevant service standards and service targets (including guaranteed service levels) as specified in *jurisdictional electricity legislation*; and

Note:

A *service target performance incentive scheme* operates concurrently with any average or minimum service standards and guaranteed service level schemes that apply to the *Distribution Network Service Provider* under *jurisdictional electricity legislation*.

- (3) must take into account:
 - (i) the need to ensure that benefits to electricity consumers likely to result from the scheme are sufficient to warrant any reward or penalty under the scheme for *Distribution Network Service Providers*; and
 - (ii) any *regulatory obligation or requirement* to which the *Distribution Network Service Provider* is subject; and
 - (iii) the past performance of the *distribution network*; and
 - (iv) any other incentives available to the *Distribution Network Service Provider* under the *Rules* or a relevant distribution determination; and
 - (v) the need to ensure that the incentives are sufficient to offset any financial incentives the *Distribution Network Service Provider* may have to reduce costs at the expense of service levels; and

- (vi) the willingness of the customer or end user to pay for improved performance in the delivery of services; and
 - (vii) the possible effects of the scheme on incentives for the implementation of *non-network options*; and
- (4) must have regard to the *Distribution Reliability Measures Guidelines*.
- (c) The AER may, from time to time and in accordance with the *distribution consultation procedures*, amend or replace any scheme that is developed and *published* under this clause.

Note:

A *Distribution Network Service Provider* is not precluded from entering into a contract with a third party (such as a network support service provider) under which the benefits of a *service target performance incentive scheme* are passed on to the third party, or the third party is required to indemnify the provider for penalties to which the provider becomes liable under the scheme.

6.6.3 Demand management incentive scheme

- (a) The AER must develop a *demand management incentive scheme* consistent with the *demand management incentive scheme objective*.
- (b) The objective of the *demand management incentive scheme* is to provide *Distribution Network Service Providers* with an incentive to undertake efficient expenditure on relevant *non-network options* relating to demand management (the *demand management incentive scheme objective*).
- (c) In developing, and applying, any *demand management incentive scheme*, the AER must take into account the following:
 - (1) the scheme should be applied in a manner that contributes to the achievement of the *demand management incentive scheme objective*;
 - (2) the scheme should reward *Distribution Network Service Providers* for implementing relevant *non-network options* that deliver net cost savings to *retail customers*;
 - (3) the scheme should balance the incentives between expenditure on *network options* and *non-network options* relating to demand management. In doing so, the AER may take into account the net economic benefits delivered to all those who produce, consume and transport electricity in the *market* associated with implementing relevant *non-network options*;
 - (4) the level of the incentive:
 - (i) should be reasonable, considering the long term benefit to *retail customers*;
 - (ii) should not include costs that are otherwise recoverable from any another source, including under a relevant distribution determination; and
 - (iii) may vary by *Distribution Network Service Provider* and over time;

- (5) penalties should not be imposed on *Distribution Network Service Providers* under any scheme;
- (6) the incentives should not be limited by the length of a *regulatory control period*, if such limitations would not contribute to the achievement of the *demand management incentive scheme objective*; and
- (7) the possible interaction between the scheme and:
 - (i) any other incentives available to the *Distribution Network Service Provider* in relation to undertaking efficient expenditure on, or implementation of, relevant *non-network options*;
 - (ii) particular control mechanisms and their effect on a *Distribution Network Service Provider's* available incentives referred to in sub-paragraph (i); and
 - (iii) meeting any *regulatory obligation or requirement*.
- (d) The *AER*:
 - (1) must develop and *publish* the scheme; and
 - (2) may, from time to time, amend or replace the scheme developed and *published* under this clause,in accordance with the *distribution consultation procedures*.

6.6.3A Demand management innovation allowance mechanism

- (a) The *AER* must develop a *demand management innovation allowance mechanism* consistent with the *demand management innovation allowance objective*.
- (b) The objective of the *demand management innovation allowance mechanism* is to provide *Distribution Network Service Providers* with funding for research and development in demand management projects that have the potential to reduce long term *network costs* (the *demand management innovation allowance objective*).
- (c) In developing and applying any *demand management innovation allowance mechanism*, the *AER* must take into account the following:
 - (1) the mechanism should be applied in a manner that contributes to the achievement of the *demand management innovation allowance objective*;
 - (2) demand management projects, the subject of the allowance, should:
 - (i) have the potential to deliver ongoing reductions in demand or peak demand; and
 - (ii) be innovative and not be otherwise efficient and prudent *non-network options* that a *Distribution Network Service Providers* should have provided for in its *regulatory proposal*;
 - (3) the level of the allowance:
 - (i) should be reasonable, considering the long term benefit to *retail customers*;

- (ii) should only provide funding that is not available from any another source, including under a relevant distribution determination; and
 - (iii) may vary by *Distribution Network Service Provider* and over time;
- (4) the allowance may fund demand management projects which occur over a period longer than a *regulatory control period*.
- (d) Any mechanism developed and applied by the AER must require *Distribution Network Service Providers* to *publish* reports on the nature and results of demand management projects the subject of the allowance.
- (e) The AER:
 - (1) must develop and *publish* the mechanism; and
 - (2) may, from time to time, amend or replace any mechanism developed and *published* under this clause,in accordance with the *distribution consultation procedures*.

6.6.4 Small-scale incentive scheme

- (a) The AER may, in accordance with the *distribution consultation procedures*, develop and *publish* an incentive scheme or schemes (*small-scale incentive scheme*) that provides *Distribution Network Service Providers* with incentives to provide *standard control services* in a manner that contributes to the achievement of the *national electricity objective*.
- (b) In developing and applying a *small-scale incentive scheme*, the AER must have regard to the following matters:
 - (1) *Distribution Network Service Providers* should be rewarded or penalised for efficiency gains or losses in respect of their *distribution systems*;
 - (2) the rewards and penalties should be commensurate with the efficiency gains or efficiency losses in respect of a *distribution system*, but a reward for efficiency gains need not correspond in amount to a penalty for efficiency losses;
 - (3) the benefits to electricity consumers that are likely to result from efficiency gains in respect of a *distribution system* should warrant the rewards provided under the scheme, and the detriments to electricity consumers that are likely to result from efficiency losses in respect of a *distribution system* should warrant the penalties provided under the scheme;
 - (4) the interaction of the scheme with other incentives that *Distribution Network Service Providers* may have under the *Rules*; and
 - (5) the *capital expenditure objectives* and the *operating expenditure objectives*.
- (c) The AER may, from time to time and in accordance with the *distribution consultation procedures*, amend or replace any *small-scale incentive scheme*.

- (d) Where the AER applies a *small-scale incentive scheme* to a *Distribution Network Service Provider* for a *regulatory control period*:
 - (1) the aggregate rewards or penalties for a *regulatory year* in that *regulatory control period* that are provided or imposed under that scheme and any other *small-scale incentive schemes* that apply to that *Distribution Network Service Provider* must not exceed 0.5% of the *annual revenue requirement* for the *Distribution Network Service Provider* for that *regulatory year* unless the *Distribution Network Service Provider* consents to the contrary, in which case that aggregate must not exceed 1% of the *annual revenue requirement* for the *Distribution Network Service Provider* for that *regulatory year*; and
 - (2) the *small-scale incentive scheme* must cease to provide rewards or impose penalties in respect of a *regulatory year* after the expiry of such a period as is determined by the AER, being a period that is not more than two *regulatory control periods* after the commencement of that scheme.
- (e) Notwithstanding anything else contained in this clause, the AER may require a *Distribution Network Service Provider* to participate in a trial of a *small-scale incentive scheme* under which, for the duration of that trial, the *Distribution Network Service Provider* is not required to bear any penalty and is not entitled to earn any reward.

6.6.5 Reopening of distribution determination for capital expenditure

- (a) Subject to paragraph (b), a *Distribution Network Service Provider* may, during a *regulatory control period*, apply to the AER to revoke and substitute a distribution determination that applies to it where:
 - (1) an event that is beyond the reasonable control of the *Distribution Network Service Provider* has occurred during that *regulatory control period* and the occurrence of that event during that period (or of an event of a similar kind) could not reasonably have been foreseen by the *Distribution Network Service Provider* at the time of the making of the distribution determination ('**the event**');
 - (2) no forecast capital expenditure was accepted or substituted by the AER for that period under clauses 6.5.7(c) or 6.12.1(3)(ii) (as the case may be) in relation to the event that has occurred;
 - (3) the *Distribution Network Service Provider* proposes to undertake capital expenditure to rectify the adverse consequences of the event;
 - (4) the total of the capital expenditure required during the *regulatory control period* to rectify the adverse consequences of the event:
 - (i) exceeds 5% of the value of the regulatory asset base for the relevant *Distribution Network Service Provider* for the first year of the relevant *regulatory control period*;
 - (ii) is such that, if undertaken, it is reasonably likely (in the absence of any other reduction in capital expenditure) to result in the total actual capital expenditure for that *regulatory control period* exceeding the total of the forecast capital expenditure for that

regulatory control period as accepted or substituted by the *AER* in accordance with clauses 6.5.7(c) or 6.12.1(3)(ii) (as the case may be);

- (5) the *Distribution Network Service Provider* can demonstrate that it is not able to reduce capital expenditure in other areas to avoid the consequence referred to in subparagraph (a)(4)(ii) without materially adversely affecting the *reliability* and security of the relevant *distribution system*;
- (6) a failure to rectify the adverse consequences of the event would be likely to materially adversely affect the *reliability* and security of the relevant *distribution system*; and
- (7) the event is not a *pass through event* or a *contingent project*.

In this paragraph (a), a reference to an event includes a series of events or a state of affairs, which may include a greater than anticipated increase in demand.

- (b) An application referred to in paragraph (a) must not be made within 90 *business days* prior to the end of a *regulatory year*.
- (b1) The capital expenditure that the *Distribution Network Service Provider* proposes to undertake for the purposes of subparagraph (a)(3) must not include *expenditure for a restricted asset*, unless that *Distribution Network Service Provider* has submitted an *exemption application* with the application referred to in paragraph (a), which requests an *asset exemption* under clause 6.4B.1(a)(4) for the *regulatory control period* in respect of that asset or class of asset.
- (c) Following its receipt of an application made in accordance with paragraphs (a) and (b) and an *exemption application* (if any) made in accordance with paragraph (b1), the *AER* must:
 - (1) consult with the *Distribution Network Service Provider* and such other persons as it considers appropriate in relation to the applications; and
 - (2) make its decision on the application made in accordance with paragraphs (a) and (b) and the *exemption application* (if any) within 40 *business days* from the later of the date the *AER* receives the applications and the date the *AER* receives any information required by the *AER* under paragraph (g).
- (c1) The *AER* must *publish*:
 - (1) the reasons for its decision on the *exemption application* under subparagraph (c)(2); and
 - (2) any content required under clause 6.2.8(c)(2),at the same time as making its decision on the application made under paragraph (a).
- (d) The *AER* must, and must only, revoke a distribution determination following an application made in accordance with paragraphs (a) and (b) if the *AER* is satisfied of each of the matters referred to in paragraph (a).

- (e) If the *AER* revokes a distribution determination under paragraph (d), the *AER* must make a new distribution determination in substitution for the revoked determination to apply for the remainder of the *regulatory control period* for which the revoked determination was to apply.
- (f) The substituted distribution determination must only vary from the revoked distribution determination to the extent necessary:
 - (1) to adjust the forecast capital expenditure for that *regulatory control period* to accommodate the amount of such additional capital expenditure as the *AER* determines is appropriate (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6.5.7(c)); and
 - (2) to reflect the effect of any resultant increase in forecast capital expenditure on:
 - (i) the forecast operating expenditure for the remainder of the *regulatory control period*;
 - (ii) the *annual revenue requirement* for each *regulatory year* in the remainder of the *regulatory control period*; and
 - (iii) the X factor for each of the remaining *regulatory years* of the *regulatory control period*.
- (f1) The *AER* must not include an adjustment for additional expenditure under subparagraph (f)(1) that includes *expenditure for a restricted asset*, unless:
 - (1) the *Distribution Network Service Provider* has requested an *asset exemption* under paragraph (b1) for the *regulatory control period* in respect of that asset or that class of asset; and
 - (2) the *AER* has granted that *asset exemption* under paragraph (c).
- (g) A *Distribution Network Service Provider* must provide the *AER* with such additional information as the *AER* requires for the purpose of making a decision on an application made by that *Distribution Network Service Provider* under paragraph (a) within the time specified by the *AER* in a notice provided to the *Distribution Network Service Provider* by the *AER* for that purpose.

Extension of time limit

- (h) If the *AER* is satisfied that the revocation and substitution of a distribution determination under paragraphs (d) and (e) involves issues of such complexity or difficulty that the time limit fixed in subparagraph (c)(2) should be extended, the *AER* may extend that time limit by a further period of up to 60 *business days*, provided that it gives written notice to the *Distribution Network Service Provider* of that extension not later than 10 *business days* before the expiry of that time limit.
- (i) If the *AER* extends the time limit under paragraph (h), it must make available on its website a notice of that extension as soon as is reasonably practicable.
- (j) Subject to paragraph (11), if the *AER* gives a written notice to the *Distribution Network Service Provider* stating that it requires information from an *Authority* in order to make a decision on an application made by the

Distribution Network Service Provider under paragraph (a) then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Distribution Network Service Provider* and when the *AER* receives that information from that *Authority* is to be disregarded.

- (k) Subject to paragraph (11), if the *AER* gives a written notice to the *Distribution Network Service Provider* stating that, in order to make a decision on an application made by the *Distribution Network Service Provider* under paragraph (a), it requires information that it anticipates will be made publicly available by a judicial body or royal commission then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Distribution Network Service Provider* and when that information is made publicly available is to be disregarded.
- (l) Where the *AER* gives a notice to the *Distribution Network Service Provider* under paragraph (j) or (k), it must:
 - (1) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (j) or (k), as the case may be, has commenced;
 - (2) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (j) or (k), as the case may be, has ended; and
 - (3) if the information specified in that notice is required from an *Authority*, promptly request that information from the relevant *Authority*.
- (11) Paragraphs (j) and (k) do not apply if the *AER* gives the notice specified in those paragraphs to the *Distribution Network Service Provider* later than 10 *business days* before the expiry of the time limit fixed in subparagraph (c)(2).

Revocation and substitution of distribution determination

- (m) If the *AER* revokes and substitutes a distribution determination under paragraph (e), that revocation and substitution must take effect from the commencement of the next *regulatory year*.

6.6A Contingent Projects

6.6A.1 Acceptance of a contingent project in a distribution determination

- (a) Subject to paragraph (a1), a *regulatory proposal* may include *proposed contingent capital expenditure*, which the *Distribution Network Service Provider* considers is reasonably required for the purpose of undertaking a *proposed contingent project*.
- (a1) *Proposed contingent capital expenditure* that is included in a *regulatory proposal* of a *Distribution Network Service Provider* must not include *expenditure for a restricted asset*, unless that *Distribution Network Service Provider* has submitted an *exemption application* with the *regulatory proposal*, which requests an *asset exemption* under clause 6.4B.1(a)(2) in respect of that asset or class of asset for the *contingent project*.
- (b) Subject to paragraph (b1), the *AER* must determine that a *proposed contingent project* is a *contingent project* if the *AER* is satisfied that:

- (1) the *proposed contingent project* is reasonably required to be undertaken in order to achieve any of the *capital expenditure objectives*;
 - (2) the *proposed contingent capital expenditure*:
 - (i) is not otherwise provided for (either in part or in whole) in the total of the forecast capital expenditure for the relevant *regulatory control period* which is accepted in accordance with clause 6.5.7(c) or substituted in accordance with clause 6.12.1(3)(ii) (as the case may be);
 - (ii) reasonably reflects the *capital expenditure criteria*, taking into account the *capital expenditure factors*, in the context of the *proposed contingent project* as described in the *regulatory proposal*; and
 - (iii) exceeds either \$30 million or 5% of the value of the *annual revenue requirement* for the relevant *Distribution Network Service Provider* for the first year of the relevant *regulatory control period*, whichever is the larger amount;
 - (3) the *proposed contingent project* and the *proposed contingent capital expenditure*, as described or set out in the *regulatory proposal*, and the information provided in relation to these matters, complies with the relevant requirements of any relevant *regulatory information instrument*; and
 - (4) the *trigger events* in relation to the *proposed contingent project* which are proposed by the *Distribution Network Service Provider* in its *regulatory proposal* are appropriate.
- (b1) The *AER* must not determine that a *proposed contingent project* is a *contingent project* if the *proposed contingent capital expenditure* for that *proposed contingent project* includes *expenditure for a restricted asset*, unless:
- (1) the relevant *Distribution Network Service Provider* has requested an *asset exemption* under paragraph (a1) in respect of that asset or that class of asset; and
 - (2) the *AER* has granted that *asset exemption*.
- (c) In determining whether a *trigger event* in relation to a *proposed contingent project* is appropriate for the purposes of subparagraph (b)(4), the *AER* must have regard to the need for a *trigger event*:
- (1) to be reasonably specific and capable of objective verification;
 - (2) to be a condition or event, which, if it occurs, makes the undertaking of the *proposed contingent project* reasonably necessary in order to achieve any of the *capital expenditure objectives*;
 - (3) to be a condition or event that generates increased costs or categories of costs that relate to a specific location rather than a condition or event that affects the *distribution network* as a whole;

- (4) to be described in such terms that the occurrence of that event or condition is all that is required for the distribution determination to be amended under clause 6.6A.2; and
- (5) to be an event or condition, the occurrence of which is probable during the *regulatory control period*, but the inclusion of capital expenditure in relation to it under clause 6.5.7 is not appropriate because:
 - (i) it is not sufficiently certain that the event or condition will occur during the *regulatory control period* or if it may occur after that *regulatory control period* or not at all; or
 - (ii) subject to the requirement to satisfy subparagraph (b)(2)(iii), the costs associated with the event or condition are not sufficiently certain.

6.6A.2 Amendment of distribution determination for contingent project

- (a) Subject to paragraph (b), a *Distribution Network Service Provider* may, during a *regulatory control period*, apply to the AER to amend a distribution determination that applies to that *Distribution Network Service Provider* where a *trigger event* for a *contingent project* in relation to that distribution determination has occurred.
- (b) Subject to paragraph (b1), an application referred to in paragraph (a):
 - (1) must not be made within 90 *business days* prior to the end of a *regulatory year*;
 - (2) subject to subparagraph (1), must be made as soon as practicable after the occurrence of the *trigger event*;
 - (3) must contain the following information:
 - (i) an explanation that substantiates the occurrence of the *trigger event*;
 - (ii) a forecast of the total capital expenditure for the *contingent project*;
 - (iii) a forecast of the capital and incremental operating expenditure, for each remaining *regulatory year* which the *Distribution Network Service Provider* considers is reasonably required for the purpose of undertaking the *contingent project*;
 - (iv) how the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6.6A.1(b)(2)(iii);
 - (v) the intended date for commencing the *contingent project* (which must be during the *regulatory control period*);
 - (vi) the anticipated date for completing the *contingent project* (which may be after the end of the *regulatory control period*);
 - (vii) an estimate of the incremental revenue which the *Distribution Network Service Provider* considers is likely to be required to be earned in each remaining *regulatory year* of the *regulatory*

- control period* as a result of the *contingent project* being undertaken as described in subparagraph (iii); and
- (4) the estimate referred to in subparagraph (3)(vii) must be calculated:
- (i) in accordance with the requirements of the *post-tax revenue model* referred to in clause 6.4.1;
 - (ii) in accordance with the requirements of the *roll forward model* referred to in clause 6.5.1(b);
 - (iii) using the *allowed rate of return* for that *Distribution Network Service Provider* for the *regulatory control period* as determined in accordance with clause 6.5.2;
 - (iv) in accordance with the requirements for depreciation referred to in clause 6.5.5; and
 - (v) on the basis of the capital expenditure and incremental operating expenditure referred to in subparagraph (3)(iii).
- (b1) The forecast total capital expenditure referred to in subparagraph (b)(3) must not include *expenditure for a restricted asset*, unless:
- (1) the relevant *Distribution Network Service Provider* has requested an *asset exemption* under clause 6.6A.1(a1) for that asset or class of asset in respect of the *contingent project*; and
 - (2) the *AER* has granted that *asset exemption*.
- (c) As soon as practicable after its receipt of an application made in accordance with paragraphs (a) and (b), the *AER* must *publish* the application, together with an invitation for written submissions on the application.
- (d) The *AER* must consider any written submissions made under paragraph (c) and must make its decision on the application within 40 *business days* from the later of the date the *AER* receives the application and the date the *AER* receives any information required by the *AER* under paragraph (i). In doing so the *AER* may also take into account such other information as it considers appropriate, including any analysis (such as benchmarking) that is undertaken by it for that purpose.
- (e) Subject to paragraph (e1), if the *AER* is satisfied that the *trigger event* has occurred, and that the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6.6A.1(b)(2)(iii), it must:
- (1) determine:
 - (i) the amount of capital and incremental operating expenditure, for each remaining *regulatory year*, which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project*;
 - (ii) the total capital expenditure which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project*;

- (iii) the likely commencement and completion dates for the *contingent project*; and
 - (iv) the incremental revenue which is likely to be required by the *Distribution Network Service Provider* in each remaining *regulatory year* as a result of the *contingent project* being undertaken as described in subparagraphs (i) and (ii), such estimate being calculated in accordance with subparagraph (2);
 - (2) calculate the estimate referred to in subparagraph (1)(iv):
 - (i) on the basis of the capital expenditure and incremental operating expenditure referred to in subparagraph (1)(i); and
 - (ii) otherwise in accordance with subparagraph (b)(4); and
 - (3) amend the distribution determination in accordance with paragraph (h).
- (e1) The capital expenditure referred to in subparagraph (e)(1) must not include *expenditure for a restricted asset*, unless:
- (1) the relevant *Distribution Network Service Provider* requested an *asset exemption* under clause 6.6A.1(a1) for that asset or class of asset in respect of the *contingent project*; and
 - (2) the *AER* granted that *asset exemption*.
- (f) In making the determinations referred to in subparagraph (e)(1), the *AER* must accept the relevant amounts and dates, contained in the *Distribution Network Service Provider's* application, as referred to in subparagraph (b)(3)(ii) to (vii), if the *AER* is satisfied that:
- (1) the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6.6A.1(b)(2)(iii) and complies with paragraph (b1);
 - (2) the amounts of forecast capital expenditure and incremental operating expenditure reasonably reflect the *capital expenditure criteria* and the *operating expenditure criteria*, taking into account the *capital expenditure factors* and the *operating expenditure factors* respectively, in the context of the *contingent project*;
 - (3) the estimates of incremental revenue are reasonable; and
 - (4) the dates are reasonable.
- (g) In making the determinations referred to in subparagraph (e)(1) and paragraph (f), the *AER* must have regard to:
- (1) the information included in or accompanying the application;
 - (2) submissions received in the course of consulting on the application;
 - (3) such analysis as is undertaken by or for the *AER*;
 - (4) the expenditure that would be incurred in respect of a *contingent project* by an efficient and prudent *Distribution Network Service Provider* in the circumstances of the *Distribution Network Service Provider*;

- (5) the actual and expected capital expenditure of the *Distribution Network Service Provider* for *contingent projects* during any preceding *regulatory control periods*;
 - (6) the extent to which the forecast capital expenditure for the *contingent project* is referable to arrangements with a person other than the *Distribution Network Service Provider* that, in the opinion of the *AER*, do not reflect arm's length terms;
 - (7) the relative prices of operating and capital inputs in relation to the *contingent project*;
 - (8) the substitution possibilities between operating and capital expenditure in relation to the *contingent project*; and
 - (9) whether the capital and operating expenditure forecasts for the *contingent project* are consistent with any incentive scheme or schemes that apply to the *Distribution Network Service Provider* under clauses 6.5.8, 6.5.8A or 6.6.2 to 6.6.4.
- (h) Amendments to a distribution determination referred to in subparagraph (e)(3) must only vary the determination to the extent necessary:
- (1) to adjust the forecast capital expenditure for that *regulatory control period* to accommodate the amount of capital expenditure determined under subparagraph (e)(1)(i) (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6.5.7(c));
 - (2) to adjust the forecast operating expenditure for that *regulatory control period* to accommodate the amount of incremental operating expenditure determined under subparagraph (e)(1)(i) (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6.5.6(c));
 - (3) to reflect the effect of any resultant increase in forecast capital and operating expenditure on:
 - (i) the *annual revenue requirement* for each *regulatory year* in the remainder of the *regulatory control period*; and
 - (ii) the *X factor* for each *regulatory year* in the remainder of the *regulatory control period*.
- (i) A *Distribution Network Service Provider* must provide the *AER* with such additional information as the *AER* requires for the purpose of making a decision on an application made by that *Distribution Network Service Provider* under paragraph (a) within the time specified by the *AER* in a notice provided to the *Distribution Network Service Provider* by the *AER* for that purpose.

Extension of time limit

- (j) If the *AER* is satisfied that amending a distribution determination under subparagraphs (e)(3) and (h) involves issues of such complexity or difficulty that the time limit fixed in paragraph (d) should be extended, the *AER* may extend that time limit by a further period of up to 60 *business days*, provided

that it gives written notice to the *Distribution Network Service Provider* of that extension no later than 10 *business days* before the expiry of that time limit.

- (k) If the *AER* extends the time limit under paragraph (j), it must make available on its website a notice of that extension as soon as is reasonably practicable.
- (l) Subject to paragraph (n1), if the *AER* gives a written notice to the *Distribution Network Service Provider* stating that it requires information from an *Authority* in order to make a decision on an application made by the *Distribution Network Service Provider* under paragraph (a) then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Distribution Network Service Provider* and when the *AER* receives that information from that *Authority* is to be disregarded.
- (m) Subject to paragraph (n1), if the *AER* gives a written notice to the *Distribution Network Service Provider* stating that, in order to make a decision on an application made by the *Distribution Network Service Provider* under paragraph (a), it requires information from a judicial body or royal commission then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Distribution Network Service Provider* and when that information is made publicly available is to be disregarded.
- (n) Where the *AER* gives a notice to the *Distribution Network Service Provider* under paragraph (l) or (m), it must:
 - (1) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (l) or (m), as the case may be, has commenced;
 - (2) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (l) or (m), as the case may be, has ended; and
 - (3) if the information specified in that notice is required from an *Authority*, promptly request that information from the relevant *Authority*.
- (n1) Paragraphs (l) and (m) do not apply if the *AER* gives the notice specified in those paragraphs to the *Distribution Network Service Provider* later than 10 *business days* before the expiry of the time limit fixed in paragraph (d).

Amendment of distribution determination

- (o) If the *AER* amends a distribution determination under paragraph (h), that amendment must take effect from the commencement of the next *regulatory year*.

Part D Negotiated distribution services

6.7 Negotiated distribution services

6.7.1 Principles relating to access to negotiated distribution services

The following principles constitute the *Negotiated Distribution Service Principles*:

- (1) the price for a *negotiated distribution service* should be based on the costs incurred in providing that service, determined in accordance with the principles and policies set out in the *Cost Allocation Method* for the relevant *Distribution Network Service Provider*;
- (2) subject to subparagraphs (3) and (4), the price for a *negotiated distribution service* should be at least equal to the cost that would be avoided by not providing the service but no more than the cost of providing it on a stand alone basis;
- (3) if the *negotiated distribution service* is the provision of a *shared distribution service* that:
 - (i) exceeds the *network* performance requirements (if any) which that *shared distribution service* is required to meet under any *jurisdictional electricity legislation*; or
 - (ii) exceeds the *network* performance requirements set out in schedules 5.1a and 5.1,

then the differential between the price for that service and the price for the *shared distribution service* which meets (but does not exceed) the *network* performance requirements under any *jurisdictional electricity legislation* or as set out in schedules 5.1a and 5.1 (as the case may be) should reflect the increase in the *Distribution Network Service Provider's* incremental cost of providing that service;

- (4) if the *negotiated distribution service* is the provision of a *shared distribution service* that does not meet (and does not exceed) the *network* performance requirements set out in schedules 5.1a and 5.1, the differential between the price for that service and the price for the *shared distribution service* which meets (but does not exceed) the *network* performance requirements set out in schedules 5.1a and 5.1 should reflect the cost the *Distribution Network Service Provider* would avoid by not providing that service;
- (5) the price for a *negotiated distribution service* must be the same for all *Distribution Network Users* unless there is a material difference in the costs of providing the *negotiated distribution service* to different *Distribution Network Users* or classes of *Distribution Network Users*;
- (6) the price for a *negotiated distribution service* should be subject to adjustment over time to the extent that the assets used to provide that service are subsequently used to provide services to another person, in which case the adjustment should reflect the extent to which the costs of that asset are being recovered through charges to that other person;
- (7) the price for a *negotiated distribution service* should be such as to enable the *Distribution Network Service Provider* to recover the efficient costs of complying with all *regulatory obligations or requirements* associated with the provision of the *negotiated distribution service*;
- (8) any *access charges*:
 - (A) in respect of providing *distribution network user access* to *negotiated distribution services* which would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c) should be based

- on the costs reasonably incurred by the *Distribution Network Service Provider* in providing that access and, in the case of compensation referred to in clauses 5.3AA(f)(4)(ii) and (iii), on the revenue that is likely to be foregone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs; and
- (B) for the *declared transmission system* of an *adoptive jurisdiction*, in respect of providing *transmission network user access* to *negotiated distribution services* which would have been treated as *negotiated transmission services* were it not for the operation of clause 6.24.2(c), should be based on the costs reasonably incurred by the *Distribution Network Service Provider* in providing that access and, in the case of compensation referred to in clauses 5.4A(h) - (j) (as preserved under clause 11.98.8(a)(2)), on the revenue that is likely to be foregone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs;
- (9) the *terms and conditions of access* for a *negotiated distribution service* should be fair and reasonable and consistent with the safe and reliable operation of the *power system* in accordance with the *Rules* (for these purposes, the price for a *negotiated distribution service* is to be treated as being fair and reasonable if it complies with principles (1) to (7) of this clause);
- (10) the *terms and conditions of access* for a *negotiated distribution service* (including, in particular, any exclusions and limitations of liability and indemnities) must not be unreasonably onerous taking into account the allocation of risk between the *Distribution Network Service Provider* and the other party, the price for the *negotiated distribution service* and the costs to the *Distribution Network Service Provider* of providing the *negotiated distribution service*;
- (11) the *terms and conditions of access* for a *negotiated distribution service* should take into account the need for the service to be provided in a manner that does not adversely affect the safe and reliable operation of the *power system* in accordance with the *Rules*.

6.7.2 Determination of terms and conditions of access for negotiated distribution services

- (a) A *Distribution Network Service Provider* must comply with:
- (1) the provider's *negotiating framework*; and
 - (2) the provider's *Negotiated Distribution Service Criteria*,
- when the provider is negotiating the *terms and conditions of access* to *negotiated distribution services*.
- (b) The *Distribution Network Service Provider* must also comply with any other applicable requirements of the *Rules*, including the requirements of:
- (1) rules 5.3, 5.3A and 5.3AA, when negotiating for the provision of *connection services* and the associated *connection service charges* in respect of the provision of *negotiated distribution services* which

would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c);

- (2) rules 5.3 and 5.3A, when negotiating for the provision of *connection services* and the associated *connection service charges* in respect of the provision of *negotiated distribution services* which would have been treated as *negotiated transmission services* were it not for the operation of clause 6.24.2(c);
- (3) rule 5.3AA, when negotiating the *use of system services charges* and *access charges* to be paid to or by a *Distribution Network User* in respect of the provision of *negotiated distribution services* which would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c); and
- (4) for the *declared transmission system* of an *adoptive jurisdiction*, rule 5.4A (as preserved under clause 11.98.8(a)(2)), when negotiating the *use of system services charges* and *access charges* to be paid to or by a *Distribution Network User* in respect of the provision of *negotiated distribution services* which would have been treated as *negotiated transmission services* were it not for the operation of clause 6.24.2(c).

6.7.3 Negotiating framework determination

The determination specifying requirements relating to the *negotiating framework* forming part of a distribution determination for a *Distribution Network Service Provider* is to set out requirements that are to be complied with in respect of the preparation, replacement, application or operation of its *negotiating framework*.

6.7.4 Negotiated Distribution Service Criteria determination

- (a) The determination by the AER specifying the *Negotiated Distribution Service Criteria* forming part of a distribution determination for a *Distribution Network Service Provider* is to set out the criteria that are to be applied:
 - (1) by the provider in negotiating *terms and conditions of access* including:
 - (i) the prices that are to be charged for the provision of *negotiated distribution services* by the provider for the relevant *regulatory control period*; or
 - (ii) any *access charges* which are negotiated by the provider during that *regulatory control period*; and
 - (2) by the AER in resolving an access dispute about *terms and conditions of access* including:
 - (i) the price that is to be charged for the provision of a *negotiated distribution service* by the provider; or
 - (ii) any *access charges* that are to be paid to or by the provider.
- (b) The *Negotiated Distribution Service Criteria* must give effect to and be consistent with the *Negotiated Distribution Service Principles* set out in clause 6.7.1.

6.7.5 Preparation of and requirements for negotiating framework for negotiated distribution services

- (a) A *Distribution Network Service Provider* must prepare a document (the *negotiating framework*) setting out the procedure to be followed during negotiations between that provider and any person (the *Service Applicant* or applicant) who wishes to receive a *negotiated distribution service* from the provider, as to the *terms and conditions of access* for the provision of the service.
- (b) The *negotiating framework* for a *Distribution Network Service Provider* must comply with and be consistent with:

- (1) the applicable requirements of the relevant distribution determination; and

Note:

See clause 6.7.3.

- (2) paragraph (c), which sets out the minimum requirements for a *negotiating framework*.
- (c) The *negotiating framework* for a *Distribution Network Service Provider* must specify:

- (1) a requirement for the provider and a *Service Applicant* to negotiate in good faith the *terms and conditions of access* to a *negotiated distribution service*; and
 - (2) a requirement for the provider to provide all such commercial information a *Service Applicant* may reasonably require to enable that applicant to engage in effective negotiation with the provider for the provision of the *negotiated distribution service*, including the cost information described in subparagraph (3); and
 - (3) a requirement for the provider:
 - (i) to identify and inform a *Service Applicant* of the reasonable costs and/or the increase or decrease in costs (as appropriate) of providing the *negotiated distribution service*; and
 - (ii) to demonstrate to a *Service Applicant* that the charges for providing the *negotiated distribution service* reflect those costs and/or the cost increment or decrement (as appropriate); and
 - (iii) to have appropriate arrangements for assessment and review of the charges and the basis on which they are made; and

Note:

If (for example) a charge, or an element of a charge, is based on a customer's actual or assumed *maximum demand*, the assessment and review arrangements should allow for a change to the basis of the charge so that it more closely reflects the customer's *load* profile where a reduction or increase in *maximum demand* has been demonstrated.

- (4) a requirement for a *Service Applicant* to provide all commercial information the provider may reasonably require to enable the provider to engage in effective negotiation with that applicant for the provision of the *negotiated distribution service*; and

- (5) a requirement that negotiations with a *Service Applicant* for the provision of the *negotiated distribution service* be commenced and finalised within specified periods and a requirement that each party to the negotiations must make reasonable endeavours to adhere to the specified time limits; and
 - (6) a process for dispute resolution which provides that all disputes as to the *terms and conditions of access* for the provision of *negotiated distribution services* are to be dealt with in accordance with the relevant provisions of the Law and the *Rules* for dispute resolution; and
 - (7) the arrangements for payment by a *Service Applicant* of the provider's reasonable direct expenses incurred in processing the application to provide the *negotiated distribution service*; and
 - (8) a requirement that the *Distribution Network Service Provider* determine the potential impact on other *Distribution Network Users* of the provision of the *negotiated distribution service*; and
 - (9) a requirement that the *Distribution Network Service Provider* must notify and consult with any affected *Distribution Network Users* and ensure that the provision of *negotiated distribution services* does not result in non-compliance with obligations in relation to other *Distribution Network Users* under the *Rules*; and
 - (10) a requirement that the *Distribution Network Service Provider* publish the results of negotiations on its website.
- (d) Notwithstanding the foregoing, the *negotiating framework* must not be inconsistent with any of the requirements of:
- (1) rules 5.3, 5.3A and 5.3AA insofar as the *negotiating framework* applies to *negotiated distribution services* which would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c); and
 - (2) rules 5.3 and 5.3A and, for the *declared transmission system* of an *adoptive jurisdiction*, rule 5.4A (as preserved under clause 11.98.8(a)(2)) insofar as the *negotiating framework* applies to *negotiated distribution services* which would have been treated as *negotiated transmission services* were it not for the operation of clause 6.24.2(c),
- and any other relevant provisions of this Chapter 6 and, in the event of any inconsistency, those requirements prevail.
- (e) Each *Distribution Network Service Provider* and *Service Applicant* who is negotiating for the provision of a *negotiated distribution service* by the provider must comply with the requirements of the *negotiating framework* in accordance with its terms.

6.7.6 Confidential information

- (a) Commercial information to be provided to a *Service Applicant* in accordance with clause 6.7.5(c)(2):
 - (1) does not include *confidential information* provided to the *Distribution Network Service Provider* by another person; and

- (2) may be provided subject to a condition that the *Service Applicant* must not provide any part of that commercial information to any other person without the consent of the *Distribution Network Service Provider*.
- (b) Commercial information to be provided to a *Distribution Network Service Provider* in accordance with clause 6.7.5(c)(4):
 - (1) does not include *confidential information* provided to a *Service Applicant* by another person; and
 - (2) may be provided subject to a condition that the provider must not provide any part of that commercial information to any other person without the consent of the *Service Applicant*.

Part DA Connection policies

6.7A Connection policy requirements

~~Chapter 5A~~ *This Rule* deals with the preparation of, requirements for and approval of *connection policies*.

~~6.7A.1 Preparation of, and requirements for, connection policy~~

- ~~(a) A *Distribution Network Service Provider* must prepare a document (its proposed *connection policy*) setting out the circumstances in which it may require a *retail customer* or *real estate developer* to pay a *connection charge*, for the provision of a *connection service* under Chapter 5A.~~
- ~~(b) The proposed *connection policy*:~~
 - ~~(1) must be consistent with:~~
 - ~~(i) the *connection charge principles*; and~~
 - ~~(ii) the *connection charge guidelines*; and~~
 - ~~(2) must specify:~~
 - ~~(i) the categories of persons that may be required to pay a *connection charge* and the circumstances in which such a requirement may be imposed; and~~
 - ~~(ii) the aspects of a *connection service* for which a *connection charge* may be made; and~~

Example

~~The *Distribution Network Service Provider* might (for example) make separate *connection charges* for the provision of a *distribution connection asset* and for making a necessary *extension* to, or other *augmentation* of, the *distribution network*.~~

- ~~(iii) the basis on which *connection charges* are determined; and~~
- ~~(iv) the manner in which *connection charges* are to be paid (or equivalent consideration is to be given); and~~

Examples

~~The payment (or equivalent consideration) might take the form of a capital contribution, prepayment or financial guarantee.~~

~~(v) — a threshold (based on capacity or any other measure identified in the connection charge guidelines) below which a retail customer (not being a non-registered embedded generator or a real estate developer) will not be liable for a connection charge for an augmentation other than an extension.~~

Part E Regulatory proposal and proposed tariff structure statement

6.8 Regulatory proposal and proposed tariff structure statement

6.8.1 AER's framework and approach paper

(a) The AER must make and *publish* a document (a *framework and approach paper*) that applies in respect of a distribution determination for a matter listed in paragraph (b) in accordance with this clause if:

- (1) there is no *framework and approach paper* that applies in respect of that distribution determination for that matter; or
- (2) there is a *framework and approach paper* that would apply in respect of that distribution determination for that matter, but the AER has *published* a notice under paragraph (c)(3) stating that it will make an amended or replacement *framework and approach paper* with respect to that matter.

(b) A *framework and approach paper* that applies in respect of a distribution determination must set out:

- (1) the AER's decision (together with its reasons for the decision), for the purposes of the forthcoming distribution determination, on the following matters:
 - (i) the form (or forms) of the control mechanisms; and
 - (ii) as to whether or not Part J of Chapter 6A is to be applied to determine the pricing of *transmission standard control services* provided by any *dual function assets* owned, controlled or operated by the *Distribution Network Service Provider*; and

Note:

See clause 6.25(b).

- (2) the AER's proposed approach (together with its reasons for the proposed approach), in the forthcoming distribution determination, to the following matters:
 - (i) the classification of *distribution services* under this Chapter;
 - (ii) the formulae that give effect to the control mechanisms referred to in subparagraph (1)(i);
 - (iii) the application to the *Distribution Network Service Provider* of any *service target performance incentive scheme*;
 - (iv) the application to the *Distribution Network Service Provider* of any *efficiency benefit sharing scheme*;

- (v) the application to the *Distribution Network Service Provider* of any *capital expenditure sharing scheme*;
 - (vi) the application to the *Distribution Network Service Provider* of any *demand management incentive scheme* or *demand management innovation allowance mechanism*;
 - (vii) the application to the *Distribution Network Service Provider* of any *small-scale incentive scheme*;
 - (viii) the application to the *Distribution Network Service Provider* of the *Expenditure Forecast Assessment Guidelines*;
 - (ix) whether depreciation for establishing the regulatory asset base for the relevant *distribution system* as at the commencement of the following *regulatory control period* is to be based on actual or forecast capital expenditure in accordance with clause S6.2.2B; and
- (3) any content required under clause 6.2.8(c)(3).
- (c) If there is a *framework and approach paper* that would apply in respect of the distribution determination for a matter listed in paragraph (b) then:
 - (1) no later than 32 months before the end of the *regulatory control period* that precedes that for which the distribution determination is to be made, the *Distribution Network Service Provider* may request the *AER* in writing to make an amended or replacement *framework and approach paper* in respect of a matter. The request must specify the *Distribution Network Service Provider's* reasons for making that request;
 - (2) no later than 31 months before the end of the *regulatory control period* that precedes that for which the distribution determination is to be made, the *AER* must *publish* a notice inviting submissions on whether it is necessary or desirable to amend or replace that *framework and approach paper* in so far as it relates to a matter (other than any matter specified in a request from the *Distribution Network Service Provider* under subparagraph (1)); and
 - (3) no later than 30 months before the end of the *regulatory control period* that precedes that for which the distribution determination is to be made, the *AER* must make and *publish* a notice that:
 - (i) states that it will make an amended or replacement *framework and approach paper* in respect of the matters specified in a request from the *Distribution Network Service Provider* under subparagraph (1) (if any);
 - (ii) if subparagraph (i) applies, is accompanied by a copy of the request from the *Distribution Network Service Provider* under subparagraph (1); and
 - (iii) states whether it will make an amended or replacement *framework and approach paper* in respect of any matter other than any matters referred to in subparagraph (i) above and, if so, the reasons why it considers that it is necessary or desirable to

make an amended or replacement *framework and approach paper* in respect of that matter.

- (d) In making the decision referred to in paragraph (c)(3)(iii), the *AER* must have regard to any submissions made in response to the invitation under paragraph (c)(2).
- (e) Where paragraph (a) applies then, at least 23 months before the end of the current *regulatory control period*, the *AER* must, after consulting with the relevant *Distribution Network Service Provider* and other persons as the *AER* considers appropriate, make, amend or replace the *framework and approach paper*, as the case may be, and:
 - (1) give a copy of it to the relevant *Distribution Network Service Provider*; and
 - (2) *publish* it,as soon as is reasonably practicable.
- (f) Subject to clauses 6.12.3 and 6.25(d), a *framework and approach paper* is not binding on the *AER* or a *Distribution Network Service Provider*.
- (g) The *AER* may make and *publish* a *framework and approach paper* that applies in respect of a distribution determination for a matter that is not listed in paragraph (b) and, if it does so, this clause 6.8.1 applies as if that matter were listed in paragraph (b).

6.8.1A Notification of approach to forecasting expenditure

- (a) A *Distribution Network Service Provider* must inform the *AER* of the methodology it proposes to use to prepare the forecasts of operating expenditure and capital expenditure that form part of its *regulatory proposal*.
- (b) A *Distribution Network Service Provider* must submit the information referred to in paragraph (a):
 - (1) at least 24 months before the expiry of a distribution determination that applies to the *Distribution Network Service Provider*; or
 - (2) if no distribution determination applies to the *Distribution Network Service Provider*, within 3 months after being required to do so by the *AER*.

6.8.2 Submission of regulatory proposal, tariff structure statement and exemption application

- (a) A *Distribution Network Service Provider* must, whenever required to do so under paragraph (b), submit to the *AER* a *regulatory proposal* and a proposed *tariff structure statement* related to the *distribution services* provided by means of, or in connection with, the *Distribution Network Service Provider's distribution system*.
- (a1) A *Distribution Network Service Provider* must submit to the *AER* any *exemption application* for an *asset exemption* under clause 6.4B.1(a)(1) or 6.4B.1(a)(2) for the *regulatory control period* at the same time as submitting the relevant *regulatory proposal* under paragraph (a).

- (b) A *regulatory proposal*, a proposed *tariff structure statement* and, if required under paragraph (a1), an *exemption application* must be submitted:
 - (1) at least 17 months before the expiry of a distribution determination that applies to the *Distribution Network Service Provider*; or
 - (2) if no distribution determination applies to the *Distribution Network Service Provider*, within 3 months after being required to do so by the *AER*.
- (c) A *regulatory proposal* must include (but need not be limited to) the following elements:
 - (1) a classification proposal:
 - (i) showing how the *distribution services* to be provided by the *Distribution Network Service Provider* should, in the *Distribution Network Service Provider's* opinion, be classified under this Chapter; and
 - (ii) if the proposed classification differs from the classification suggested in the relevant *framework and approach paper* – including the reasons for the difference;
 - (2) for *direct control services* classified under the proposal as *standard control services* – a *building block proposal*;
 - (3) for *direct control services* classified under the proposal as *alternative control services* – a demonstration of the application of the control mechanism, as set out in the *framework and approach paper*, and the necessary supporting information;
 - (4) **[Deleted]**.
 - (5) for services classified under the proposal as *negotiated distribution services* – the proposed *negotiating framework*;
 - (5A) the proposed *connection policy*;
 - (6) an identification of any parts of the *regulatory proposal* the *Distribution Network Service Provider* claims to be confidential and wants suppressed from publication on that ground in accordance with the *Distribution Confidentiality Guidelines*; and

Note:

Additional information that must be included in a *regulatory proposal* is referred to in clause 6.3.1(c) and Schedule 6.1.

 - (7) a description (with supporting materials) of how the proposed *tariff structure statement* complies with the *pricing principles for direct control services* including:
 - (i) a description of where there has been any departure from the pricing principles set out in paragraphs 6.18.5(e) to (g); and
 - (ii) an explanation of how that departure complies with clause 6.18.5(c).
 - (c1) The *regulatory proposal* must be accompanied by an overview paper which includes each of the following matters:

- (1) a summary of the *regulatory proposal* the purpose of which is to explain the *regulatory proposal* in reasonably plain language to electricity consumers;
 - (2) a description of how the *Distribution Network Service Provider* has engaged with electricity consumers in developing the *regulatory proposal* and has sought to address any relevant concerns identified as a result of that engagement;
 - (3) a description of the key risks and benefits of the *regulatory proposal* for electricity consumers; and
 - (4) a comparison of the *Distribution Network Service Provider's* proposed *total revenue requirement* with its *total revenue requirement* for the current *regulatory control period* and an explanation for any material differences between the two amounts;
- (c1a) The overview paper must also include a description of how the *Distribution Network Service Provider* has engaged with *retail customers* and *retailers* in developing the proposed *tariff structure statement* and has sought to address any relevant concerns identified as a result of that engagement.
- (c2) The *regulatory proposal* must be accompanied by information required by the *Expenditure Forecast Assessment Guidelines* as set out in the *framework and approach paper*.
- (d) The *regulatory proposal* must comply with the requirements of, and must contain or be accompanied by the information required by any relevant *regulatory information instrument*.
- (d1) The proposed *tariff structure statement* must be accompanied by an *indicative pricing schedule*.
- (d2) The proposed *tariff structure statement* must comply with the *pricing principles for direct control services*.
- (e) If more than one *distribution system* is owned, controlled or operated by a *Distribution Network Service Provider*, then, unless the AER otherwise determines, a separate *regulatory proposal* and a separate *tariff structure statement* are to be submitted for each *distribution system*.
- (f) If, at the commencement of this Chapter, different parts of the same *distribution system* were separately regulated, then, unless the AER otherwise determines, a separate *regulatory proposal* and a separate *tariff structure statement* are to be submitted for each part as if it were a separate *distribution system*.

6.9 Preliminary examination and consultation

6.9.1 Preliminary examination

- (a) If the AER considers that:
- (1) a *regulatory proposal* submitted by a *Distribution Network Service Provider*;
 - (2) a proposed *tariff structure statement* submitted by a *Distribution Network Service Provider*;

- (3) any *exemption application* submitted with the *regulatory proposal*; or
- (4) any information accompanying such a *regulatory proposal*, proposed *tariff structure statement* or *exemption application*,

does not comply, in any respect, with a requirement of the Law or the *Rules*, the AER may notify the *Distribution Network Service Provider* that it requires resubmission of the relevant *regulatory proposal*, proposed *tariff structure statement*, *exemption application* or accompanying information.

- (b) The notice must be given as soon as practicable and must state why, and in what respects, the AER considers the *regulatory proposal*, proposed *tariff structure statement*, *exemption application* or the accompanying information (as the case may be) to be non-compliant.

6.9.2 Resubmission of proposal

- (a) A *Distribution Network Service Provider* must, within 20 *business days* after receiving a notice under clause 6.9.1, resubmit its *regulatory proposal*, proposed *tariff structure statement*, *exemption application* or the accompanying information (as the case may be) in an amended form that complies with the relevant requirements set out in the notice.
- (b) A *Distribution Network Service Provider* may only make changes to its *regulatory proposal*, proposed *tariff structure statement*, *exemption application* or the accompanying information (as the case may be) to address the deficiencies identified in the notice.

6.9.2A Confidential information

If the *Distribution Network Service Provider* has identified any part of the *regulatory proposal* as submitted or resubmitted to the AER (as the case may be) under this Part to be confidential, the AER must, as soon as is reasonably practicable, include on its website a notice that sets out:

- (a) the fact that the *regulatory proposal* contains information over which a claim of confidentiality has been made;
- (b) the proportion of material in the *regulatory proposal* that is subject to any claim of confidentiality compared to that which is not subject to any such claim; and
- (c) the comparative proportion of material in the *regulatory proposal* that is subject to any claim of confidentiality compared to that which is subject to claims of confidentiality in the *regulatory proposals* of other *Distribution Network Service Providers*.

6.9.3 Consultation

- (a) Subject to the provisions of the Law and the *Rules* about the disclosure of *confidential information*, the AER must *publish*:
 - (1) a *regulatory proposal*;
 - (2) a proposed *tariff structure statement*;
 - (3) an *exemption application* (if any); and

- (4) any information accompanying such a *regulatory proposal*, *proposed tariff structure statement* or *exemption application*,

submitted or resubmitted to it (as the case may be) by the *Distribution Network Service Provider* under clause 6.8.2 or 6.9.2, together with:

- (5) the *AER's* proposed *Negotiated Distribution Service Criteria* for the *Distribution Network Service Provider*; and
- (6) an invitation for written submissions on the documents and information referred to in sub-paragraphs (1) to (5),

after the *AER* decides that the *regulatory proposal*, *proposed tariff structure statement*, *exemption application* (if any) and accompanying information comply (or that there is sufficient compliance) with the requirements of the Law and the *Rules*.

- (b) The *AER* must *publish*:

- (1) an issues paper not more than 40 *business days* after the submission, under clause 6.8.2, of the documents and information, but not any resubmitted documents or information, referred to in sub-paragraphs (a)(1) to (a)(4);
- (2) an invitation for written submissions on the issues paper; and
- (3) an invitation to attend a public forum on the issues paper.

- (b1) The issues paper referred to in paragraph (b) must identify preliminary issues, whether or not arising out of the documents and information referred to in sub-paragraphs (a)(1) to (a)(4), that the *AER* considers are likely to be relevant to its assessment of those documents or that information (however, nothing in this clause is to be taken as precluding the *AER* from considering other issues in making a distribution determination for the *Distribution Network Service Provider*).

- (b2) The *AER* must hold a public forum on the issues paper not more than 10 *business days* after the *publication* of the issues paper.

- (c) Any person may make a written submission to the *AER* on the documents and information referred to in sub-paragraphs (a)(1) to (a)(5) or the issues paper within the time specified in the invitations referred to in paragraphs (a)(6) and (b), which in each case must be not earlier than 30 *business days* after the *publication* of the issues paper.

6.10 Draft distribution determination and further consultation

6.10.1 Making of draft distribution determination

- (a) The *AER* must make a draft distribution determination in relation to the *Distribution Network Service Provider*.
- (b) In making a draft distribution determination in relation to the *Distribution Network Service Provider*, and subject to clause 6.14, the *AER* must have regard to each of the following:
 - (1) the information included in or accompanying the *regulatory proposal*, the proposed *tariff structure statement* and the *exemption application*;

- (2) written submissions on the issues paper received under clause 6.9.3 and on the documents and information referred to in sub-paragraphs 6.9.3(a)(1) to 6.9.3(a)(5); and
- (3) any analysis undertaken by or for the *AER* that is *published* prior to the making of the draft distribution determination or as part of the draft distribution determination.

6.10.2 Publication of draft determination and consultation

- (a) The *AER* must, as soon as practicable after the relevant date referred to in clause 6.8.2(b), *publish*:
 - (1) the draft distribution determination;
 - (2) notice of the making of the draft distribution determination;
 - (3) the *AER's* reasons for suggesting that the distribution determination should be made as proposed including the draft constituent decisions i.e. the decisions made in accordance with rule 6.12 on which the draft distribution determination is predicated;
 - (4) notice of a predetermination conference; and
 - (5) an invitation for written submissions on its draft distribution determination.
- (b) The *AER* must hold the predetermination conference at the time, date and place specified in the notice under subparagraph (a)(4) for the purpose of explaining the draft distribution determination.
- (c) Any person may make a written submission to the *AER* on the draft distribution determination within the time specified in the invitation referred to in paragraph (a)(5), which must be not earlier than 45 *business days* after the making of the draft determination.

6.10.3 Submission of revised proposal

- (a) In addition to making written submissions, the *Distribution Network Service Provider* may, not more than 45 *business days* after the publication of the draft distribution determination, submit a revised *regulatory proposal* or a revised proposed *tariff structure statement* to the *AER*.
- (b) A *Distribution Network Service Provider* may only make the revisions referred to in paragraph (a) so as to incorporate the substance of any changes required to address matters raised by the draft distribution determination or the *AER's* reasons for it.
- (b1) A revised proposed *tariff structure statement* must comply with the *pricing principles for direct control services* and must be accompanied by a revised *indicative pricing schedule*.
- (c) A revised *regulatory proposal* must comply with the requirements of, and must contain or be accompanied by the information required by, any relevant *regulatory information instrument* or the *Rules*.
- (c1) If the *Distribution Network Service Provider* has identified any part of the revised *regulatory proposal* to the *AER* under this Part to be confidential, the

AER must, as soon as is reasonably practicable, make available on its website a notice that sets out:

- (1) the fact that the revised *regulatory proposal* contains information over which a claim of confidentiality has been made;
 - (2) the proportion of material in the revised *regulatory proposal* that is subject to any claim of confidentiality compared to that which is not subject to any such claim; and
 - (3) the comparative proportion of material in the revised *regulatory proposal* that is subject to any claim of confidentiality compared to that which is subject to claims of confidentiality in the revised *regulatory proposals* of other *Distribution Network Service Providers*.
- (d) Subject to the provisions of the Law and the *Rules* about the disclosure of *confidential information*, the *AER* must *publish* a revised *regulatory proposal* or a revised proposed *tariff structure statement* submitted by the *Distribution Network Service Provider* under paragraph (a), together with the accompanying information, as soon as practicable after receipt by the *AER*.
- (e) The *AER* may invite written submissions on the revised *regulatory proposal* or the revised proposed *tariff structure statement*.

6.10.4 Submissions on specified matters

If the *AER* invites submissions on a revised *regulatory proposal* or a revised proposed *tariff structure statement* under clause 6.10.3(e), the *AER* may invite further written submissions on the submissions received under clause 6.10.2(c) or 6.10.3(e) by *publishing* an invitation which specifies:

- (a) the matters in respect of which submissions are invited; and
- (b) the time for making submissions, which must not be earlier than 15 *business days* after the date on which the invitation was *published*.

6.11 Distribution determination

6.11.1 Making of distribution determination

- (a) The *AER* must make a distribution determination in relation to the *Distribution Network Service Provider*.
- (b) In making a distribution determination in relation to the *Distribution Network Service Provider*, and subject to rule 6.14, the *AER* must have regard to each of the following:
 - (1) the information included in or accompanying the *regulatory proposal*, the proposed *tariff structure statement* and the *exemption application* (if any);
 - (2) written submissions received under this Part E; and
 - (3) any analysis undertaken by or for the *AER* that is *published* prior to the making of the distribution determination or as part of the distribution determination.

- (c) The *AER* must use its best endeavours to *publish*, a reasonable time prior to the making of the distribution determination, any analysis undertaken by or for it on which it proposes to rely, or to which it proposes to refer, for the purposes of the distribution determination.

6.11.1A Out of scope revised regulatory proposal or late submissions

On or before making a distribution determination, the *AER* must make available on its website:

- (a) a summary of any revisions to the relevant *regulatory proposal* or proposed *tariff structure statement* that have been made in a revised *regulatory proposal* or revised proposed *tariff structure statement* that do not comply with clause 6.10.3(b), together with an indication of the amount of that information;
- (b) a summary of any submissions on the draft distribution determination, revised *regulatory proposal* or revised proposed *tariff structure statement* that were made by the *Distribution Network Service Provider* and that contain information that the *Distribution Network Service Provider* was entitled to incorporate in the revised *regulatory proposal* or the revised proposed *tariff structure statement* under clause 6.10.3(b), together with an indication of the amount of that information;
- (c) a summary of any submissions that purport to be made by the *Distribution Network Service Provider* under clause 6.10.4 but are in respect of matters other than those specified by the *AER* under that clause, together with an indication of the length of those submissions; and
- (d) a summary of any submissions on the draft determination, revised *regulatory proposal* or revised proposed *tariff structure statement* that were made by the *Distribution Network Service Provider* after the time for making the submissions has expired, together with an indication of the length of those submissions.

For the purpose of this clause 6.11.1A, revisions or submissions may be summarised by cross-referencing to the relevant *regulatory proposal*, proposed *tariff structure statement* or submissions.

6.11.2 Notice of distribution determination

The *AER* must as soon as practicable, but not later than 2 months before the commencement of the relevant *regulatory control period*, *publish*:

- (1) notice of the making of the distribution determination;
- (2) the distribution determination itself; and
- (3) the *AER's* reasons for making the distribution determination in its final form including the constituent decisions i.e. the decisions made in accordance with rule 6.12 on which the distribution determination is predicated.

6.11.3 Commencement of distribution determination

- (a) A distribution determination takes effect at the commencement of the *regulatory control period* to which it relates.

- (b) If a period intervenes between the end of one *regulatory control period* and the commencement of a new distribution determination providing for the next *regulatory control period*:
 - (1) the previous distribution determination continues in force during the intervening period;
 - (2) the previous *approved pricing proposal* continues in force (despite any contrary provision of these *Rules*) during the intervening period and the first *regulatory year* of the later *regulatory control period*; and
 - (3) the later distribution determination is to make provision for appropriate adjustments to the *approved pricing proposals* for subsequent *regulatory years* of the *regulatory control period*.

6.12 Requirements relating to draft and final distribution determinations

6.12.1 Constituent decisions

A distribution determination is predicated on the following decisions by the *AER* (**constituent decisions**):

- (1) a decision on the classification of the services to be provided by the *Distribution Network Service Provider* during the course of the *regulatory control period*;
- (2) a decision on the *Distribution Network Service Provider's* current *building block proposal* in which the *AER* either approves or refuses to approve:
 - (i) the *annual revenue requirement* for the *Distribution Network Service Provider*, as set out in the *building block proposal*, for each *regulatory year* of the *regulatory control period*; and
 - (ii) the commencement and length of the *regulatory control period* as proposed in the *building block proposal*;
- (2A) a decision in which the *AER* determines to either grant or reject a request for an *asset exemption* under clause 6.4B.1(a)(1) in respect of a *building block proposal* for the *regulatory control period*;
- (3) a decision in which the *AER* either:
 - (i) acting in accordance with clause 6.5.7(c), accepts the total of the forecast capital expenditure for the *regulatory control period* that is included in the current *building block proposal*; or
 - (ii) acting in accordance with clause 6.5.7(c)(2) or 6.5.7(d), does not accept the total of the forecast capital expenditure for the *regulatory control period* that is included in the current *building block proposal*, in which case the *AER* must set out its reasons for that decision and an estimate of the total of the *Distribution Network Service Provider's* required capital expenditure for the *regulatory control period* that the *AER* is satisfied reasonably reflects the *capital expenditure criteria*, taking into account the *capital expenditure factors*;

- (3A) the AER's estimate of the total of the *Distribution Network Service Provider's* required capital expenditure referred to in subparagraph (3)(ii) must not include *expenditure for a restricted asset*, unless:
- (i) the relevant *Distribution Network Service Provider* has requested an *asset exemption* under:
 - (A) clause 6.4B.1(a)(2) for the previous *regulatory control period*, to the extent any of the AER's estimate relates to the *Distribution Network Service Provider's* forecast for unspent capital expenditure under clause 6.5.7(g) for a *contingent project* that commenced in the previous *regulatory control period* and that unspent capital was in respect of *expenditure for a restricted asset*;
 - (B) clause 6.4B.1(a)(3) for the previous *regulatory control period*, to the extent any of the AER's estimate relates to an *approved pass through amount* for the *Distribution Network Service Provider* for the *regulatory control period* and that *approved pass through amount* is in respect of *expenditure for a restricted asset*; or
 - (C) clause 6.4B.1(a)(1) for the *regulatory control period*, to the extent any of the AER's estimate otherwise relates to the *Distribution Network Service Provider's* required capital expenditure for the *regulatory control period* and that capital expenditure is in respect of *expenditure for a restricted asset*,for that asset or class of asset; and
 - (ii) the AER has granted the *asset exemption*.
- (4) a decision in which the AER either:
- (i) acting in accordance with clause 6.5.6(c), accepts the total of the forecast operating expenditure for the *regulatory control period* that is included in the current *building block proposal*; or
 - (ii) acting in accordance with clause 6.5.6(d), does not accept the total of the forecast operating expenditure for the *regulatory control period* that is included in the current *building block proposal*, in which case the AER must set out its reasons for that decision and an estimate of the total of the *Distribution Network Service Provider's* required operating expenditure for the *regulatory control period* that the AER is satisfied reasonably reflects the *operating expenditure criteria*, taking into account the *operating expenditure factors*;
- (4A) a decision in which the AER determines:
- (i) whether each of the *proposed contingent projects* (if any) described in the current *regulatory proposal* are *contingent projects* for the purposes of the distribution determination in which case the decision must clearly identify each of those *contingent projects*;
 - (ii) the capital expenditure that it is satisfied reasonably reflects the *capital expenditure criteria*, taking into account the *capital expenditure factors*, in the context of each *contingent project* as described in the current *regulatory proposal*;

- (iii) the *trigger events* in relation to each *contingent project* (in which case the decision must clearly specify those *trigger events*);
 - (iv) if the AER determines that such a *proposed contingent project* is not a *contingent project* for the purposes of the distribution determination, its reasons for that conclusion, having regard to the requirements of clause 6.6A.1(b); and
 - (v) to grant or reject a request for an *asset exemption* under clause 6.4B.1(a)(2) in respect of a *proposed contingent project*;
- (5) a decision on the *allowed rate of return* for each *regulatory year* of the *regulatory control period* in accordance with clause 6.5.2;
- (5A) a decision on whether the return on debt is to be estimated using a methodology referred to in clause 6.5.2(i)(2) and, if that is the case, the formula that is to be applied in accordance with clause 6.5.2(l);
- (5B) a decision on the value of imputation credits as referred to in clause 6.5.3;
- (6) a decision on the regulatory asset base as at the commencement of the *regulatory control period* in accordance with clause 6.5.1 and schedule 6.2;
- (7) a decision on the estimated cost of corporate income tax to the *Distribution Network Service Provider* for each *regulatory year* of the *regulatory control period* in accordance with clause 6.5.3;
- (8) a decision on whether or not to approve the depreciation schedules submitted by the *Distribution Network Service Provider* and, if the AER decides against approving them, a decision determining depreciation schedules in accordance with clause 6.5.5(b);
- (9) a decision on how any applicable *efficiency benefit sharing scheme*, *capital expenditure sharing scheme*, *service target performance incentive scheme*, *demand management incentive scheme*, *demand management innovation allowance mechanism* or *small-scale incentive scheme* is to apply to the *Distribution Network Service Provider*;
- (10) a decision in which the AER decides other appropriate amounts, values or inputs;
- (11) a decision on the form of the control mechanisms (including the X factor) for *standard control services* (to be in accordance with the relevant *framework and approach paper*) and on the formulae that give effect to those control mechanisms;
- (12) a decision on the form of the control mechanisms for *alternative control services* (to be in accordance with the relevant *framework and approach paper*) and on the formulae that give effect to those control mechanisms;
- (13) a decision on how compliance with a relevant control mechanism is to be demonstrated;
- (14) a decision on the additional *pass through events* that are to apply for the *regulatory control period* in accordance with clause 6.5.10;
- (14A) a decision on the *Distribution Network Service Provider's* proposed *tariff structure statement*, in which the AER either approves or refuses to approve that statement;

- (15) a decision on the *negotiating framework* that is to apply to the *Distribution Network Service Provider* for the *regulatory control period* (which may be the *negotiating framework* as proposed by the *Distribution Network Service Provider*, some variant of it, or a framework substituted by the *AER*);
- (16) a decision in which the *AER* decides the *Negotiated Distribution Service Criteria* for the *Distribution Network Service Provider*;
- (17) a decision on the policies and procedures for assigning *retail customers* to *tariff classes*, or reassigning *retail customers* from one *tariff class* to another (including any applicable restrictions);
- (17A) a decision on the approval of the proposed *pricing methodology* for *transmission standard control services* (if rule 6.26 applies);
- (18) a decision on whether depreciation for establishing the regulatory asset base as at the commencement of the following *regulatory control period* is to be based on actual or forecast capital expenditure;

Note:

See clause S6.2.2B.

- (19) a decision on how the *Distribution Network Service Provider* is to report to the *AER* on its recovery of *designated pricing proposal charges* for each *regulatory year* of the *regulatory control period* and on the adjustments to be made to subsequent *pricing proposals* to account for over or under recovery of those charges;
- (20) a decision on how the *Distribution Network Service Provider* is to report to the *AER* on its recovery of *jurisdictional scheme amounts* for each *regulatory year* of the *regulatory control period* and on the adjustments to be made to subsequent *pricing proposals* to account for over or under recovery of those amounts. A decision under this subparagraph (20) must be made in relation to each *jurisdictional scheme* under which the *Distribution Network Service Provider* has *jurisdictional scheme obligations* at the time the decision is made; and
- (21) a decision on the *connection policy* that is to apply to the *Distribution Network Service Provider* for the *regulatory control period* (which may be the *connection policy* as proposed by the *Distribution Network Service Provider*, some variant of it, or a policy substituted by the *AER*).

6.12.2 Reasons for decisions

- (a) The reasons given by the *AER* for a draft distribution determination under rule 6.10 or a final distribution determination under rule 6.11 must set out the basis and rationale of the determination, including:
 - (1) details of the qualitative and quantitative methods applied in any calculations and formulae made or used by the *AER*;
 - (2) the values adopted by the *AER* for each of the input variables in any calculations and formulae, including:
 - (i) whether those values have been taken or derived from the *Distribution Network Service Provider's* current building block proposal; and

- (ii) if not, the rationale for the adoption of those values;
 - (3) details of any assumptions made by the *AER* in undertaking any material qualitative and quantitative analyses; and
 - (4) reasons for the making of any decisions, the giving or withholding of any approvals, and the exercise of any discretions as referred to in this Chapter 6, for the purposes of the determination, such reasons being expressed by reference to the requirements relating to such decisions, approvals or discretions as are contained in this Chapter.
- (b) The *AER* must include in its reasons for a draft distribution determination under rule 6.10 or a final distribution determination under rule 6.11 a statement, with supporting reasons, as to the extent to which the roll forward of the regulatory asset base as determined under clause 6.12.1(6) contributes to the achievement of the *capital expenditure incentive objective*.

6.12.3 Extent of AER's discretion in making distribution determinations

- (a) Subject to this clause and other provisions of this Chapter 6 explicitly negating or limiting the *AER*'s discretion, the *AER* has a discretion to accept or approve, or to refuse to accept or approve, any element of:
- (1) a *regulatory proposal*;
 - (2) proposed *tariff structure statement*; or
 - (3) *exemption application* (if any).
- (b) The classification of *distribution services* must be as set out in the relevant *framework and approach paper* unless the *AER* considers that a material change in circumstances justify departing from the classification as set out in that paper.
- (c) The form of the control mechanism must be as set out in the relevant *framework and approach paper* unless the *AER*:
- (1) has departed from the classification of a *distribution service* as set out in that paper in accordance with paragraph (b); and
 - (2) considers that no form of control mechanism set out in that paper should apply to that *distribution service*.
- (c1) The formulae that give effect to the control mechanisms set out in the relevant *framework and approach paper* must be as set out in that paper unless the *AER* considers that a material change in circumstances justify departing from the formulae as set out in that paper.
- (d) The *AER* must approve the *total revenue requirement* for a *Distribution Network Service Provider* for a *regulatory control period*, and the *annual revenue requirement* for each *regulatory year* of the *regulatory control period*, as set out in the *Distribution Network Service Provider's* current *building block proposal*, if the *AER* is satisfied that those amounts have been properly calculated using the *post-tax revenue model* on the basis of amounts calculated, determined or forecast in accordance with the requirements of Part C of this Chapter 6.

- (e) The *AER* must approve a proposed *regulatory control period* if the proposed period consists of 5 *regulatory years*.
- (f) **[Deleted]**
- (g) The *AER* must approve a proposed *negotiating framework* if the *AER* is satisfied that it adequately complies with the requirements of Part D.
- (h) If the *AER* refuses to approve the proposed *negotiating framework*, the approved amended *negotiating framework* must be:
 - (1) determined on the basis of the current proposed *negotiating framework*; and
 - (2) amended from that basis only to the extent necessary to enable it to be approved in accordance with the *Rules*.
- (i) The *AER* must approve the proposed *connection policy* if the *AER* is satisfied that it adequately complies with the requirements of Part DA.
- (j) If the *AER* refuses to approve the proposed *connection policy*, the approved amended *connection policy* must be:
 - (1) determined on the basis of the current proposed *connection policy*; and
 - (2) amended from that basis only to the extent necessary to enable it to be approved in accordance with the *Rules*.
- (k) The *AER* must approve a *Distribution Network Service Provider's* proposed *tariff structure statement* unless the *AER* is reasonably satisfied that the proposed *tariff structure statement* does not comply with the *pricing principles for direct control services* or other applicable requirements of the *Rules*.
- (l) If, in making a distribution determination in relation to a *Distribution Network Service Provider*, the *AER* refuses to approve the *Distribution Network Service Provider's* proposed *tariff structure statement*, the *AER* must include in that distribution determination an amended *tariff structure statement* which is:
 - (1) determined on the basis of the *Distribution Network Service Provider's* proposed *tariff structure statement*; and
 - (2) amended from that basis only to the extent necessary to enable it to be approved in accordance with the *Rules*.

6.13 Revocation and substitution of distribution determination for wrong information or error

- (a) The *AER* may (but is not required to) revoke a distribution determination during a *regulatory control period* if it appears to the *AER* that the distribution determination is affected by a material error or deficiency of one or more of the following kinds:
 - (1) a clerical mistake or an accidental slip or omission;
 - (2) a miscalculation or misdescription;
 - (3) a defect in form; or

- (4) a deficiency resulting from the provision of false or materially misleading information to the *AER*.
- (b) If the *AER* revokes a distribution determination under paragraph (a), the *AER* must make a new distribution determination in substitution for the revoked distribution determination to apply for the remainder of the *regulatory control period* for which the revoked distribution determination was to apply.
- (c) If the *AER* revokes and substitutes a distribution determination under paragraphs (a) and (b), the substituted distribution determination must only vary from the revoked distribution determination to the extent necessary to correct the relevant error or deficiency.
- (d) The *AER* may only revoke and substitute a distribution determination under this rule 6.13, if it has first consulted with the relevant *Distribution Network Service Provider* and such other persons as it considers appropriate.

6.14 Miscellaneous

- (a) The *AER* may, but is not required to, consider any submission made pursuant to an invitation for submissions after the time for making the submission has expired.
- (b) Nothing in this Part E is to be construed as precluding the *AER* from *publishing* any issues, consultation and discussion papers, or holding any conferences and information sessions, that the *AER* considers appropriate.
- (c) Subject to paragraph (d), as soon as practicable after the *AER* receives a submission in response to an invitation for submissions that is made under this Chapter (whether or not the submission was made before the time for making it has expired), the *AER* must *publish* that submission.
- (d) The *AER* must not *publish* a submission referred to in paragraph (c) to the extent it contains information which has been clearly identified as confidential by the person making the submission.
- (e) The *AER* may give such weight to *confidential information* identified in accordance with paragraph (d) in a submission as it considers appropriate, having regard to the fact that such information has not been made publicly available.
- (f) Paragraph (d) does not apply to the extent that any other provision of the Law or the *Rules* permits or requires such information to be publicly released by the *AER*.

6.14A Distribution Confidentiality Guidelines

- (a) The *AER* must, in accordance with the *distribution consultation procedures*, make and *publish* guidelines (*Distribution Confidentiality Guidelines*).
- (b) The *Distribution Confidentiality Guidelines* must specify the manner in which the *Distribution Network Service Provider* may make confidentiality claims in its *regulatory proposal*, which may include categories of confidential information by reference to which *Distribution Network Service Providers* must classify any claims of confidentiality in their *regulatory proposals*.

- (c) There must be *Distribution Confidentiality Guidelines* in force at all times after the date on which the AER first publishes the *Distribution Confidentiality Guidelines* under these Rules.
- (d) The *Distribution Confidentiality Guidelines* are binding on the AER and each *Distribution Network Service Provider* to which they apply.

Part F Cost Allocation

6.15 Cost allocation

6.15.1 Duty to comply with Cost Allocation Method

A *Distribution Network Service Provider* must comply with the *Cost Allocation Method* that has been approved in respect of that provider from time to time by the AER under this rule 6.15.

6.15.2 Cost Allocation Principles

The following principles constitute the *Cost Allocation Principles*:

- (1) the detailed principles and policies used by a *Distribution Network Service Provider* to allocate costs between different categories of *distribution services* must be described in sufficient detail to enable the AER to replicate reported outcomes through the application of those principles and policies;
- (2) the allocation of costs must be determined according to the substance of a transaction or event rather than its legal form;
- (3) only the following costs may be allocated to a particular category of *distribution services*:
 - (i) costs which are directly attributable to the provision of those services;
 - (ii) costs which are not directly attributable to the provision of those services but which are incurred in providing those services, in which case such costs must be allocated to the provision of those services using an appropriate allocator which should:
 - (A) except to the extent the cost is immaterial or a causal based method of allocation cannot be established without undue cost and effort, be causation based; and
 - (B) to the extent the cost is immaterial or a causal based method of allocation cannot be established without undue cost and effort, be an allocator that accords with a well accepted cost allocation method;
- (4) any cost allocation method which is used, the reasons for using that method and the numeric quantity (if any) of the chosen allocator must be clearly described;
- (5) the same cost must not be allocated more than once;
- (6) the principles, policies and approach used to allocate costs must be consistent with the *Distribution Ring-Fencing Guidelines*;

- (7) costs which have been allocated to a particular service cannot be reallocated to another service during the course of a *regulatory control period*.

Note:

The *Cost Allocation Guidelines* are required by clause 6.15.3 to give effect to and be consistent with, the *Cost Allocation Principles*.

6.15.3 Cost Allocation Guidelines

- (a) The *AER* must, in accordance with the *distribution consultation procedures*, make and *publish* guidelines (the *Cost Allocation Guidelines*) relating to the preparation by a *Distribution Network Service Provider* of its *Cost Allocation Method*.
- (b) The *Cost Allocation Guidelines* must give effect to and be consistent with the *Cost Allocation Principles*.
- (c) Without limiting the generality of paragraph (b), the *Cost Allocation Guidelines* may specify:
 - (1) the format of a *Cost Allocation Method*;
 - (2) the detailed information that is to be included in a *Cost Allocation Method*;
 - (3) the categories of *distribution services* which are to be separately addressed in a *Cost Allocation Method*, such categories being determined by reference to the nature of those services, the persons to whom those services are provided or such other factors as the *AER* considers appropriate; and
 - (4) the allocation methods which are acceptable and the supporting information that is to be included in relation to such methodologies in a *Cost Allocation Method*.
- (d) The *Cost Allocation Guidelines* are binding on the *AER* and each *Distribution Network Service Provider* to which they apply.
- (e) The *AER* must *publish* the first *Cost Allocation Guidelines* within 6 months after the commencement of these *Rules* and there must be *Cost Allocation Guidelines* in force at all times after that date.

6.15.4 Cost Allocation Method

- (a) Each *Distribution Network Service Provider* must submit to the *AER* for its approval a document setting out its proposed *Cost Allocation Method*:
 - (1) within 12 months after the commencement of these *Rules*; or
 - (2) in the case of an entity that becomes a *Distribution Network Service Provider* more than 6 months after the commencement of these *Rules*, within 6 months of being required to do so by the *AER*.
- (b) The *Cost Allocation Method* proposed by a *Distribution Network Service Provider* must give effect to and be consistent with the *Cost Allocation Guidelines*.
- (c) The *AER* may approve or refuse to approve a *Cost Allocation Method* submitted under paragraph (a).

- (d) The *AER* must notify the relevant *Distribution Network Service Provider* of its decision to approve or refuse to approve the *Cost Allocation Method* submitted to it under paragraph (a) within 6 months of its submission, failing which the *AER* will be taken to have approved it.
- (e) As part of giving any approval referred to in paragraph (c), the *AER* may, after consulting with the relevant *Distribution Network Service Provider*, amend the *Cost Allocation Method* submitted to it, in which case the *Cost Allocation Method* as so amended will be taken to be approved by the *AER*.
- (f) A *Distribution Network Service Provider* may, with the *AER's* approval, amend its *Cost Allocation Method* from time to time but:
 - (1) the amendment:
 - (i) may be approved on condition that the *Distribution Network Service Provider* agree to incorporate into the amendment specified additional changes to the *Cost Allocation Method* the *AER* reasonably considers necessary or desirable as a result of the amendment as submitted; and
 - (ii) if approved on such a condition, does not take effect unless and until the *Distribution Network Service Provider* notifies the *AER* of its agreement; and
 - (2) if 6 months elapse from the date of the submission of the amendment and the *AER* has not notified the *Distribution Network Service Provider* within that period of its approval or refusal to approve the amendment, the amendment is, at the end of that period, conclusively presumed to have been unconditionally approved.
- (g) A *Distribution Network Service Provider* must amend its *Cost Allocation Method* where the amendment is required by the *AER* to take into account any change to the *Cost Allocation Guidelines*, but the amendment only comes into effect:
 - (1) on the date that the *AER* approves that amendment, or 3 months after the submission of the amendment, whichever is the earlier; and
 - (2) subject to additional changes to the *Cost Allocation Method* (if any) the *AER* reasonably considers necessary or desirable as a result of the amendment and notifies to the *Distribution Network Service Provider* before the amendment takes effect.
- (h) A *Distribution Network Service Provider* must maintain a current copy of its *Cost Allocation Method* on its website.

Part G Distribution consultation procedures

6.16 Distribution consultation procedures

- (a) This rule 6.16 applies wherever the *AER* is required to comply with the *distribution consultation procedures*. For the avoidance of doubt, the *distribution consultation procedures* are separate from, and (where they are required to be complied with) apply to the exclusion of, the *Rules consultation procedures* under rule 8.9.

- (b) If the *AER* is required to comply with the *distribution consultation procedures* in preparing, making, developing, reviewing, amending or replacing any guidelines, methodologies, models, schemes, or tests, it must *publish*:
 - (1) the proposed guideline, methodology, model, scheme, test or amendment;
 - (2) an explanatory statement that sets out the provision of the *Rules* under or for the purposes of which the guideline, methodology, model, scheme, test or amendment is proposed to be prepared, made or developed or is required to be reviewed, and the reasons for the proposed guideline, methodology, model, scheme, test or amendment; and
 - (3) an invitation for written submissions on the proposed guideline, methodology, model, scheme, test or amendment, or the review, (as the case may be).
- (c) The invitation must allow no less than 30 *business days* for the making of submissions, and the *AER* is not required to consider any submission made pursuant to that invitation after this time period has expired.
- (d) The *AER* may *publish* such issues, consultation and discussion papers, and hold such conferences and information sessions, in relation to the proposed guideline, methodology, model, scheme, test or amendment, or the review, as it considers appropriate.
- (e) Within 80 *business days* of *publishing* the documents referred to in paragraph (b), the *AER* must *publish*:
 - (1) its final decision on the guideline, methodology, model, scheme, test, amendment or review that sets out:
 - (i) the guideline, methodology, model, scheme, test or amendment (if any);
 - (ii) the provision of the *Rules* under which or for the purposes of which the guideline, methodology, model, scheme, test or amendment is being prepared, made or developed or is being reviewed;
 - (iii) the reasons for the guideline, methodology, model, scheme, test or amendment; and
 - (iv) the reasons for the outcome of any review; and
 - (2) notice of the making of the final decision on the guideline, methodology, model, scheme, test, amendment or review.
- (f) Subject to paragraph (c), the *AER* must, in making its final decision referred to in paragraph (e)(1), consider any submissions made pursuant to the invitation for submissions referred to in paragraph (b)(3), and the reasons referred to in paragraph (e)(1)(iii) or (iv) must include:
 - (1) a summary of each issue raised in those submissions that the *AER* reasonably considers to be material; and
 - (2) the *AER's* response to each such issue.

- (g) The *AER* may extend the time within which it is required to publish its final decision if:
 - (1) the consultation involves issues of unusual complexity or difficulty; and
 - (2) the extension of time has become necessary because of circumstances beyond the *AER's* control.

Part H Ring-Fencing Arrangements for Distribution Network Service Providers

6.17 Distribution Ring-Fencing Guidelines

6.17.1 Compliance with Distribution Ring-Fencing Guidelines

All *Distribution Network Service Providers* must comply with the *Distribution Ring-Fencing Guidelines* prepared in accordance with clause 6.17.2.

6.17.2 Development of Distribution Ring-Fencing Guidelines

- (a) Guidelines must be developed by the *AER* for the accounting and functional separation of the provision of *direct control services* by *Distribution Network Service Providers* from the provision of other services by *Distribution Network Service Providers* (the *Distribution Ring-Fencing Guidelines*). The guidelines may vary in application as between different *participating jurisdictions*.

Note:

Clause 11.14.5 will have a bearing on the application of these guidelines in certain cases.

- (b) The *Distribution Ring-Fencing Guidelines* may include, but are not limited to:
 - (1) provisions defining the need for and extent of:
 - (i) legal separation of the entity through which a *Distribution Network Service Provider* provides *network services* from any other entity through which it conducts business; and
 - (ii) the establishment and maintenance of consolidated and separate accounts for *standard control services*, *alternative control services* and other services provided by the *Distribution Network Service Provider*; and
 - (iii) allocation of costs between *standard control services*, *alternative control services* and other services provided by the *Distribution Network Service Provider*; and
 - (iv) limitations on the flow of information between the *Distribution Network Service Provider* and any other person; and
 - (v) limitations on the flow of information where there is the potential for a competitive disadvantage between those parts of the *Distribution Network Service Provider's* business which provide *direct control services* and parts of the provider's business which provide any other services; and

- (2) provisions allowing the *AER* to add to or to waive a *Distribution Network Service Provider's* obligations under the *Distribution Ring-Fencing Guidelines*.
- (c) In developing or amending the *Distribution Ring-Fencing Guidelines* the *AER* must consider, without limitation, the need, so far as practicable, for consistency between the *Distribution Ring-Fencing Guidelines* and the *Transmission Ring-Fencing Guidelines*.
- (d) In developing or amending the *Distribution Ring-Fencing Guidelines*, the *AER* must consult with *participating jurisdictions*, *Registered Participants*, *AEMO* and other *interested parties*, and such consultation must be otherwise in accordance with the *distribution consultation procedures*.

Part I Distribution Pricing Rules

6.18 Distribution Pricing Rules

6.18.1 Application of this Part

This Part applies to tariffs and *tariff classes* related to *direct control services*.

6.18.1A Tariff structure statement

- (a) A *tariff structure statement* of a *Distribution Network Service Provider* must include the following elements:
 - (1) the *tariff classes* into which *retail customers* for *direct control services* will be divided during the relevant *regulatory control period*;
 - (2) the policies and procedures the *Distribution Network Service Provider* will apply for assigning *retail customers* to tariffs or reassigning *retail customers* from one tariff to another (including any applicable restrictions);
 - (3) the structures for each proposed tariff;
 - (4) the *charging parameters* for each proposed tariff; and
 - (5) a description of the approach that the *Distribution Network Service Provider* will take in setting each tariff in each *pricing proposal* of the *Distribution Network Service Provider* during the relevant *regulatory control period* in accordance with clause 6.18.5.
- (b) A *tariff structure statement* must comply with the *pricing principles for direct control services*.
- (c) A *Distribution Network Service Provider* must comply with the *tariff structure statement* approved by the *AER* and any other applicable requirements in the *Rules*, when the provider is setting the prices that may be charged for *direct control services*.
- (d) Subject to clause 6.18.1B, a *tariff structure statement* may not be amended during a *regulatory control period*.

Note

Rule 6.13 still applies in relation to a *tariff structure statement* because that rule deals with the revocation and substitution of a distribution determination (which includes a *tariff structure statement*) as opposed to its amendment.

- (e) A *tariff structure statement* must be accompanied by an *indicative pricing schedule* which sets out, for each tariff for each *regulatory year* of the *regulatory control period*, the indicative price levels determined in accordance with the *tariff structure statement*.

6.18.1B Amending a tariff structure statement with the AER's approval

- (a) No later than nine months before the start of a *regulatory year* (other than the first *regulatory year* of a *regulatory control period*) (**relevant regulatory year**), a *Distribution Network Service Provider* may request the AER to approve an amendment to its current *tariff structure statement*.
- (b) A request for an amendment to a *tariff structure statement* under paragraph (a) must include:
 - (1) the proposed amended *tariff structure statement*;
 - (2) a description of the event that has occurred to cause the *Distribution Network Service Provider* to seek an amendment to its current *tariff structure statement* and why the event:
 - (i) was beyond the reasonable control of the *Distribution Network Service Provider*; and
 - (ii) could not reasonably have been foreseen by the *Distribution Network Service Provider* at the time its current *tariff structure statement* was approved by the AER.
 - (3) a description and justification of the differences between the proposed amended *tariff structure statement* and the *Distribution Network Service Provider's* current *tariff structure statement*;
 - (4) a description of how the differences referred to in sub-paragraph (3) would impact the other elements of the *tariff structure statement*;
 - (5) a description of how the proposed amended *tariff structure statement* would better comply with the *pricing principles for direct control services* than the current *tariff structure statement*; and
 - (6) a description of how the *Distribution Network Service Provider* has engaged with *retail customers* and *retailers* in developing the proposed amended *tariff structure statement* and has sought to address any relevant concerns identified as a result of that engagement.
- (c) The AER must, on receipt of a *Distribution Network Service Provider's* request for an amendment to its *tariff structure statement*, *publish* the request.
- (d) The AER must approve the request for an amendment to a *tariff structure statement* under paragraph (a) if the *Distribution Network Service Provider* demonstrates to the reasonable satisfaction of the AER that:
 - (1) an event has occurred that:

- (i) was beyond the reasonable control of the *Distribution Network Service Provider*; and
 - (ii) could not reasonably have been foreseen by the *Distribution Network Service Provider* at the time its current *tariff structure statement* was approved by the *AER*; and
- (2) as a result of the event referred to in sub-paragraph (1), the proposed amended *tariff structure statement* would, or would be likely to, materially better comply with the *pricing principles for direct control services* than the *Distribution Network Service Provider's* current *tariff structure statement*.
- (e) No later than four months before the start of the relevant *regulatory year*, the *AER* must either approve or refuse to approve the request for an amendment to a *tariff structure statement* under paragraph (a) and set out reasons for its decision.
- (f) If the *AER* refuses to approve the request for an amendment to a *tariff structure statement* under paragraph (a), the current *tariff structure statement* will apply for the relevant *regulatory year* and, subject to any subsequent amendment approved under this clause 6.18.1B, the remainder of the *regulatory control period*.

Note

Rule 6.13 still applies in relation to a *tariff structure statement* because that rule deals with the revocation and substitution of a distribution determination (which includes a *tariff structure statement*) as opposed to its amendment.

6.18.1C Sub-threshold tariffs

- (a) No later than four months before the start of a *regulatory year* (other than the first *regulatory year* of a *regulatory control period*), a *Distribution Network Service Provider* may notify the *AER*, affected *retailers* and affected *retail customers* of a new proposed tariff (a **relevant tariff**) that is determined otherwise than in accordance with the *Distribution Network Service Provider's* current *tariff structure statement*, if both of the following are satisfied:
 - (1) the *Distribution Network Service Provider's* forecast revenue from the relevant tariff during each *regulatory year* in which the tariff is to apply is no greater than 0.5 per cent of the *Distribution Network Service Provider's* annual revenue requirement for that *regulatory year* (the **individual threshold**); and
 - (2) the *Distribution Network Service Provider's* forecast revenue from the relevant tariff, as well as from all other relevant tariffs, during each *regulatory year* in which those tariffs are to apply is no greater than one per cent of the *Distribution Network Service Provider's* annual revenue requirement for that *regulatory year* (the **cumulative threshold**).
- (b) Notwithstanding any other provision in the *Rules* to the contrary, a relevant tariff notified by the *Distribution Network Service Provider* in accordance with paragraph (a) is, for the remainder of the *regulatory control period* in which the notification is given:

- (1) not required to comply with the *pricing principles for direct control services*; and
- (2) for the purposes of the submission and approval of a *pricing proposal*, deemed to comply with the *Distribution Network Service Provider's current tariff structure statement*,

unless, at any point in time after the notification of the relevant tariff is given under paragraph (a) (the **post-notification point**), either the individual threshold or the cumulative threshold (in each case calculated using actual rather than forecast revenue) are exceeded by virtue of the amount of revenue that is attributable to the relevant tariff, in which case sub-paragraphs (1) and (2) cease to apply to the relevant tariff in relation to the *regulatory years* that commence after the post-notification point.

- (c) Where sub-paragraphs (b)(1) and (2) cease to apply to a relevant tariff in accordance with paragraph (b), then sub-paragraphs (b)(1) and (2) will be taken to continue to apply to other relevant tariffs that were notified before the post-notification point, but only to the extent that those sub-paragraphs would apply if the first-mentioned relevant tariff were not a relevant tariff.

6.18.2 Pricing proposals

- (a) A *Distribution Network Service Provider* must:
 - (1) submit to the *AER*, as soon as practicable, and in any case within 15 *business days*, after *publication* of the distribution determination, a *pricing proposal* (the **initial pricing proposal**) for the first *regulatory year* of the *regulatory control period*; and
 - (2) submit to the *AER*, at least 3 months before the commencement of the second and each subsequent *regulatory year* of the *regulatory control period*, a further *pricing proposal* (an **annual pricing proposal**) for the relevant *regulatory year*.
- (b) A *pricing proposal* must:
 - (1) **[Deleted]**;
 - (2) set out the proposed tariffs for each *tariff class* that is specified in the *Distribution Network Service Provider's tariff structure statement* for the relevant *regulatory control period*;
 - (3) set out, for each proposed tariff, the *charging parameters* and the elements of service to which each *charging parameter* relates;
 - (4) set out, for each *tariff class* related to *standard control services*, the expected weighted average revenue for the relevant *regulatory year* and also for the current *regulatory year*;
 - (5) set out the nature of any variation or adjustment to the tariff that could occur during the course of the *regulatory year* and the basis on which it could occur;
 - (6) set out how *designated pricing proposal charges* are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous *regulatory year*;

- (6A) set out how *jurisdictional scheme amounts* for each *approved jurisdictional scheme* are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts;
 - (6B) describe how each *approved jurisdictional scheme* that has been amended since the *last jurisdictional scheme approval date* meets the *jurisdictional scheme eligibility criteria*;
 - (7) demonstrate compliance with the *Rules* and any applicable distribution determination, including the *Distribution Network Service Provider's tariff structure statement* for the relevant *regulatory control period*;
 - (7A) demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant *regulatory year* as set out in the relevant *indicative pricing schedule*, or explain any material differences between them; and
 - (8) describe the nature and extent of change from the previous *regulatory year* and demonstrate that the changes comply with the *Rules* and any applicable distribution determination.
- (c) The *AER* must on receipt of a *pricing proposal* from a *Distribution Network Service Provider* publish the proposal.
 - (d) At the same time as a *Distribution Network Service Provider* submits a *pricing proposal* under paragraph (a), the *Distribution Network Service Provider* must submit to the *AER* a revised *indicative pricing schedule* which sets out, for each tariff and for each of the remaining *regulatory years* of the *regulatory control period*, the indicative price levels determined in accordance with the *Distribution Network Service Provider's tariff structure statement* for that *regulatory control period* and updated so as to take into account that *pricing proposal*.
 - (e) Where the *Distribution Network Service Provider* submits an annual *pricing proposal*, the revised *indicative pricing schedule* referred to in paragraph (d) must also set out, for each relevant tariff under clause 6.18.1C, the indicative price levels for that relevant tariff for each of the remaining *regulatory years* of the *regulatory control period*, updated so as to take into account that *pricing proposal*.

6.18.3 Tariff classes

- (a) **[Deleted].**
- (b) Each *retail customer* for *direct control services* must be a member of 1 or more *tariff classes*.
- (c) Separate *tariff classes* must be constituted for *retail customers* to whom *standard control services* are supplied and *retail customers* to whom *alternative control services* are supplied (but a *retail customer* for both *standard control services* and *alternative control services* may be a member of 2 or more *tariff classes*).
- (d) A *tariff class* must be constituted with regard to:

- (1) the need to group *retail customers* together on an economically efficient basis; and
- (2) the need to avoid unnecessary transaction costs.

6.18.4 Principles governing assignment or re-assignment of retail customers to tariff classes and assessment and review of basis of charging

- (a) In formulating provisions of a distribution determination governing the assignment of *retail customers* to *tariff classes* or the re-assignment of *retail customers* from one *tariff class* to another, the *AER* must have regard to the following principles:
 - (1) *retail customers* should be assigned to *tariff classes* on the basis of one or more of the following factors:
 - (i) the nature and extent of their usage;
 - (ii) the nature of their *connection* to the *network*;
 - (iii) whether remotely-read interval metering or other similar metering technology has been installed at the *retail customer's* premises as a result of a *regulatory obligation or requirement*;
 - (2) *retail customers* with a similar *connection* and usage profile should be treated on an equal basis;
 - (3) however, *retail customers* with micro-generation facilities should be treated no less favourably than *retail customers* without such facilities but with a similar load profile;
 - (4) a *Distribution Network Service Provider's* decision to assign a customer to a particular *tariff class*, or to re-assign a customer from one *tariff class* to another should be subject to an effective system of assessment and review.

Note:

If (for example) a customer is assigned (or reassigned) to a *tariff class* on the basis of the customer's actual or assumed *maximum demand*, the system of assessment and review should allow for the reassignment of a customer who demonstrates a reduction or increase in *maximum demand* to a *tariff class* that is more appropriate to the customer's *load profile*.

- (b) If the *charging parameters* for a particular tariff result in a basis of charge that varies according to the usage or load profile of the customer, a distribution determination must contain provisions for an effective system of assessment and review of the basis on which a customer is charged.

6.18.5 Pricing principles

Network pricing objective

- (a) The *network pricing objective* is that the tariffs that a *Distribution Network Service Provider* charges in respect of its provision of *direct control services* to a *retail customer* should reflect the *Distribution Network Service Provider's* efficient costs of providing those services to the *retail customer*.

Application of the pricing principles

- (b) Subject to paragraph (c), a *Distribution Network Service Provider's* tariffs must comply with the pricing principles set out in paragraphs (e) to (j).
- (c) A *Distribution Network Service Provider's* tariffs may vary from tariffs which would result from complying with the pricing principles set out in paragraphs (e) to (g) only:
 - (1) to the extent permitted under paragraph (h); and
 - (2) to the extent necessary to give effect to the pricing principles set out in paragraphs (i) to (j).
- (d) A *Distribution Network Service Provider* must comply with paragraph (b) in a manner that will contribute to the achievement of the *network pricing objective*.

Pricing principles

- (e) For each *tariff class*, the revenue expected to be recovered must lie on or between:
 - (1) an upper bound representing the stand alone cost of serving the *retail customers* who belong to that class; and
 - (2) a lower bound representing the avoidable cost of not serving those *retail customers*.
- (f) Each tariff must be based on the *long run marginal cost* of providing the service to which it relates to the *retail customers* assigned to that tariff with the method of calculating such cost and the manner in which that method is applied to be determined having regard to:
 - (1) the costs and benefits associated with calculating, implementing and applying that method as proposed;
 - (2) the additional costs likely to be associated with meeting demand from *retail customers* that are assigned to that tariff at times of greatest utilisation of the relevant part of the *distribution network*; and
 - (3) the location of *retail customers* that are assigned to that tariff and the extent to which costs vary between different locations in the *distribution network*.
- (g) The revenue expected to be recovered from each tariff must:
 - (1) reflect the *Distribution Network Service Provider's* total efficient costs of serving the *retail customers* that are assigned to that tariff;
 - (2) when summed with the revenue expected to be received from all other tariffs, permit the *Distribution Network Service Provider* to recover the expected revenue for the relevant services in accordance with the applicable distribution determination for the *Distribution Network Service Provider*; and
 - (3) comply with sub-paragraphs (1) and (2) in a way that minimises distortions to the price signals for efficient usage that would result from tariffs that comply with the pricing principle set out in paragraph (f).
- (h) A *Distribution Network Service Provider* must consider the impact on *retail customers* of changes in tariffs from the previous *regulatory year* and may

vary tariffs from those that comply with paragraphs (e) to (g) to the extent the *Distribution Network Service Provider* considers reasonably necessary having regard to:

- (1) the desirability for tariffs to comply with the pricing principles referred to in paragraphs (f) and (g), albeit after a reasonable period of transition (which may extend over more than one *regulatory control period*);
 - (2) the extent to which *retail customers* can choose the tariff to which they are assigned; and
 - (3) the extent to which *retail customers* are able to mitigate the impact of changes in tariffs through their usage decisions.
- (i) The structure of each tariff must be reasonably capable of being understood by *retail customers* that are assigned to that tariff, having regard to:
- (1) the type and nature of those *retail customers*; and
 - (2) the information provided to, and the consultation undertaken with, those *retail customers*.
- (j) A tariff must comply with the *Rules* and all *applicable regulatory instruments*.

6.18.6 Side constraints on tariffs for standard control services

- (a) This clause applies only to *tariff classes* related to the provision of *standard control services*.
- (b) The expected weighted average revenue to be raised from a *tariff class* for a particular *regulatory year* of a *regulatory control period* must not exceed the corresponding expected weighted average revenue for the preceding *regulatory year* in that *regulatory control period* by more than the permissible percentage.
- (c) The permissible percentage is the greater of the following:
- (1) the CPI-X limitation on any increase in the *Distribution Network Service Provider's* expected weighted average revenue between the two *regulatory years* plus 2%;
- Note:**
The calculation is of the form $(1 + \text{CPI})(1 - X)(1 + 2\%)$
- (2) CPI plus 2%.
- Note:**
The calculation is of the form $(1 + \text{CPI})(1 + 2\%)$
- (d) In deciding whether the permissible percentage has been exceeded in a particular *regulatory year*, the following are to be disregarded:
- (1) the recovery of revenue to accommodate a variation to the distribution determination under rule 6.6 or 6.13;
 - (2) the recovery of revenue to accommodate pass through of *designated pricing proposal charges* to *retail customers*;

- (3) the recovery of revenue to accommodate pass through of *jurisdictional scheme amounts* for approved *jurisdictional schemes*; and
 - (4) the recovery of revenue to accommodate any increase in the *Distribution Network Service Provider's annual revenue requirement* by virtue of an application of a formula referred to in clause 6.5.2(l).
- (e) **[Deleted]**.

6.18.7 Recovery of designated pricing proposal charges

- (a) A *pricing proposal* must provide for tariffs designed to pass on to *retail customers* the *designated pricing proposal charges* to be incurred by the *Distribution Network Service Provider*.
- (b) The amount to be passed on to *retail customers* for a particular *regulatory year* must not exceed the estimated amount of the *designated pricing proposal charges* adjusted for over or under recovery in accordance with paragraph (c).
- (c) The over and under recovery amount must be calculated in a way that:
 - (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the *AER* in the relevant distribution determination for the *Distribution Network Service Provider*;
 - (2) ensures a *Distribution Network Service Provider* is able to recover from *retail customers* no more and no less than the *designated pricing proposal charges* it incurs; and
 - (3) adjusts for an appropriate cost of capital that is consistent with the *allowed rate of return* used in the relevant distribution determination for the relevant *regulatory year*.
- (d) Notwithstanding anything else in this clause 6.18.7, a *Distribution Network Service Provider* may not recover charges under this clause to the extent these are:
 - (1) recovered through the *Distribution Network Service Provider's annual revenue requirement*;
 - (2) recovered under clause 6.18.7A; or
 - (3) recovered from another *Distribution Network Service Provider*.

6.18.7A Recovery of jurisdictional scheme amounts

Pricing Proposal

- (a) A *pricing proposal* must provide for tariffs designed to pass on to customers a *Distribution Network Service Provider's jurisdictional scheme amounts* for approved *jurisdictional schemes*.
- (b) The amount to be passed on to customers for a particular *regulatory year* must not exceed the estimated amount of *jurisdictional scheme amounts* for a *Distribution Network Service Provider's approved jurisdictional schemes* adjusted for over or under recovery in accordance with paragraph (c).
- (c) The over and under recovery amount must be calculated in a way that:

- (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the *AER* for *jurisdictional scheme amounts* in the relevant distribution determination for the *Distribution Network Service Provider*, or where no such method has been determined, with the method determined by the *AER* in the relevant distribution determination in respect of *designated pricing proposal charges*;
- (2) ensures a *Distribution Network Service Provider* is able to recover from customers no more and no less than the *jurisdictional scheme amounts* it incurs; and
- (3) adjusts for an appropriate cost of capital that is consistent with the *allowed rate of return* used in the relevant distribution determination for the relevant *regulatory year*.

Jurisdictional schemes

- (d) A scheme is a *jurisdictional scheme* if:
 - (1) the scheme is specified in paragraph (e); or
 - (2) the *AER* has determined under paragraph (l) that the scheme is a *jurisdictional scheme*,
and the *AER* has not determined under paragraph (u) that the scheme has ceased to be a *jurisdictional scheme*.
- (e) For the purposes of paragraph (d)(1), the following schemes are *jurisdictional schemes*:
 - (1) schemes established under the following laws of participating jurisdictions:
 - (i) Electricity Feed-in (Renewable Energy Premium) Act 2008 (ACT);
 - (ii) Division 3AB of the Electricity Act 1996 (SA);
 - (iii) Section 44A of the Electricity Act 1994 (Qld);
 - (iv) Electricity Industry Amendment (Premium Solar Feed-in Tariff) Act 2009 (Vic);
 - (2) the Solar Bonus Scheme established under the Electricity Supply Act 1995 (NSW); and
 - (3) the Climate Change Fund established under the Energy and Utilities Administration Act 1987 (NSW).

AER Requested to determine that scheme is a jurisdictional scheme

- (f) Any person may request the *AER* to determine whether a scheme is a *jurisdictional scheme*.
- (g) A request made under paragraph (f) must contain the following information:
 - (1) the name and address of the person making the request;
 - (2) details of the law of a *participating jurisdiction* under which the relevant scheme is established;
 - (3) the commencement date of the relevant scheme; and

(4) an explanation of how the relevant scheme meets the *jurisdictional scheme eligibility criteria*.

(h) The AER must as soon as practicable after receiving the request under paragraph (f) *publish* the request.

AER may assess whether a scheme is a jurisdictional scheme

(i) The AER may at any time initiate an assessment of whether a scheme is a *jurisdictional scheme*.

(j) If the AER decides to initiate an assessment under paragraph (i) it must *publish* details of the scheme it is considering and the reasons for initiating the assessment.

AER to determine whether a scheme is a jurisdictional scheme

(k) Before making a determination under paragraph (l), the AER may consult with the relevant *Distribution Network Service Provider* and such other persons as the AER considers appropriate, on any matters arising out of the request or the assessment the AER considers appropriate.

(l) The AER must within 20 *business days* of:

(1) receiving a request under paragraph (f); and

(2) *publishing* details of an assessment under paragraph (j),

determine in accordance with paragraph (n) if the relevant scheme is a *jurisdictional scheme* and *publish* its decision (including the reasons).

(m) The AER may extend the time limit fixed in paragraph (l) if it considers that the difficulty of assessing whether a scheme is a *jurisdictional scheme*, or the complexity of the issues raised during any consultation under paragraph (k), justifies the extension.

(n) The AER must only determine that a scheme is a *jurisdictional scheme* under paragraph (l) if it considers that the scheme meets the *jurisdictional scheme eligibility criteria*.

AER requested to determine that scheme should cease to be a jurisdictional scheme

(o) Any person may request the AER to determine that a scheme is no longer a *jurisdictional scheme*.

(p) A request made under paragraph (o) must contain the following information:

(1) the name and address of the person making the request;

(2) the law of a *participating jurisdiction* under which the relevant scheme is established;

(3) the commencement date of the relevant scheme; and

(4) an explanation of why the scheme no longer meets the *jurisdictional scheme eligibility criteria*.

(q) The AER must as soon as practicable after receiving the request under paragraph (o) *publish* the request.

AER may assess whether a scheme should cease to a jurisdictional scheme

- (r) The *AER* may at any time consider whether a scheme should cease to be a *jurisdictional scheme*.
- (s) If the *AER* decides to initiate an assessment of whether a scheme should cease to be *jurisdictional scheme* under paragraph (r) it must *publish* details of the scheme it is considering and the reasons for initiating the assessment.

AER to determine whether a scheme should cease to be a jurisdictional scheme

- (t) Before making a determination under paragraph (u), the *AER* may consult with the relevant *Distribution Network Service Provider* and such other persons as the *AER* considers appropriate, on any matters arising out of the request or the assessment the *AER* considers appropriate.
- (u) The *AER* must within 20 *business days* of:
 - (i) receiving a request under paragraph (o); or
 - (ii) *publishing* details of an assessment under paragraph (s),determine in accordance with paragraph (w) if the relevant scheme should cease to be a *jurisdictional scheme* and *publish* its decision (including the reasons).
- (v) The *AER* may extend the time limit fixed in paragraph (u) if it considers that the difficulty of assessing whether a scheme should cease to be a *jurisdictional scheme*, or the complexity of the issues raised during any consultation under paragraph (t), justifies the extension.
- (w) The *AER* must only determine that a scheme has ceased to be a *jurisdictional scheme* under paragraph (u) if it considers that the scheme no longer meets the *jurisdictional scheme eligibility criteria*.

Jurisdictional scheme eligibility criteria

- (x) The following are the *jurisdictional scheme eligibility criteria*:
 - (1) the *jurisdictional scheme obligations* require a *Distribution Network Service Provider* to:
 - (i) pay a person;
 - (ii) pay into a fund established under an Act of a *participating jurisdiction*;
 - (iii) credit against charges payable by a person; or
 - (iv) reimburse a person,an amount specified in, or determined in accordance with, the *jurisdictional scheme obligations*;
 - (2) the *jurisdictional scheme obligations* are imposed on a *Distribution Network Service Provider* in its capacity as a *Distribution Network Service Provider*;
 - (3) the amount referred to in subparagraph (1) is not in the nature of a fine, penalty or incentive payment for the *Distribution Network Service Provider*; and

- (4) except as provided in these Rules, the *Distribution Network Service Provider* has no right to recover the amount referred to in subparagraph (1) from any person.

6.18.8 Approval of pricing proposal

- (a) The *AER* must approve a *pricing proposal* if the *AER* is satisfied that:
 - (1) the proposal complies with this Part, any relevant clauses in Chapter 11 and any applicable distribution determination including any applicable *tariff structure statement*;
 - (2) each proposed tariff set out in the proposal is broadly consistent with the corresponding indicative pricing levels for that tariff for the relevant *regulatory year* as set out in any previously applicable *indicative pricing schedule*, or else any material differences between them have been explained by the *Distribution Network Service Provider*; and
 - (3) all forecasts associated with the proposal are reasonable.
- (b) If the *AER* determines that a *pricing proposal* is deficient:
 - (1) the *AER* may require the *Distribution Network Service Provider*, within 10 *business days* after receiving notice of the determination, to re-submit the proposal with the amendments necessary to correct the deficiencies identified in the determination and (unless the *AER* permits further amendment) no further amendment; or
 - (2) the *AER* may itself make the amendments necessary to correct the deficiencies.
- (c) If the *Distribution Network Service Provider* fails to comply with a requirement under paragraph (b), or the resubmitted proposal fails to correct the deficiencies in the former proposal, the *AER* may itself amend the proposal to bring it into conformity with the requirements of this Part, any applicable distribution determination and the *Distribution Network Service Provider's tariff structure statement* for the relevant *regulatory control period*.
- (c1) For the purposes of amending a *pricing proposal* under sub-paragraph (b)(2) or paragraph (c), the *AER* may have regard to the corresponding indicative pricing levels for the relevant *regulatory year* as set out in any previously applicable *indicative pricing schedule*.
- (c2) The *AER* must, as soon as practicable after a *Distribution Network Service Provider* has submitted an initial *pricing proposal* under sub-paragraph 6.18.2(a)(1), *publish* an *approved pricing proposal* (including any amendments made by the *AER* under this clause 6.18.8) with respect to that initial *pricing proposal*.
- (c3) The *AER* must, within 30 *business days* from the date of submission of an annual *pricing proposal* by a *Distribution Network Service Provider* under sub-paragraph 6.18.2(a)(2), *publish* an *approved pricing proposal* (including any amendments made by the *AER* under this clause 6.18.8) with respect to that annual *pricing proposal*.
- (d) An *approved pricing proposal* takes effect:

- (1) in the case of an initial *pricing proposal* – at the commencement of the first *regulatory year* of the *regulatory control period* for which the distribution determination is made; and
- (2) in the case of an annual *pricing proposal* – at the commencement of the *regulatory year* to which the proposal relates.

Note:

The operation of this paragraph may, in some instances, be displaced or modified by clause 6.11.3(b).

6.18.9 Publication of information about tariffs and tariff classes

- (a) A *Distribution Network Service Provider* must maintain on its website:
 - (1) its current *tariff structure statement*;
 - (2) its current *indicative pricing schedule*; and
 - (3) a statement of the provider's *tariff classes* and the tariffs applicable to each class.
- (a1) A *Distribution Network Service Provider* must, within 5 *business days* from the date the *AER publishes* a distribution determination under paragraph 6.11.2(2) for that *Distribution Network Service Provider*, publish on its website the *tariff structure statement* approved or contained in that distribution determination and the accompanying *indicative pricing schedule*.
- (b) A *Distribution Network Service Provider* must publish on its website the information referred to in paragraph (a) within 5 *business days* from the date the *AER publishes* an *approved pricing proposal* under paragraphs 6.18.8(c2) or 6.18.8(c3) (as applicable) for that *Distribution Network Service Provider*.

6.19. Data Required for Distribution Service Pricing

6.19.1 Forecast use of networks by Distribution Customers and Embedded Generators

Any information required by *Distribution Network Service Providers* must be provided by *Service Applicants* as part of the *connection* and access requirements set out in Chapter 5.

6.19.2 Confidentiality of distribution network pricing information

- (a) Subject to the Law and the *Rules*, all information about a *Service Applicant* or *Distribution Network User* used by *Distribution Network Service Providers* for the purposes of *distribution service pricing* is confidential information.
- (b) No requirement in this Chapter 6 to publish information about a *tariff class* is to be construed as requiring publication of information about an individual *retail customer*.

Part J Billing and Settlements

6.20 Billing and Settlements Process

This clause describes the manner in which *Distribution Customers* and *Embedded Generators* are billed by *Distribution Network Service Providers* for *distribution services* and how payments for *distribution services* are settled.

6.20.1 Billing for distribution services

(a) A *Distribution Network Service Provider* must bill *Distribution Network Users* for *distribution services* as follows:

(1) *Embedded Generators*:

- (i) by applying the *entry charge* as a fixed annual charge to each *Embedded Generator*; and
- (ii) by applying any other charge the *Distribution Network Service Provider* makes consistently with these *Rules* and the applicable distribution determination.

(2) *Distribution Customers*:

The charges to *Distribution Customers* must be determined according to use of the *distribution network* as determined in accordance with a *metrology procedure* or, in the absence of a *metrology procedure* allowing such a determination to be made, by *meter* or by agreement between the *Distribution Customer* and the *Distribution Network Service Provider* by applying one or more of the following measures:

- (i) demand-based prices to the *Distribution Customer's* metered or agreed half-hourly demand;
- (ii) energy-based prices to the *Distribution Customer's* metered or agreed energy;
- (iii) the *Distribution Customer* charge determined under this clause as a fixed periodic charge to each *Distribution Customer*;
- (iv) a fixed periodic charge, a prepayment or other charge determined by agreement with the *Distribution Customer*;
- (v) any other measure the *Distribution Network Service Provider* is authorised to apply by the applicable distribution determination.

(b) Subject to paragraph (c), where a *Distribution Customer* (other than a *Market Customer*) incurs *distribution service* charges, the *Distribution Network Service Provider* must bill the *Market Customer* from whom the *Distribution Customer* purchases electricity directly or indirectly for such *distribution services* in accordance with paragraph (a)(2).

(c) If a *Distribution Customer* and the *Market Customer* from whom it purchases electricity agree, the *Distribution Network Service Provider* may bill the *Distribution Customer* directly for *distribution services* used by that *Distribution Customer* in accordance with paragraph (a)(2).

(d) *Distribution Network Service Providers* must:

- (1) calculate *transmission service* charges and *distribution service* charges for all *connection points* in their *distribution network*; and
 - (2) pay to *Transmission Network Service Providers* the *transmission service* charges incurred in respect of use of a *transmission network* at each *connection point* on the relevant *transmission network*.
- (e) Charges for *distribution services* based on metered kW, kWh, kVA, or kVAh for:
 - (1) *Embedded Generators* that are *Market Generators*; and
 - (2) *Market Customer*; and
 - (3) *Second-Tier Customers*;must be calculated by the *Distribution Network Service Provider* from:
 - (4) *settlements ready data* obtained from AEMO's *metering database*, for those *Embedded Generators*, *Market Customers* and *Second-Tier Customers* with *connection points* that have a type 1, 2, 3 or 4 *metering installation*; and
 - (5) *metering data*, in accordance with a *metrology procedure* that allows the *Distribution Network Service Provider* to use *energy data* for this purpose, or otherwise *settlements ready data* obtained from AEMO's *metering database*, for those *Embedded Generators*, *Market Customers* and *Second-Tier Customers* with *connection points* that have a type 4A, 5, 6 or 7 *metering installation*.
- (f) Charges for *distribution services* based on metered kW, kWh, kVA or kVAh for:
 - (1) *Embedded Generators* that are not *Market Generators*; and
 - (2) *Non-Registered Customers*; and
 - (3) *franchise customers*,must be calculated by the *Distribution Network Service Provider* using data that is consistent with the *metering data* used by the relevant *Local Retailer* in determining *energy settlements*.
- (g) The *Distribution Network Service Provider* may bill the relevant *Local Retailer* for *distribution services* used by *Non-Registered Customers* and *franchise customers*.
- (h) Where the billing for a *Distribution Customer* for a particular *financial year* is based on quantities which are undefined until after the commencement of the *financial year*, charges must be estimated from the previous year's billing quantities with a reconciliation to be made when the actual billing quantities are known.
- (i) Where the previous year's billing quantities are unavailable or no longer suitable, nominated quantities may be used as agreed between the parties.

6.20.2 Minimum information to be provided in distribution network service bills

- (a) The following is the minimum information that must be provided with a bill for a *network coupling point* issued by a *Distribution Network Service Provider* directly to a *Registered Participant*:
 - (1) the *network coupling point* identifier; and
 - (2) the dates on which the billing period starts and ends; and
 - (3) the identifier of the *distribution service* price from which the *network coupling point* charges are calculated; and
 - (4) measured quantities, billed quantities, prices and amounts charged for each component of the total *distribution service* account.
- (b) In addition to the minimum information requirements in paragraph (a), a bill for a *network coupling point* issued by a *Distribution Network Service Provider* directly to another *Distribution Network Service Provider* must separately identify the component of *designated pricing proposal services*, if any, to which each amount charged in the bill relates.

6.20.3 Settlement between Distribution Network Service Providers

The billing and settlement process specified in this clause must be applied to all *Distribution Customers* including other *Distribution Network Service Providers*.

6.20.4 Obligation to pay

A *Distribution Network User* must pay *distribution service* charges properly charged to it and billed in accordance with this clause by the due date specified in the bill.

Part K Prudential requirements, capital contributions and prepayments

6.21 Distribution Network Service Provider Prudential Requirements

This clause sets out the arrangements by which *Distribution Network Service Providers* may minimise financial risks associated with investment in *network assets* and provides for adoption of cost-reflective payment options in conjunction with the use of average distribution prices. The clause also prevents *Distribution Network Service Providers* from receiving income twice for the same assets through prudential requirements and *distribution service* prices.

6.21.1 Prudential requirements for distribution network service

- (a) A *Distribution Network Service Provider* may require an *Embedded Generator* or *Distribution Customer* that requires a new *connection* or a modification in service for an existing *connection* to establish prudential requirements for *connection service* and/or *distribution use of system service*.
- (b) Prudential requirements for *connection service* and/or *distribution use of system service* are a matter for negotiation between the *Distribution Network Service Provider* and the *Embedded Generator* or *Distribution Customer* and the terms agreed must be set out in the *connection agreement* between the

Distribution Network Service Provider and the *Embedded Generator* or *Distribution Customer*.

- (c) The *connection agreement* may include one or more of the following provisions:
 - (1) the conditions under which and the time frame within which other *Distribution Network Users* who use that part of the *distribution network* contribute to refunding all or part of the payments;
 - (2) the conditions under which financial arrangements may be terminated; and
 - (3) the conditions applying in the event of default by the *Distribution Customer* or *Embedded Generator*.
- (d) The prudential requirements may incorporate, but are not limited to, one or more of the following arrangements:
 - (1) financial capital contributions;
 - (2) non-cash contributions;
 - (3) *distribution service* charge prepayments;
 - (4) guaranteed minimum *distribution service* charges for an agreed period;
 - (5) guaranteed minimum *distribution service* quantities for an agreed period;
 - (6) provision for financial guarantees for *distribution service* charges.

6.21.2 Capital contributions, prepayments and financial guarantees

Despite any other provision in this Chapter, in relation to capital contributions, prepayments and financial guarantees:

- (1) the *Distribution Network Service Provider* is not entitled to recover, under a mechanism for the economic regulation of *direct control services*, any component representing asset related costs for assets provided by *Distribution Network Users*; and
- (2) the *Distribution Network Service Provider* may receive a capital contribution, prepayment and/or financial guarantee up to the provider's future revenue related to the provision of *direct control services* for any new assets installed as part of a new *connection* or modification to an existing *connection*, including any *augmentation* to the *distribution network*; and
- (3) where assets have been the subject of a contribution or prepayment, the *Distribution Network Service Provider* must amend the provider's revenue related to the provision of *direct control services*.

6.21.3 Treatment of past prepayments and capital contributions

- (a) Payments made by *Distribution Customers* and *Embedded Generators* for *distribution service* prior to 13 December 1998 must be made in accordance with any contractual arrangements with the relevant *Distribution Network Service Providers* applicable at that time.

- (b) Where contractual arrangements referred to in paragraph (a) are not in place, past *distribution service* prepayments or capital contributions may be incorporated in the capital structure of the *Distribution Network Service Provider's* business.
- (c) The *AER* may intervene in and resolve any dispute under this clause which cannot be resolved between the relevant *Distribution Network Service Provider* and *Distribution Customer* or *Embedded Generator*.

Part L Dispute resolution

6.22 Dispute Resolution

6.22.1 Dispute Resolution by the AER

- (a) A dispute between a *Distribution Network Service Provider* and a *Service Applicant* as to the *terms and conditions of access* to a *direct control service* or to a *negotiated distribution service* is an access dispute for the purposes of Part 10 of the Law.
- (b) A dispute between a *Distribution Network Service Provider* and a *Service Applicant* about *access charges* is an access dispute for the purposes of Part 10 of the Law.
- (c) A dispute between a *Distribution Network Service Provider* and a *Connection Applicant* about matters referred to in clause 5.3AA(f) or clause 5.3AA(h) is an access dispute for the purposes of Part 10 of the Law.

6.22.2 Determination of dispute

- (a) In determining an access dispute about *terms and conditions of access* to a *direct control service*, the *AER* must apply:
 - (1) in relation to price, the *Distribution Network Service Provider's approved pricing proposal* and the *Distribution Network Service Provider's tariff structure statement* or, in respect of the *Distribution Network Service Provider's transmission standard control services* in respect of which the *AER* has made a determination under clause 6.25(b) that pricing in respect of those services should be regulated under Part J of Chapter 6A through the application of rule 6.26, the *Distribution Network Service Provider's approved pricing methodology*;
 - (2) in relation to other terms and conditions, Chapters 4, 5, this Chapter 6 and Chapter 7 and any other *applicable regulatory instrument*; and
 - (3) in relation to all *terms and conditions of access* (including price) the decisions of *AEMO* or the *AER* where those decisions relate to those terms and conditions and are made under Chapters 4, 5, this Chapter 6 and Chapter 7.
- (b) In determining an access dispute about the *terms and conditions of access* to a *direct control service*, the *AER* may:
 - (1) have regard to other matters the *AER* considers relevant; and

- (2) hear evidence or receive submissions from *AEMO* about *power system security* and from *Distribution Network Users* who may be adversely affected.

Note:

Section 130 of the Law requires the *AER*, in making an access determination, to give effect to a network revenue or pricing determination applicable to the services that are the subject of the dispute even though the determination may not have been in force when the dispute arose.

- (c) In determining an access dispute about *terms and conditions of access* to a *negotiated distribution service*, the *AER* must apply:
 - (1) in relation to price (including *access charges*), the *Negotiated Distribution Service Criteria* that are applicable to the dispute in accordance with the relevant distribution determination; and
 - (2) in relation to other terms and conditions, the *Negotiated Distribution Service Criteria* that are applicable to the dispute and Chapters 4, 5, this Chapter 6 and Chapter 7 of the *Rules*; and
 - (3) in relation to all *terms and conditions of access* (including price) the decisions of *AEMO* or the *AER* where those decisions relate to those terms and conditions and are made under Chapters 4, 5, this Chapter 6 and Chapter 7 of the *Rules*;

and must have regard:

- (4) to the relevant *negotiating framework* prepared by the *Distribution Network Service Provider* and approved by the *AER*.
- (d) In determining an access dispute about the *terms and conditions of access* to a *negotiated distribution service*, the *AER* may:
 - (1) have regard to other matters the *AER* considers relevant; and
 - (2) hear evidence or receive submissions from *AEMO* and *Distribution Network Users* notified and consulted under the *Distribution Network Service Provider's negotiating framework*.
- (e) In determining an access dispute about *access charges*, or involving *access charges*, the *AER* must give effect to the following principle:

Access charges should be based on the costs reasonably incurred by the *Distribution Network Service Provider* in providing *distribution network user access* and, where they consist of compensation referred to in clause 5.5(f)(4)(ii) and (iii), on the revenue that is likely to be foregone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs.

6.22.3 Termination of access dispute without access determination

- (a) If the *AER* considers that an access dispute could be effectively resolved by some means other than an access determination, the *AER* may give the parties to the dispute notice of the alternative means of resolving the dispute.
- (b) The giving of such a notice is a specified dispute termination circumstance for the purposes of section 131(3) of the Law.

Note:

It follows that the *AER* may exercise its power to terminate the dispute without making an access determination (See section 131(1)(d) of the Law).

Part M Separate disclosure of transmission and distribution charges

6.23 Separate disclosure of transmission and distribution charges

- (a) *A Distribution Customer:*
 - (1) with a *load* greater than 10MW or 40GWh per annum; or
 - (2) with *metering* equipment capable of capturing relevant *transmission* and *distribution system* usage data,may make a request (a **TUOS/DUOS disclosure request**) to a *Distribution Network Service Provider* to provide the *Distribution Customer* with a statement (a **TUOS/DUOS disclosure statement**) identifying the separate components of the *designated pricing proposal charges* and *distribution use of system* charges comprised in the charges for electricity supplied to the *Distribution Customer's connection points*.
- (b) Within 10 *business days* of receipt of a TUOS/DUOS disclosure request, a *Distribution Network Service Provider* must notify the *Distribution Customer* of the estimated charge (including details of how the charge is calculated) for providing the TUOS/DUOS disclosure statement. The charge must be no greater than the reasonable costs directly incurred by the *Distribution Network Service Provider* in preparing the statement for the *Distribution Customer*.
- (c) If the *Distribution Customer* advises the *Distribution Network Service Provider* within 20 *business days* of receipt of the notice referred to in paragraph (b) that it still requires the requested TUOS/DUOS disclosure statement, the *Distribution Network Service Provider* must prepare the statement and provide it to the *Distribution Customer* within 20 *business days* of being so advised. The TUOS/DUOS disclosure statement must include detailed information on the method used to determine the *distribution use of system* charges and the allocation of the *designated pricing proposal charges* to the *Distribution Customer* for electricity supplied to its *connection points*. The information must be sufficient to allow the *Distribution Customer* to assess the impact on its *network* charges of a change in its *network* use.
- (d) The TUOS/DUOS disclosure statement must also separately identify the amounts that have been allocated to the *Distribution Customer's connection points* under Part J of Chapter 6A in respect of each of the *categories of prescribed transmission services*, where the *Distribution Customer* requests this information.
- (e) Where the *Distribution Customer* requests the information referred to in paragraph (d), the *Distribution Network Service Provider* must separately identify the component of the charge notified under paragraph (b) that relates to the provision of the additional information.

- (f) Each *Distribution Network Service Provider* must publish information annually disclosing the *designated pricing proposal charges* and *distribution use of system charges* for each of the classes of *Distribution Customers* identified for this purpose by the *Distribution Network Service Provider*, or as required by the *AER*.

Part N Dual Function Assets

6.24 Dual Function Assets

6.24.1 Application of this Part

This Part applies to *Distribution Network Service Providers* which own, control or operate both a *distribution system* and a *dual function asset*.

6.24.2 Dual Function Assets

Subject to rule 6.26, for the purposes of Chapters 6 and 6A:

- (a) any part of a *network* owned, operated or controlled by a *Distribution Network Service Provider* which operates between 66 kV and 220 kV and which operates in parallel, and provides support, to the higher voltage *transmission network* is deemed to be a *dual function asset*;
- (b) any service that is provided by a *Distribution Network Service Provider* by means of, or in connection with, the *Distribution Network Service Provider's dual function assets* that, but for this Part, would be a *prescribed transmission service* for the purposes of Chapter 6A is deemed to be a *standard control service*;
- (c) any service that is provided by a *Distribution Network Service Provider* by means of, or in connection with, the *Distribution Network Service Provider's dual function assets* that, but for this Part, would be a *negotiated transmission service* under Chapter 6A is deemed to be a *negotiated distribution service*; and
- (d) references to *prescribed transmission services* do not include a service provided by means of, or in connection with, a *dual function asset*.

6.25 AER determination of applicable pricing regime for Dual Function Assets

- (a) A *Distribution Network Service Provider* which owns, controls or operates *dual function assets* must advise the *AER* at least 32 months prior to the end of the current *regulatory control period* of the value of that *Distribution Network Service Provider's dual function assets* which provide *standard control services* that would be *prescribed transmission services* were it not for the operation of clause 6.24.2 (referred to as *transmission standard control services*). The value to be advised is the value ascribed to the relevant *dual function assets* in the relevant *Distribution Network Service Provider's* regulatory asset base as at the start of the *regulatory year* which commences 36 months prior to the end of the current *regulatory control period*.
- (b) The *AER* must review the information provided under paragraph (a) and determine, in accordance with clause 6.8.1, whether the value of that

Distribution Network Service Provider's dual function assets which provide *transmission standard control services* comprise such a material proportion of that *Distribution Network Service Provider's* regulatory asset base that pricing in respect of those services should be regulated under Part J of Chapter 6A through the application of rule 6.26.

- (c) In making its determination under paragraph (b) the *AER* must consider:
 - (1) whether regulating the pricing of the *transmission standard control services* provided by a *Distribution Network Service Provider's dual function assets*:
 - (i) under Part I of Chapter 6 as though they were *prescribed distribution services*; rather than
 - (ii) under Part J of Chapter 6A as though they were *prescribed transmission services*,
will result in materially different prices for *Distribution Customers* (including those connected directly to the relevant *dual function assets* and those connected to other *distribution networks*);
 - (2) whether the materiality of the different prices is likely to impact on future consumption, production and investment decisions by actual or potential *Network Users*; and
 - (3) any other matter that the *AER* considers relevant.
- (d) The *AER's* determination under paragraph (b), which is binding, must be included in a *framework and approach paper* that applies in respect of the distribution determination for the next *regulatory control period*.

6.26 Division of Distribution Network Service Provider's revenue

- (a) This rule 6.26 applies if the *AER* has determined under rule 6.25(b) that pricing in respect of *transmission standard control services* provided by a *Distribution Network Service Provider's dual function assets* should be regulated under Part J of Chapter 6A.
- (b) The *AER* must, for the purposes of the distribution determination for the relevant *Distribution Network Service Provider*, divide the revenue calculated under Part C of Chapter 6 into the following two portions:
 - (1) a portion relevant to the *Distribution Network Service Provider's transmission standard control services* provided by its *dual function assets*. This portion is defined as its *transmission standard control service revenue*; and
 - (2) a portion relevant to the other *standard control services* provided by the *Distribution Network Service Provider*. This portion is defined as its *distribution standard control service revenue*,
based on the *Distribution Network Service Provider's* approved *Cost Allocation Method*.
- (c) The relevant *Distribution Network Service Provider* must submit a proposed *pricing methodology* to the *AER* in respect of its *transmission standard control service revenue* as if it were a *Transmission Network Service*

Provider as part of its regulatory proposal under Chapter 6, and Part E of Chapter 6A applies in respect of that *pricing methodology* (with the necessary changes).

- (d) The *AER* and the relevant *Distribution Network Service Provider* must apply and comply with all aspects of Part J of Chapter 6A instead of, and to the exclusion of, Parts I, J and K of Chapter 6 in respect of the *dual function assets* which provide *transmission standard control services*, subject to the following:
 - (1) for the purposes of Part J of Chapter 6A:
 - (i) the *dual function assets* are relevantly deemed to be *transmission network assets* which provide *prescribed transmission services*;
 - (ii) the *Distribution Network Service Provider* which owns, controls or operates the relevant *dual function assets* is relevantly deemed to be a *Transmission Network Service Provider*;
 - (2) the *maximum allowed revenue* referred to in clause 6A.22.1 is taken to be the *transmission standard control service revenue*;
 - (3) the reference in clause 6A.22.1(1) to clause 6A.3.2 is taken to be a reference to rules 6.6 and 6.13;
 - (4) references to "*transmission determination*" are to be read as references to the relevant "*distribution determination*", with the *AER* being required to include in the distribution determination a decision to approve a proposed *pricing methodology* in relation to the *transmission standard control services* provided by the relevant *dual function assets*; and
 - (5) if there is no previous method to establish prices under clause 6A.24.3(b)(3), the relevant *Distribution Network Service Provider* must apply the *pricing methodology* of the largest *Transmission Network Service Provider* operating in the *participating jurisdiction* in which that *Distribution Network Service Provider* operates the relevant *dual function assets*.
- (e) The pricing rules in Part I of Chapter 6 are to be applied to the *Distribution Network Service Provider's distribution standard control service revenue*.

Part O Annual Benchmarking Report

6.27 Annual Benchmarking Report

- (a) The *AER* must prepare and *publish* a *network service provider performance report* (an *annual benchmarking report*) the purpose of which is to describe, in reasonably plain language, the relative efficiency of each *Distribution Network Service Provider* in providing *direct control services* over a 12 month period.
- (b) Clause 8.7.4 (excluding clause 8.7.4(a)) applies in respect of the preparation of an *annual benchmarking report*.
- (c) Subject to paragraphs (d) and (e), the *AER* must *publish* an *annual benchmarking report* at least every 12 months.

- (d) The first *annual benchmarking report* must be *published* by 30 September 2014.
- (e) The second *annual benchmarking report* must be *published* by 30 November 2015.

Part P Distribution Reliability Measures Guidelines

6.28 Distribution Reliability Measures Guidelines

- (a) The *AER* must in accordance with the *distribution consultation procedures* make and *publish* guidelines (the *Distribution Reliability Measures Guidelines*) that describe a set of common definitions of reliability measures that can be used to assess and compare the reliability performance of *Distribution Network Service Providers*.
- (b) There must be *Distribution Reliability Measures Guidelines* in force at all times after the date on which the *AER* first *publishes Distribution Reliability Measures Guidelines* under these *Rules*.
- (c) The *AER* must review the *Distribution Reliability Measures Guidelines* at least every 5 years.

Schedule 6.1 Contents of building block proposals

S6.1.1 Information and matters relating to capital expenditure

A *building block proposal* must contain at least the following information and matters relating to capital expenditure:

- (1) a forecast of the required capital expenditure that complies with the requirements of clause 6.5.7 and identifies the forecast capital expenditure by reference to well accepted categories such as:
 - (i) asset class (eg. *distribution lines*, *substations* etc); or
 - (ii) category driver (eg. *regulatory obligation or requirement*, replacement, *reliability*, net market benefit, business support etc),and identifies, in respect of proposed material assets:
 - (iii) the location of the proposed asset;
 - (iv) the anticipated or known cost of the proposed asset; and
 - (v) the categories of *distribution services* which are to be provided by the proposed asset;
- (2) the method used for developing the capital expenditure forecast;
- (3) the forecasts of load growth relied upon to derive the capital expenditure forecasts and the method used for developing those forecasts of load growth;
- (4) the key assumptions that underlie the capital expenditure forecast;
- (5) a certification of the reasonableness of the key assumptions by the directors of the *Distribution Network Service Provider*;
- (6) capital expenditure for each of the past *regulatory years* of the previous and current *regulatory control period*, and the expected capital expenditure for

each of the last two *regulatory years* of the current *regulatory control period*, categorised in the same way as for the capital expenditure forecast and separately identifying for each such *regulatory year*:

- (i) margins paid or expected to be paid by the *Distribution Network Service Provider* in circumstances where those margins are referable to arrangements that do not reflect arm's length terms; and
 - (ii) expenditure that should have been treated as operating expenditure in accordance with the policy submitted under paragraph (8) for that *regulatory year*;
- (7) an explanation of any significant variations in the forecast capital expenditure from historical capital expenditure; and
- (8) the policy that the *Distribution Network Service Provider* applies in capitalising operating expenditure.

S6.1.2 Information and matters relating to operating expenditure

A *building block proposal* must contain at least the following information and matters relating to operating expenditure:

- (1) a forecast of the required operating expenditure that complies with the requirements of clause 6.5.6 and identifies the forecast operating expenditure by reference to well accepted categories such as:
 - (i) particular programs; or
 - (ii) types of operating expenditure (eg. maintenance, payroll, materials etc),and identifies in respect of each such category:
 - (iii) to what extent that forecast expenditure is on costs that are fixed and to what extent it is on costs that are variable; and
 - (iv) the categories of *distribution services* to which that forecast expenditure relates;
- (2) the method used for developing the operating expenditure forecast;
- (3) the forecasts of key variables relied upon to derive the operating expenditure forecast and the method used for developing those forecasts of key variables;
- (4) the method used for determining the cost associated with planned maintenance programs designed to improve the performance of the relevant *distribution system* for the purposes of any *service target performance incentive scheme* that is to apply to the *Distribution Network Service Provider* in respect of the relevant *regulatory control period*;
- (5) the key assumptions that underlie the operating expenditure forecast;
- (6) a certification of the reasonableness of the key assumptions by the directors of the *Distribution Network Service Provider*;
- (7) operating expenditure for each of the past *regulatory years* of the previous and current *regulatory control period*, and the expected operating expenditure for each of the last two *regulatory years* of the current *regulatory*

control period, categorised in the same way as for the operating expenditure forecast;

- (8) an explanation of any significant variations in the forecast operating expenditure from historical operating expenditure.

S6.1.3 Additional information and matters

A *building block proposal* must contain at least the following additional information and matters:

- (1) an identification and explanation of any significant interactions between the forecast capital expenditure and forecast operating expenditure programs;
- (2) **[Deleted]**
- (3) a description, including relevant explanatory material, of how the *Distribution Network Service Provider* proposes any *efficiency benefit sharing scheme* that has been specified in a *framework and approach paper* that applies in respect of the forthcoming distribution determination should apply to it;
- (3A) a description, including relevant explanatory material, of how the *Distribution Network Service Provider* proposes any *capital expenditure sharing scheme* that has been specified in a *framework and approach paper* that applies in respect of the forthcoming distribution determination should apply to it;
- (4) a description, including relevant explanatory material, of how the *Distribution Network Service Provider* proposes any *service target performance incentive scheme* that has been specified in a *framework and approach paper* that applies in respect of the forthcoming distribution determination should apply to it;
- (5) a description, including relevant explanatory material, of how the *Distribution Network Service Provider* proposes any *demand management incentive scheme* or *demand management innovation allowance mechanism* that has been specified in a *framework and approach paper* that applies in respect of the forthcoming distribution determination should apply to it;
- (5A) a description, including relevant explanatory material, of how the *Distribution Network Service Provider* proposes any *small-scale incentive scheme* that has been specified in a *framework and approach paper* that applies in respect of the forthcoming distribution determination should apply to it;
- (6) the *Distribution Network Service Provider's* calculation of revenues or prices for the purposes of the control mechanism proposed by the *Distribution Network Service Provider* together with:
 - (i) details of all amounts, values and inputs (including X factors) relevant to the calculation;
 - (ii) an explanation of the calculation and the amounts, values and inputs involved in the calculation; and

- (iii) a demonstration that the calculation and the amounts, values and inputs on which it is based comply with relevant requirements of the Law and the *Rules*;
- (7) the *Distribution Network Service Provider's* calculation of the regulatory asset base for the relevant *distribution system* for each *regulatory year* of the relevant *regulatory control period* using the *roll forward model* referred to in clause 6.5.1 , together with:
 - (i) details of all amounts, values and other inputs used by the *Distribution Network Service Provider* for that purpose;
 - (ii) a demonstration that any such amounts, values and other inputs comply with the relevant requirements of Part C of Chapter 6 ; and
 - (iii) an explanation of the calculation of the regulatory asset base for each *regulatory year* of the relevant *regulatory control period* and of the amounts, values and inputs referred to in subparagraph (i);
- (8) **[Deleted]**.
- (9) the *Distribution Network Service Provider's* calculation of the proposed return on equity, return on debt and *allowed rate of return*, for each *regulatory year* of the *regulatory control period*, in accordance with clause 6.5.2, including any departure from the methodologies set out in the *Rate of Return Guidelines* and the reasons for that departure;
- (9A) if the *Distribution Network Service Provider* proposes that the return on debt for a *regulatory year* of the *regulatory control period* is to be determined using the methodology referred to in clause 6.5.2(i)(2), the formula it proposes should be applied in accordance with clause 6.5.2(l);
- (9B) the *Distribution Network Service Provider's* proposed value of imputation credits as referred to in clause 6.5.3;
- (10) the *post-tax revenue model* completed to show its application to the *Distribution Network Service Provider* and the completed *roll-forward model*;
- (11) the *Distribution Network Service Provider's* estimate of the cost of corporate income tax for each *regulatory year* of the *regulatory control period*;
- (12) the depreciation schedules nominated by the *Distribution Network Service Provider* for the purposes of clause 6.5.5 , which categorise the relevant assets for these purposes by reference to well accepted categories such as:
 - (i) asset class (eg *distribution lines* and *substations*); or
 - (ii) category driver (eg *regulatory obligation or requirement*, replacement, *reliability*, net market benefit, and business support),together with:
 - (iii) details of all amounts, values and other inputs used by the *Distribution Network Service Provider* to compile those depreciation schedules;
 - (iv) a demonstration that those depreciation schedules conform with the requirements set out in clause 6.5.5(b) ; and

- (v) an explanation of the calculation of the amounts, values and inputs referred to in subparagraph (iii);
- (13) the commencement and length of the *regulatory control period* proposed by the *Distribution Network Service Provider*; and
- (14) if the *Distribution Network Service Provider* is seeking a determination by the *AER* that a *proposed contingent project* is a *contingent project* for the purposes of the relevant distribution determination:
 - (i) a description of the *proposed contingent project*, including reasons why the *Distribution Network Service Provider* considers the project should be accepted as a *contingent project* for the *regulatory control period*;
 - (ii) a forecast of the capital expenditure which the *Distribution Network Service Provider* considers is reasonably required for the purpose of undertaking the *proposed contingent project*;
 - (iii) the methodology used for developing that forecast and the key assumptions that underlie it;
 - (iv) information that demonstrates that the undertaking of the *proposed contingent project* is reasonably required in order to achieve one or more of the *capital expenditure objectives*;
 - (v) information that demonstrates that the *proposed contingent capital expenditure* for the *proposed contingent project* complies with the requirements set out in clause 6.6A.1(b)(2); and
 - (vi) the *trigger events* which are proposed in relation to the *proposed contingent project* and an explanation of how each of those conditions or events addresses the matters referred to in clause 6.6A.1(c).

Schedule 6.2 Regulatory Asset Base

S6.2.1 Establishment of opening regulatory asset base for a regulatory control period

(a) **Application of this clause**

This clause S6.2.1

- (1) applies to the establishment of the value of the regulatory asset base for a *distribution system* as at the beginning of a *regulatory control period* on the roll forward of the regulatory asset base to that *regulatory control period* from the previous *regulatory control period*; and
- (2) also applies to the establishment of the value of the regulatory asset base for a *distribution system* as at the beginning of a *regulatory control period* where the *distribution system* was not immediately before that time the subject of a *building block determination*.

(b) **Roll forward model to comply with this clause**

The values to be used for completing the *roll forward model* must be established in accordance with this clause and clauses S6.2.2 and S6.2.3.

(c) **Distribution systems of specific providers**

- (1) In the case of a *distribution system* owned, controlled or operated by one of the following *Distribution Network Service Providers* as at the commencement of this schedule, the value of the regulatory asset base for that *distribution system* as at the beginning of that first *regulatory year* must be determined by rolling forward the regulatory asset base for that *distribution system*, as set out in the table below, in accordance with this schedule:

Jurisdiction	<i>Distribution Network Service Provider</i>	Regulatory Asset Base (\$m)
Australian Capital Territory	ActewAGL	510.54 (as at 1 July 2004 in July 2004 dollars)
New South Wales	Country Energy	2,440 (as at 1 July 2004 in July 2004 dollars)
	EnergyAustralia	4,116 (as at 1 July 2004 in July 2004 dollars)
	Integral Energy	2,283 (as at 1 July 2004 in July 2004 dollars)
Queensland	ENERGEX	4,308.1 (as at 1 July 2005 in July 2005 dollars)
	Ergon Energy	4,198.2 (as at 1 July 2005 in July 2005 dollars) but, if the Queensland Competition Authority nominates a different amount in writing to the <i>AER</i> , the regulatory asset base is the amount so nominated.
South Australia	ETSA Utilities	2,466 (as at 1 July 2005 in December 2004 dollars)
Tasmania	Aurora Energy	981.108 (as at 1 January 2008 in July 2006 dollars)
Victoria	AGL Electricity	578.4 (as at 1 January 2006 in July 2004 dollars)
	Citipower	990.9 (as at 1 January 2006 in July 2004 dollars)
	Powercor	1,626.5 (as at 1 January 2006 in July 2004 dollars)
	SP AusNet	1,307.2 (as at 1 January 2006 in July 2004 dollars)
	United Energy	1,220.3 (as at 1 January 2006 in July 2004 dollars)

- (2) The values in the table above are to be adjusted for the difference between:

- (i) any estimated capital expenditure that is included in those values for any part of a previous *regulatory control period*; and
- (ii) the actual capital expenditure for that part of the previous *regulatory control period*.

This adjustment must also remove any benefit or penalty associated with any difference between the estimated and actual capital expenditure.

- (3) When rolling forward a regulatory asset base under subparagraph (1), the *AER* must take into account the derivation of the values in the above table from past regulatory decisions and the consequent fact that they relate only to the regulatory asset base identified in those decisions.

(d) **Other distribution systems**

- (1) This paragraph (d) applies to a *distribution system* not referred to in paragraphs (c) when *standard control services* that are provided by means of, or in connection with, that system are to be regulated under a *building block determination*.
- (2) The value of the regulatory asset base for that *distribution system* as at the beginning of the first *regulatory year* of the first *regulatory control period* for the relevant *Distribution Network Service Provider* is the prudent and efficient value of the assets that are used by the provider to provide those *standard control services* (but only to the extent that they are used to provide such services), as determined by the *AER*. In determining this value, the *AER* must have regard to the matters referred to in clause S6.2.2.
- (3) The value of the regulatory asset base for that *distribution system* as at the beginning of the first *regulatory year* of any subsequent *regulatory control period* must be determined by rolling forward the value of the regulatory asset base for that *distribution system* as at the beginning of the first *regulatory year* of the first *regulatory control period* in accordance with this schedule.

(e) **Method of adjustment of value of regulatory asset base**

Except as otherwise provided in paragraph (c) or (d) and subject to paragraph (g), the value of the regulatory asset base for a *distribution system* as at the beginning of the first *regulatory year* of a *regulatory control period* must be calculated by adjusting the value (the **previous value**) of the regulatory asset base for that *distribution system* as at the beginning of the first *regulatory year* of the immediately preceding *regulatory control period* (the **previous control period**) as follows:

- (1) Subject to subparagraph (e)(9), the previous value of the regulatory asset base must be:
 - (i) increased by the amount of all capital expenditure incurred during the previous control period, including any capital expenditure determined for that period under clause 6.6A.2(e)(1)(i) in relation

to *contingent projects* where the distribution determination has been amended by the *AER* in accordance with clause 6.6A.2(h) (regardless of whether such capital expenditure is above or below the forecast capital expenditure for the period that is adopted for the purposes of the distribution determination (if any) for that period); and

- (ii) reduced by the amount of any capital expenditure that has been recovered by way of a pass through under clause 6.6.1 where the amount of that capital expenditure would otherwise have been included in the value of the regulatory asset base.
- (2) The previous value of the regulatory asset base must be increased by the amount of the estimated capital expenditure approved by the *AER* for any part of the previous control period for which actual capital expenditure is not available, including any capital expenditure in relation to *contingent projects* where the *total revenue requirement* has been amended by the *AER* in accordance with clause 6.6A.2(h).
 - (3) The previous value of the regulatory asset base must be adjusted for the difference between:
 - (i) the estimated capital expenditure for any part of a previous *regulatory control period* where that estimated capital expenditure has been included in that value; and
 - (ii) the actual capital expenditure for that part of the previous *regulatory control period*.

This adjustment must also remove any benefit or penalty associated with any difference between the estimated and actual capital expenditure.

- (4) The previous value of the regulatory asset base must only be increased by actual or estimated capital expenditure to the extent that all such capital expenditure is properly allocated to the provision of *standard control services* in accordance with the *Cost Allocation Method* for the relevant *Distribution Network Service Provider*.
- (5) The previous value of the regulatory asset base must be reduced by the amount of depreciation of the regulatory asset base during the previous *regulatory control period*, calculated in accordance with the distribution determination for that period.
- (6) The previous value of the regulatory asset base must be reduced by the disposal value of any asset where that asset has been disposed of during the previous *regulatory control period*.
- (7) The previous value of the regulatory asset base must be reduced by the value of an asset where the asset was previously used to provide *standard control services* (or their equivalent under the previous regulatory system) but, as a result of a change to the classification of a particular service under Part B, is not to be used for that purpose for the relevant *regulatory control period*.

- (8) Subject to subparagraph (e)(9), the previous value of the regulatory asset base may be increased by the value of an asset to which this subparagraph applies to the extent that:
- (i) the *AER* considers the asset to be reasonably required to achieve one or more of the *capital expenditure objectives*; and
 - (ii) the value of the asset has not been otherwise recovered.

This subparagraph applies to an asset that:

- (i) was not used to provide *standard control services* (or their equivalent under the previous regulatory system) in the previous *regulatory control period* but, as a result of a change to the classification of a particular service under Part B, is to be used for that purpose for the relevant *regulatory control period*; or
 - (ii) was never previously used to provide *standard control services* (or their equivalent under the previous regulatory system) but is to be used for that purpose for the relevant *regulatory control period*.
- (9) The previous value of the regulatory asset base must not be increased by the value of *expenditure for a restricted asset* incurred during the relevant *regulatory control period*, unless the capital expenditure for that asset or that class of asset for that *regulatory control period* was the subject of an *asset exemption* granted by the *AER* under clause 6.4B.1(a).
- (f) An increase or reduction in the value of the regulatory asset base under subparagraph (7) or (8) of paragraph (e) is to be based on the portion of the value of the asset properly allocated, or formerly properly allocated, to *standard control services* in accordance with the principles and policies set out in the *Cost Allocation Method* for the relevant *Distribution Network Service Provider*. The value of the relevant asset is taken to be its value as shown in independently audited and published accounts.
- (g) The previous value of the regulatory asset base must be reduced by any amount determined by the *AER* in accordance with clause S6.2.2A(f), (i) or (j).

S6.2.2 Prudency and efficiency of capital expenditure

In determining the prudency or efficiency of capital expenditure under clause S6.2.1(d)(2), the *AER* must have regard to the following:

- (1) the need to provide a reasonable opportunity for the relevant *Distribution Network Service Provider* to recover the efficient costs of complying with all applicable *regulatory obligations or requirements* associated with the provision of *standard control services*;
- (2) the need to provide effective incentives to the *Distribution Network Service Provider* to promote economic efficiency in the provision of *standard control services*;
- (3) whether the relevant project in respect of which capital expenditure was made was evaluated against, and satisfied, the *regulatory investment test for*

transmission or the *regulatory investment test for distribution* (as the case may be);

- (4) whether the *Distribution Network Service Provider* undertook the capital expenditure in a manner consistent with good business practice and so as to practicably achieve the lowest sustainable cost of delivering the *standard control services* to be provided as a consequence of that capital expenditure;
- (5) the desirability of minimising investment uncertainty for the *Distribution Network Service Provider*;
- (6) the need to provide incentives to the *Distribution Network Service Provider* to avoid undertaking inefficient capital expenditure;
- (7) the value of the relevant asset as shown in independently audited and published accounts.

In determining the prudence or efficiency of capital expenditure the *AER* must only take into account information and analysis that the *Distribution Network Service Provider* could reasonably be expected to have considered or undertaken at the time that it undertook the relevant capital expenditure.

S6.2.2A Reduction for inefficient past capital expenditure

- (a) Prior to making a decision on the regulatory asset base for a *distribution system* as required by clause 6.12.1(6), the *AER* may determine under this clause S6.2.2A that the amount of capital expenditure as a result of which the previous value of the regulatory asset base would otherwise be increased in accordance with clause S6.2.1(e) should be reduced.
 - (a1) for the purposes of this clause S6.2.2A, "**review period**" means:
 - (1) the previous control period (excluding the last two *regulatory years* of that previous control period); and
 - (2) the last two *regulatory years* of the *regulatory control period* preceding the previous control period.
- (b) The *AER* may only make a determination under paragraph (a) if any of the following requirements is satisfied:
 - (1) the requirement set out in paragraph (c) (the *overspending requirement*);
 - (2) the requirement set out in paragraph (d) (the *margin requirement*); or
 - (3) the requirement set out in paragraph (e) (the *capitalisation requirement*).
- (c) The *overspending requirement* is satisfied where the sum of all capital expenditure incurred during the review period exceeds the sum of:
 - (1) the forecast capital expenditure accepted or substituted by the *AER* for the review period as such forecast capital expenditure has been adjusted in accordance with clauses 6.6.5(f) and 6.6A.2(h); and
 - (2) any capital expenditure that is recovered by way of such part of an *approved pass through amount* as is permitted to be passed through to *Distribution Network Users* during the review period less any capital

expenditure that is included in a *negative pass through amount* that is required to be passed through to *Distribution Network Users* during the review period.

- (d) The *margin requirement* is satisfied where the amount of the capital expenditure as a result of which the previous value of the regulatory asset base would otherwise be increased in accordance with clause S6.2.1(e) includes capital expenditure that represents a margin paid by the *Distribution Network Service Provider* in circumstances where the margin is referable to arrangements that, in the opinion of the *AER*, do not reflect arm's length terms.
- (e) The *capitalisation requirement* is satisfied where the amount of the capital expenditure as a result of which the previous value of the regulatory asset base would otherwise be increased in accordance with clause S6.2.1(e) includes expenditure that, under the *Distribution Network Service Provider's* applicable capitalisation policy submitted to the *AER* as part of a *regulatory proposal*, should have been treated as operating expenditure.
- (f) Where the *overspending requirement* is satisfied, and subject to paragraphs (g) and (h), the *AER* may determine that the amount of the capital expenditure as a result of which the previous value of the regulatory asset base would otherwise be increased in accordance with clause S6.2.1(e) should be reduced by such amount as the *AER* is satisfied corresponds to capital expenditure incurred during the review period that does not reasonably reflect the *capital expenditure criteria*.
- (g) The amount determined by the *AER* under paragraph (f):
 - (1) must not be greater than the amount calculated in accordance with paragraph (c);
 - (2) must be determined in a manner that is consistent with the *capital expenditure incentive objective*; and
 - (3) must be determined taking into account the *Capital Expenditure Incentive Guidelines*.
- (h) In making a determination under paragraph (f), the *AER* must:
 - (1) have regard to the *capital expenditure factors*; and
 - (2) only take into account information and analysis that the *Distribution Network Service Provider* could reasonably be expected to have considered or undertaken at the time that it undertook the relevant capital expenditure.
- (i) Where the *margin requirement* is satisfied, and subject to paragraph (k), the *AER* may determine that the amount of the capital expenditure as a result of which the previous value of the regulatory asset base would otherwise be increased in accordance with clause S6.2.1(e) should be reduced by such of the margin referred to in paragraph (d) as the *AER* is reasonably satisfied would not have been paid if the arrangements to which the margin is referable had been on arm's length terms.
- (j) Where the *capitalisation requirement* is satisfied, and subject to paragraph (k), the *AER* may determine that the amount of the capital expenditure as a

result of which the previous value of the regulatory asset base would otherwise be increased in accordance with clause S6.2.1(e) should be reduced by any or all of the amount of expenditure referred to in paragraph (e) which should have been treated as operating expenditure .

- (k) A determination made under paragraph (i) or (j) must be consistent with the *capital expenditure incentive objective* and, in making such a determination, the *AER* must take into account the *Capital Expenditure Incentive Guidelines*.
- (l) Nothing in this clause S6.2.2A is to be taken to preclude the *AER* from:
 - (1) requiring a *Distribution Network Service Provider* to provide such information; or
 - (2) undertaking such analysis,as the *AER* considers appropriate to enable it to make a statement, with supporting reasons, as referred to in clause 6.12.2(b).

S6.2.2B Depreciation

- (a) Pursuant to clause 6.12.1(18), the *AER* must decide, for a distribution determination, whether depreciation for establishing the regulatory asset base for a *distribution system* as at the commencement of the following *regulatory control period* is to be based on actual or forecast capital expenditure.
- (b) The decision referred to in paragraph (a) must be consistent with the *capital expenditure incentive objective*.
- (c) In making the decision referred to in paragraph (a), the *AER* must have regard to:
 - (1) the incentives that the *Distribution Network Service Provider* has in relation to undertaking efficient capital expenditure, including as a result of the application of any incentive scheme or any other incentives under the *Rules*;
 - (2) the substitution possibilities between assets with relatively short economic lives and assets with relatively long economic lives and the relative benefits of such asset types;
 - (3) the extent to which any capital expenditure incurred by the *Distribution Network Service Provider* has exceeded the corresponding amount of forecast capital expenditure accepted or substituted by the *AER* and the amount of that excess expenditure which is not efficient;
 - (4) the *Capital Expenditure Incentive Guidelines*; and
 - (5) the *capital expenditure factors*.

S6.2.3 Roll forward of regulatory asset base within the same regulatory control period

(a) Application of this clause

This clause applies to the establishment of the value of the regulatory asset base for a *distribution system* as at the beginning of one *regulatory year* in a *regulatory control period* on the roll forward of the regulatory asset base to

that *regulatory year* from the immediately preceding *regulatory year* (if any) in that *regulatory control period*.

(b) **Roll forward model to comply with this clause**

The *roll forward model* referred to in clause 6.5.1 must provide for that value to be established in accordance with the requirements of this clause.

(c) **Method of adjustment of value of regulatory asset base**

The value of the regulatory asset base for a *distribution system* as at the beginning of the second or a subsequent year (**the later year**) in a *regulatory control period* must be calculated by adjusting the value (**the previous value**) of the regulatory asset base for that *distribution system* as at the beginning of the immediately preceding *regulatory year* (**the previous year**) in that *regulatory control period* as follows:

- (1) The previous value of the regulatory asset base must be increased by the amount of forecast capital expenditure accepted or substituted by the *AER* for the previous year in accordance with clause 6.5.7(c) or clause 6.12.1(3) and (3A) (as the case may be).
- (2) The previous value of the regulatory asset base must be reduced by the amount of depreciation included in the *Distribution Network Service Provider's annual revenue requirement* for the previous year.
- (3) The previous value of the regulatory asset base must be reduced by the disposal value of any asset included in that value where the asset is forecast to be disposed of during the previous year.
- (4) The previous value of the regulatory asset base must be increased by an amount necessary to maintain the real value of the regulatory asset base as at the beginning of the later year by adjusting that value for inflation.

(d) **Allowance for working capital**

If the *AER* determines that it is appropriate to do so, it may include an allowance for working capital in the regulatory asset base for a *distribution system* which is rolled forward in accordance with this clause.

CHAPTER 6B

Chapter 6B Retail markets

Part A Retail support

Division 1 – Application and definitions

6B.A1.1 Application of this Part

(a) This Part:

- (1a) applies to a *Distribution Network Service Provider* (including an Embedded Network Service Provider and an Exempt Network Operator) and a *retailer* (other than an off-market retailer) who have shared customers; and
- (2b) applies to the exclusion of Part J of Chapter 6 to a *Market Customer* who is a *retailer*; and
- (3e) prevails over any inconsistent provisions in a distribution determination.

(b) In this Part, a reference to:

- (1) a Distribution Network Service Provider includes an Embedded Network Service Provider and an Exempt Network Operator; and
- (2) a retailer excludes an off-market retailer.

Note:

This Part applies to an Exempt Network Operator as a condition of its network exemption. Where an Exempt Network Manager is appointed, the role of the Exempt Network Manager includes performance of these obligations. Refer to Chapter 7.

6B.A1.2 Definitions

In this Part:

customer connection service has the same meaning as in the *NERL*.

date of issue of a *statement of charges* means the date on which the *Distribution Network Service Provider* sends the statement to the *retailer*.

default rate means the *bank bill rate* (as in force from time to time) plus two percentage points per annum.

due date for payment means 10 *business days* from the *date of issue* specified on a *statement of charges*.

network charges means charges that a *Distribution Network Service Provider* is entitled to claim for *customer connection services* in respect of *shared customers* under these *Rules*.

on-market embedded customer means a *retail customer* who takes a supply of electricity at an *on-market child connection point* in an *embedded network*.

retail billing period means a calendar month or any other period agreed between a *Distribution Network Service Provider* and a *retailer*.

shared customer has the same meaning as in the *NERL*.

statement of charges—see clause 6B.A2.4.

6B.A1.3 Shadow network charges procedure

- (a) AEMO must develop, publish and maintain a procedure (*shadow network charges procedure*) that applies in relation to the *network charges payable by retailers to Embedded Network Service Providers and Exempt Network Operators* in relation to *on-market embedded customers* and specifies:
 - (1) the methodology to be used to determine the *network charges*;
 - (2) arrangements for billing and settlement of the *network charges*; and
 - (3) any other matter reasonably considered necessary by AEMO to facilitate the efficient and timely billing and settlement of the *network charges* and to secure payment of the charges in a manner consistent with this Chapter.
- (b) The methodology referred to in paragraph (a) must so far as practicable result in a *network charge* that is the same as the *network charge* that would have applied if the *on-market embedded customer's child connection point* were connected to the *Local Network Service Provider's distribution system*.
- (c) The arrangements for billing and settlement of the *network charges* referred to in paragraph (a) must provide for:
 - (1) billing and settlement communications between *retailers, Embedded Network Service Providers* and *Exempt Network Managers*; and
 - (2) standardised data and file formats for those communications.
- (d) AEMO may from time to time amend the *shadow network charges procedure*.
- (e) In developing and amending the *shadow network charges procedure*, AEMO must comply with the *Rules consultation procedures*.

Division 2 Billing and payment rules

6B.A2.1 Obligation to pay

Subject to this Part, a *retailer* must pay to a *Distribution Network Service Provider* the *network charges* payable in respect of each *shared customer* by the *due date for payment*.

Note:

This clause is a conduct provision for the purpose of the NEL.

6B.A2.2 Direct customer billing and energy-only contracts

- (a) Where a *Distribution Network Service Provider* and a *shared customer* agree that the *customer* will be responsible for paying *network charges* directly to the *Distribution Network Service Provider* (a **direct billing arrangement**), the *Distribution Network Service Provider* may issue a bill to that *customer* for any or all of the *customer connection services* provided to that *customer's* premises.
- (b) The *Distribution Network Service Provider* must notify the *retailer* of the *direct billing arrangement* as soon as reasonably practicable after commencement of the agreement.
- (c) A *retailer* has no liability to pay *network charges* that have been, or are to be, billed to the *shared customer* under a *direct billing arrangement*.
- (d) Where a *retailer* and a *shared customer* enter into a contract for the sale of electricity only, the *retailer* must notify the relevant *Distribution Network Service Provider* as soon as reasonably practicable after commencement of the contract.

6B.A2.3 Calculating network charges

- (a) *Network charges* must be calculated in accordance with these *Rules* and a *Distribution Network Service Provider's* distribution determination.
- (b) *Network charges in relation to an on-market embedded customer must be calculated in accordance with the shadow network charges procedure.*

6B.A2.4 Statement of charges

- (a) A *Distribution Network Service Provider* must provide a statement of *network charges* (a **statement of charges**) to a *retailer* as agreed between the parties but no later than the 10th *business day* of the *retail billing period* next following the *retail billing period* to which the charges relate.
- (b) The *statement of charges* must include:

- (1) the *network charges*, separately identified, in respect of each *shared customer's* premises for which *metering data* was received, or a service request was completed, during that *retail billing period*;
- (2) the *date of issue* of the *statement of charges*, and the *due date for payment*;
- (3) where applicable, the *metering data* for each *shared customer's* premises;
- (4) any adjustments to *network charges* from previous *retail billing periods*; and

Note:

See clause 6B.A3.1.

- (5) where applicable, any credits for GSL payments that the *Distribution Network Service Provider* is required to make in respect of a *shared customer's* premises.
- (c) Subject to these *Rules* and the *Retail Market Procedures*, the format of the *statement of charges* must be as agreed between the *retailer* and *Distribution Network Service Provider* or, in default of agreement, as reasonably determined by the *Distribution Network Service Provider*.
- (d) In this rule:

GSL payment means a payment by a *Distribution Network Service Provider* in respect of non-compliance with a *distribution service* standard or *distribution reliability* standard.

service request means a request by a *retailer* to a *Distribution Network Service Provider* for a *customer connection service*.

6B.A2.5 Time and manner of payment

- (a) Subject to clause 6B.A3.3(c), a *retailer* must, by the *due date for payment*, pay the full amount specified in a *statement of charges* without set-off.
- (b) Payment must be made into the *Distribution Network Service Provider's* nominated bank account.

Division 3 Matters incidental to billing and payment

6B.A3.1 Adjustment of network charges

- (a) If a *retailer* is not permitted to recover *network charges* from a *shared customer* under the *NERL* or the *NERR*, then neither is the *Distribution Network Service Provider* permitted to recover those charges from the *retailer*.

- (b) Subject to paragraph (a), *network charges* contained in a *statement of charges* may be adjusted to account for any error in, or correction or substitution of:
 - (1) *metering data*; or
 - (2) any other amount or factor that affects the calculation of the *network charges*.
- (c) An adjustment under paragraph (b) may be made by a *Distribution Network Service Provider* by including, in a subsequent *statement of charges*, the amount required to be paid by, or credited to, the *retailer* together with an explanation of the adjustment.

Note:

See also clause 6B.A3.3.

6B.A3.2 Tariff reassignment

- (a) *A retailer*:
 - (1) must, if a *shared customer* informs the *retailer* of a *change* in use of electricity consumption at the *customer's* premises as a result of which the *retailer* reasonably considers that the existing tariff applying to the *customer* should no longer apply; and
 - (2) may, for any other reason, but not more than once in any 12 *month* period in respect of the same premises,

request the *Distribution Network Service Provider* to review the tariff to which the *customer* is assigned.
- (b) The request is to include:
 - (1) the reasons for the request; and
 - (2) any relevant information provided by the *customer*; and
 - (3) the tariff proposed by the *retailer*.
- (c) On receipt of the request, the *Distribution Network Service Provider* must decide whether the tariff should be *changed*.
- (d) The *Distribution Network Service Provider* must inform the *retailer* of its decision and, if the decision is not to *change* the tariff or to assign a tariff other than that proposed by the *retailer*, the *Distribution Network Service Provider* must also inform the *retailer* of its reasons for the decision.
- (e) If the *Distribution Network Service Provider* decides to *change* the tariff, it must make the *change* in accordance with:
 - (1) the requirements of the *NERL* and the *NERR*;

- (2) any provisions of the *Distribution Network Service Provider's* distribution determination governing the assignment or re-assignment of *retail customers* to tariffs; and

Note:

See clause 6.18.4.

- (3) the *Rules* and the *Retail Market Procedures*.

6B.A3.3 Disputed statements of charges

If a *retailer* disputes an amount (the **disputed amount**) set out in a *statement of charges*, the following provisions apply:

- (a) The *retailer* must give written notice to the *Distribution Network Service Provider* of the disputed amount and the reasons for disputing payment.

Note:

A *retailer* may also give notice pursuant to this clause if it seeks an adjustment under clause 6B.A3.1 or where it disputes an adjustment made under that clause.

- (b) Payment by the *retailer* of all or part of an amount set out in a *statement of charges* does not affect the right of the *retailer* to dispute the amount.
- (c) If the *retailer* has given notice under paragraph (a) and payment of the charges to which the statement relates has not yet been made, the *retailer* must pay the *Distribution Network Service Provider* by the *due date for payment* (unless the *Distribution Network Service Provider* agrees otherwise) the greater of:
 - (1) the undisputed component of the *statement of charges*; or
 - (2) 80% of the total amount due under the disputed *statement of charges*;
- (d) The *retailer* must, if the dispute is not resolved by agreement of the parties within 10 *business days* after the date the *retailer* gave notice under paragraph (a), immediately submit the dispute for resolution or determination in accordance with Chapter 8.
- (e) If the *retailer* fails to submit the dispute for resolution or determination in accordance with paragraph (d), the *Distribution Network Service Provider* may submit the dispute for resolution or determination in accordance with Chapter 8.
- (f) Subject to any determination of the *DRP*, if following resolution or determination of the dispute in accordance with Chapter 8, the amount due to the *Distribution Network Service Provider* is:
 - (1) more than the amount already paid by the *retailer*, the *retailer* must pay the difference to the *Distribution Network Service Provider* within 3 *business days* of the resolution or determination of the dispute,

together with interest on the amount of the difference at the *default rate* for each *day* from the original *due date for payment* to the actual date of payment; or

- (2) less than the amount already paid by the *retailer*, the *Distribution Network Service Provider* must pay the difference to the *retailer* within 3 *business days* of the resolution or determination of the dispute, together with interest on the amount of the difference at the *default rate* for each *day* from the date the *retailer* made the overpayment to the *Distribution Network Service Provider* to the actual date of repayment of the amount of the excess by the *Distribution Network Service Provider*.

6B.A3.4 Interest

If requested, a *Distribution Network Service Provider* and a *retailer* must pay interest at the *default rate* on any amount due to the other under this Chapter that remains unpaid after the *due date for payment*, until the date on which that amount is paid in full.

6B.A3.5 Notification of changes to charges

- (a) A *Distribution Network Service Provider* must notify a *retailer* of:
 - (1) any proposed *changes* in the *Distribution Network Service Provider's* price lists under Chapter 6 (**preliminary information**) no later than 2 *business days* after the date on which the *changes* are notified to the *AER* under these *Rules*; and
 - (2) any *changes* in the *Distribution Network Service Provider's* price lists approved by the *AER* no later than 2 *business days* after the date on which the *AER* notifies the *Distribution Network Service Provider* of the approval; and
 - (3) any *change* in the level of a *network charge* (other than a *network tariff*) as soon as reasonably practicable after the *Distribution Network Service Provider* becomes aware of that *change* and, if the *change* requires the approval of the *AER* under these *Rules*, no later than 2 *business days* after the *AER* advises the *Distribution Network Service Provider* that the *change* (or the resulting charge) is approved by the *AER*.
- (b) A *retailer* must treat preliminary information notified under paragraph (a)(1) as *confidential information*.
- (c) A *Distribution Network Service Provider* has no liability where proposed *changes* contained in preliminary information provided under paragraph (a)(1) are subsequently not approved, or are modified, by the *AER*.

Part B Credit support required for late payment

Note:

The *credit support* rules set out in Part B are conduct provisions for the purpose of the *NEL*.

Division 1 Application and definitions

6B.B1.1 Application of Part B

(a) This Part B (to be known as the *credit support rules*) applies to a *Distribution Network Service Provider* (including an *Embedded Network Service Provider*) and a *retailer* (excluding an *off-market retailer*):

(1a) in respect of shared customers;

(2b) in respect of charges for services for which the retailer pays the *Distribution Network Service Provider* in arrears in accordance with a statement of charges under clause 6B.A2.4.

(b) In this Part, a reference to:

(1) a *Distribution Network Service Provider* includes an *Embedded Network Service Provider*; and

(2) a *retailer* excludes an *off-market retailer*.

6B.B1.2 Definitions

In this part:

date of issue has the meaning given in clause 6B.A1.2.

default rate has the meaning given in clause 6B.A1.2.

due date for payment has the meaning given in clause 6B.A1.2.

network charges has the meaning given in clause 6B.A1.2.

shared customer has the meaning given in clause 6B.A1.2.

statement of charges—see clause 6B.A2.4.

Division 2 Requirements for credit support

6B.B2.1 Distribution Network Service Provider may require credit support in limited circumstances

(a) A *Distribution Network Service Provider* may only require a *retailer* to provide *credit support* if within the previous 12 months, the *retailer* has failed to pay in full:

- (1) the charges contained in 3 *statements of charges* by the *due date for payment*; or
- (2) the charges contained in 2 consecutive *statements of charges* by the *due date for payment*; or
- (3) the charges contained in 1 *statement of charges* within 15 *business days* of the *due date for payment*.

and then only in accordance with the *credit support* rules.

- (b) A *Distribution Network Service Provider* may only require a *retailer* to provide *credit support* up to an amount equal to the charges contained in the most recent *statement of charges* that gave rise to the requirement for the *retailer* to provide *credit support* under clause 6B.B2.1(a).
- (c) If a *retailer* fails to pay charges contained in a *statement of charges*, but the charges are disputed, and the *retailer* has complied with the requirements of clause 6B.A3.3 in respect of the dispute, the *retailer* will not be considered in default in payment of the disputed charges and the *Distribution Network Service Provider* will not be entitled to require the *retailer* to provide *credit support*.

Division 3 Provision of credit support by retailers

6B.B3.1 Retailer to provide credit support

- (a) A *retailer* must, on request by a *Distribution Network Service Provider*, under clause 6B.B2.1 provide *credit support* to a *Distribution Network Service Provider* in accordance with the *credit support* rules.
- (b) The *credit support* provided by a *retailer* must be:
 - (1) for an amount requested by the *Distribution Network Service Provider*, not exceeding an amount equal to the charges contained in the most recent *statement of charges* that gave rise to the requirement for the *retailer* to provide *credit support* under clause 6B.B2.1; and
 - (2) provided within 5 *business days* of the *Distribution Network Service Provider's* request; and
 - (3) an acceptable form of *credit support* in favour of the *Distribution Network Service Provider* (see clause 6B.B3.2).
- (c) A *retailer* must ensure that at all times the aggregate undrawn amount of the *credit support* is not less than the amount requested by a *Distribution Network Service Provider* in accordance with clause 6B.B2.1.

6B.B3.2 Acceptable form of credit support

- (a) A *retailer* required to provide *credit support* under these *Rules* must provide the *credit support* in an acceptable form.
- (b) An acceptable form of *credit support* is:
 - (1) a form of *credit support* that the *retailer* agrees to provide, and the *Distribution Network Service Provider* agrees to accept; or
 - (2) an undertaking:
 - (i) substantially in the form set out in Schedule 6B.1; and
 - (ii) issued by a financial institution acceptable to the *Distribution Network Service Provider*.

Division 4 Other Rules relating to credit support

6B.B4.1 Application of credit support

- (a) A *Distribution Network Service Provider* may only apply or draw on the *credit support* if:
 - (1) the *Distribution Network Service Provider* has given not less than 3 *business days*' notice to a *retailer* that it intends to apply or draw on the *credit support* in respect of an amount due and payable by the *retailer* to the *Distribution Network Service Provider*, and that amount remains *outstanding*; and
 - (2) there is no unresolved dispute under clause 6B.A3.3 about the *retailer*'s liability to pay that amount.

6B.B4.2 Return of credit support

- (a) If:
 - (1) a *Distribution Network Service Provider* and a *retailer* no longer have any *shared customers*; or
 - (2) in the 12 *months* since the *credit support* was provided, the *retailer* has paid in full the charges contained in each *statement of charges* issued in that 12 *month* period by the due date for payment,

the *Distribution Network Service Provider* must pay, cancel or return to a *retailer* as appropriate, any balance of *credit support outstanding* after payment of all amounts owing by the *retailer* to the *Distribution Network Service Provider*.

6B.B4.3 Other retailer obligations

- (a) A *retailer* must not take any steps to restrain (by injunction or otherwise):

- (1) an issuer of *credit support* from paying out, or otherwise satisfying, a claim properly made by the *Distribution Network Service Provider* under the terms of the *credit support*; or
 - (2) the *Distribution Network Service Provider* from making a claim on the *credit support* in accordance with the *credit support rules*; or
 - (3) the *Distribution Network Service Provider* using the money obtained by calling on the *credit support*.
- (b) A *Distribution Network Service Provider* may disclose to its financiers, the *AER* or *AEMO* that it has required or called on *credit support* provided by the *retailer* under the *credit support rules*.

Schedule 6B.1 Prescribed form of unconditional undertaking for credit support

(Clause 6B.B3.2)

In this deed:

- (a) ABC Ltd (ACN) is the *retailer*; and
- (b) DEF Ltd (ACN) is the *Distribution Network Service Provider*; and
- (c) GHI Ltd (ACN) is the Financial Institution.

The Financial Institution unconditionally undertakes to pay, on demand by the *Distribution Network Service Provider*, to the *Distribution Network Service Provider* any sum or sums up to a maximum aggregate of \$.....

The payment or payments are to be made forthwith and unconditionally, without reference to the retailer, and despite any instruction from the retailer not to make the payment or payments.

A demand for payment under this deed is to be made on behalf of the *Distribution Network Service Provider* by[*name of person authorised to act on behalf of the Distribution Network Service Provider*]

This deed is terminated if:

- (a) the *Distribution Network Service Provider* notifies the Financial Institution that it no longer requires the Financial Institution's undertaking; or
- (b) the Financial Institution pays to the *Distribution Network Service Provider* a sum or sums amounting to its maximum aggregate liability under this deed; or
- (c) the parties agree to terminate it.

Executed as a deed at this day of
20.....

CHAPTER 7

7. Metering

Part A Introduction

7.1 Introduction to the Metering Chapter

7.1.1 Contents

This Chapter sets out provisions relating to:

- (a) roles and responsibilities of *financially responsible Market Participants*, *off-market retailers*, *Metering Coordinators* and AEMO;
- (b) the appointment of and the qualifications and registration requirements applying to *Metering Providers* and *Metering Data Providers*;
- (b1) the qualifications and registration requirements applying to *Embedded Network Managers*;
- (c) the appointment of *Metering Coordinators* and *Metering Coordinator* default arrangements;
- (d) *metering installation* requirements;
- (e) *metering data services* and the *metering database*;
- (f) *metering register* requirements, disclosure of *NMI* information and *metering data* provision to *retail customers*;
- (g) security of, and rights to access, *metering installations*, services provided by *metering installations*, *energy data* held in *metering installations* and *metering data* from *metering installations*;
- (h) procedures to be established, maintained and *published* by AEMO including the *metrology procedures* and *service level procedures*; and
- (i) B2B arrangements.

7.1.2 Application in relation to embedded networks and off-market retailers

(a) In this Chapter:

- (1) a reference to a *Registered Participant* includes a reference to an *off-market retailer*;
- (2) in relation to an *off-market connection point* for which electricity is sold by an *off-market retailer*, a reference to the *financially responsible Market Participant* for the *off-market connection point* is a reference to the *off-market retailer*; and

Note

Under Chapter 10, an off-market retailer includes any retailer who is selling off-market.

- (3) a reference to a *Local Network Service Provider* includes a reference to an *Embedded Network Service Provider* in relation to a *child connection point* in its *embedded network*.

Note

The term *Distribution Network Service Provider* is also used in the Chapter and as defined in Chapter 10, extends to *Embedded Network Service Providers*.

(b) This Chapter:

- (1) applies in respect of an *off-market connection point* on an *embedded network* for which (at the relevant time) there is an *off-market retailer*; and
- (2) does not apply in respect of an *off-market connection point* on an *embedded network* for which (at the relevant time) there is an *exempt seller*.

Note

A *Metering Coordinator* is appointed for an *off-market connection point* on an *embedded network* if there is an *off-market retailer* at that point (ie the person selling electricity supplied at that point is not an *exempt seller*.)

Part B Roles and Responsibilities

7.2 Role and Responsibility of financially responsible Market Participant

7.2.1 Obligations of financially responsible Market Participants to establish metering installations

- (a) Except as otherwise specified in paragraph (c) and (d), before participating in the *market* in respect of a *connection point*, and for so long as the *financially responsible Market Participant* continues to participate in the *market* in respect of a *connection point*, the *financially responsible Market Participant* must ensure that:
 - (1) a *Metering Coordinator* is appointed in respect of the *connection point* in accordance with clause 7.6.2;
 - (2) the *connection point* has a *metering installation* and that the *metering installation* is registered with AEMO; and
 - (3) prior to registration, a *NMI* has been obtained with respect to the *connection point*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) AEMO may refuse to permit a *financially responsible Market Participant* to participate in the *market* in respect of any *connection point* in relation to which that *financially responsible Market Participant* is not in compliance with its obligations under paragraph (a).
- (c) For an *interconnector*:
 - (1) the relevant *Transmission Network Service Provider* is responsible for the provision, installation and maintenance of a *metering installation*; and

- (2) *AEMO* is responsible for the collection of *metering data* from that *metering installation*, the processing of that data and the delivery of the processed data to the *metering database*.

(e) For an *off-market connection point*, the *off-market retailer* who is selling electricity to the *retail customer* at the *connection point* must, before starting to sell electricity in respect of the *connection point* and for so long as the *off-market retailer* continues to sell electricity to a *retail customer* at the *connection point*, ensure that:

- (1) a *Metering Coordinator* is appointed in respect of the *connection point* in accordance with clause 7.6.2;
- (2) the *connection point* has a *metering installation* and that the *metering installation* is registered with *AEMO*; and
- (3) prior to registration, a *NMI* has been obtained with respect to the *connection point*.

Note

The AEMC proposes to recommend that this clause be classified as a civil penalty provision under the National Electricity (South Australia) Regulations.

Note

Clause 7.2.1(d) will be inserted by Schedule 3 of the National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 No. 14, which comes into effect on 6 February 2022.

7.2.2 [Not used]

7.2.3 [Not used] Agreements with Local Network Service Provider

~~For the purpose of section 140(2)(b) of the *National Energy Retail Law*, an agreement in force under the following clauses of the *Rules* is taken to be an agreement in force under 'rule 7.2.3':~~

- ~~(a) clause 7.6.3;~~
- ~~(b) clause 7.6.4; and~~
- ~~(c) clause 11.86.7.~~

7.2.4 [Not used]

7.2.5 [Not used] Agreements with Metering Provider

~~For the purpose of section 140(2)(c) of the *National Energy Retail Law*, an agreement in force under clause 7.3.2(b) of the *Rules* is taken to be an agreement in force under 'rule 7.2.5'.~~

7.3 Role and Responsibility of Metering Coordinator

7.3.1 Responsibility of the Metering Coordinator

- (a) For the term of its appointment in respect of a *connection point*, the *Metering Coordinator* is the person responsible for the:
- (1) provision, installation and maintenance of a *metering installation* in accordance with Part D of this Chapter 7;

- (2) except as otherwise specified in clause 7.5.1(a) [or Part E](#), collection of *metering data* with respect to the *metering installation*, the processing of that data, retention of *metering data* in the *metering data services database* and the delivery of the *metering data* to the *metering database* and to other persons in accordance with Part E of this Chapter 7; and
 - (3) managing access to and the security of the *metering installation*, services provided by the *metering installation*, *energy data* held in the *metering installation* and *metering data* from the *metering installation* in accordance with Part F of this Chapter 7.
- (b) The *Metering Coordinator* must perform its role in accordance with:
- (1) this Chapter 7; and
 - (2) procedures authorised under the *Rules*.
- (c) *AEMO* must establish, maintain and *publish* relevant explanatory material that sets out the role of the *Metering Coordinator* consistent with this Chapter 7.

7.3.2 Role of the Metering Coordinator

Appointment of a Metering Provider

- (a) The *Metering Coordinator* at a *connection point* (other than a *connection point* with a type 7 *metering installation*) must:
- (1) appoint a *Metering Provider* or *Metering Providers* for the provision, installation and maintenance of the *metering installation*; or
 - (2) subject to the *metrology procedure*, appoint a *Metering Provider* or *Metering Providers* for the provision and maintenance of that installation and allow another person to appoint a *Metering Provider* to install the *metering installation*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) The *Metering Coordinator* at a *connection point* (other than a *connection point* with a type 7 *metering installation*) must:
- (1) appoint a *Metering Provider* or *Metering Providers*:
 - (i) for the provision, installation and maintenance of the *metering installation*, where the *Metering Coordinator* has appointed the *Metering Provider* under paragraph (a)(1); or
 - (ii) for the provision and maintenance of the *metering installation*, where another person has appointed the *Metering Provider* under paragraph (a)(2).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) The *Metering Coordinator* may elect to terminate an appointment made under paragraph (b)(1)(i) after the *metering installation* is installed and, if such an appointment is terminated, the *Metering Coordinator* must appoint another *Metering Provider* for the maintenance of the *metering installation*.

Appointment of a Metering Data Provider

- (d) Except as otherwise specified in clause 7.5.1(a), the *Metering Coordinator* at a *connection point* must:
 - (1) appoint a *Metering Data Provider* to provide *metering data services*; and
 - (2) provide the *financially responsible Market Participant* with the name of the *Metering Data Provider* appointed under subparagraph (1).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

Metering installations

- (e) The *Metering Coordinator* at a *connection point* (other than a *connection point* with a type 7 *metering installation*) must:
 - (1) ensure that the *metering installation* is provided, installed and maintained in accordance with the *Rules* and procedures authorised under the *Rules*;
 - (2) ensure that the components, accuracy and testing of the *metering installation* complies with the requirements of the *Rules* and procedures authorised under the *Rules*;
 - (3) ensure that the security control of the *metering installation* is provided in accordance with rule 7.15;
 - (4) where *remote acquisition* is used or is to be used, ensure that a *communications interface* is installed and maintained to facilitate connection to the *telecommunications network*;
 - (5) ensure that *AEMO* is provided (when requested) with the information specified in Schedule 7.1 for any new or replacement *metering installation* or any altered *metering installation*; and
 - (6) ensure that no device that is capable of producing *interval energy data* and is already installed in a *metering installation* is replaced with a device that only produces *accumulated energy data* unless the *metrology procedure* permits the replacement to take place.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) The *Metering Coordinator* at a *connection point* with a *small customer metering installation* must ensure that *energy data* is retrieved from that *small customer metering installation* via remote access.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (g) A *Metering Coordinator* must not prevent, hinder or otherwise impede a *Local Network Service Provider* from locally accessing a *metering installation* or *connection point* for the purposes of *reconnecting* or *disconnecting* the *connection point*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

Metering data services

- (h) Except as specified in clause 7.5.1(a), the *Metering Coordinator* at a *connection point* must:
- (1) ensure that the *Metering Data Provider* appointed under paragraph (d) accommodates any special site or technology related conditions determined by *AEMO* in accordance with clause 7.8.12(c), and the *Metering Coordinator* must clarify any matters with *AEMO* in order to choose a *Metering Data Provider* for that *metering installation* that is mutually suitable to all parties;
 - (2) ensure that *metering data services* are provided in accordance with the *Rules* and procedures authorised under the *Rules*;
 - (3) for any type 5 *metering installation* where the annual flow of electricity through the *connection point* is greater than the *type 5 accumulation boundary*, ensure that *interval energy data* is collected;
 - (4) for any type 4A *metering installation*, ensure that *interval energy data* is collected; and
 - (5) arrange for the provision of relevant *metering data* to the *Metering Data Provider* if *remote acquisition*, if any, becomes unavailable.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

Access to small customer metering installation

- (i) The *Metering Coordinator* at a *connection point* with a *small customer metering installation* must:
- (1) ensure that access to the *metering installation*, the services provided by the *metering installation* and *energy data* held in the *metering installation* is only granted to persons entitled to access that *metering installation*, or the services provided by the *metering installation* or *energy data* held in the *metering installation* in accordance with this Chapter 7;
 - (2) not arrange a *disconnection* except:

- (i) on the request of the *financially responsible Market Participant, Local Network Service Provider* or, *Exempt Embedded Network Service Provider* in relation to a *child connection point* on its *network*;
 - (ii) where such *disconnection* is effected via remote access;
 - (iii) in accordance with *jurisdictional electricity legislation*; and
 - (iv) if applicable, in accordance with the *emergency priority procedures*;
- (3) not arrange a *reconnection* except:
 - (i) on the request of the *financially responsible Market Participant, Local Network Service Provider, Incoming Retailer* or, *Exempt Embedded Network Service Provider* in relation to a *child connection point* on its *network*;
 - (ii) where such *reconnection* is effected via remote access;
 - (iii) in accordance with *jurisdictional electricity legislation*; and
 - (iv) if applicable, in accordance with the *emergency priority procedures*; and
- (4) not arrange a *retailer planned interruption* of the supply of electricity at the *metering installation* except:
 - (i) on the request of the *retailer*;
 - (ii) in accordance with *jurisdictional electricity legislation*; and
 - (iii) if applicable, in accordance with the *emergency priority procedures*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.4 Qualification and Registration of Metering Providers, Metering Data Providers and Embedded Network Managers

7.4.1 Qualifications and registration of Metering Providers

- (a) **[Not used]**
- (a1) A *Metering Provider* is a person who:
 - (1) meets the requirements set out in Schedule 7.2; and
 - (2) is accredited by and registered by *AEMO* in that capacity in accordance with the qualification process established under clause S7.2.1(b).
- (b) Any person may apply to *AEMO* for accreditation and registration as a *Metering Provider*.
- (c) *AEMO* must include requirements for accreditation of *Metering Providers* in the *service level procedures*. The adoption of the requirements by *Metering*

Providers is to be included in the qualification process in accordance with clause S7.2.1(b). The requirements must include a dispute resolution process.

- (d) A *Metering Provider* must comply with the provisions of the *Rules* and procedures authorised under the *Rules* that are expressed to apply to *Metering Providers* relevant to their category of registration.
- (e) A *Market Generator* which is involved in the trading of *energy* must not be registered as a *Metering Provider* for *connection points* in respect of which the *metering data* relates to its own use of *energy*.
- (f) Except as otherwise specified in paragraph (g), a *Market Customer* or an off-market retailer must not be registered as a *Metering Provider* at any *connection point*.
- (g) If a *Market Participant* is a *Market Customer* and also a *Network Service Provider* then the *Market Participant* may be registered as a *Metering Provider* for that *connection point* notwithstanding paragraph (f), providing that at the *connection points* on the *transmission network*, the *Market Participant* must regard the *Transmission Network Service Provider* with which it has entered into a *connection agreement* as the *Local Network Service Provider*.

7.4.2 Qualifications and registration of Metering Data Providers

- (a) A *Metering Data Provider* is a person who:
 - (1) meets the requirements set out in Schedule 7.3; and
 - (2) is accredited by and registered by *AEMO* in that capacity in accordance with the qualification process established under clause S7.3.1(c).
- (b) Any person may apply to *AEMO* for accreditation and registration as a *Metering Data Provider*.
- (c) [Not used]
- (c1) *AEMO* must include requirements for accreditation of *Metering Data Providers* in the *service level procedures*. The adoption of the requirements by *Metering Data Providers* is to be included in the qualification process in accordance with clause S7.3.1(c). The requirements must include a dispute resolution process.
- (d) A *Metering Data Provider* must comply with the provisions of the *Rules* and procedures authorised under the *Rules* that are expressed to apply to *Metering Data Providers* relevant to their category of registration.
- (e) A *Market Generator* which is involved in the trading of *energy* must not be registered as a *Metering Data Provider* for *connection points* in respect of which the *metering data* relates to its own use of *energy*.
- (f) Except as otherwise specified in paragraph (g), a *Market Customer* or an off-market retailer must not be registered as a *Metering Data Provider* at any *connection point*.
- (g) If a *Market Participant* is a *Market Customer* and also a *Network Service Provider* then the *Market Participant* may be registered as a *Metering Data Provider* for that *connection point* notwithstanding paragraph (f).

7.4.2A Qualifications and registration of Embedded Network Managers

- (a) An *Embedded Network Manager* must:
 - (1) meet the requirements set out in schedule 7.7; and
 - (2) be accredited and registered by *AEMO* in that capacity in accordance with the qualification process established under clause S7.7.1(b).
- (b) Any person may apply to *AEMO* for accreditation and registration as an *Embedded Network Manager*.
- (c) *AEMO* must include requirements for accreditation and registration of *Embedded Network Managers* in the *ENM service level procedures*. The adoption of the requirements by *Embedded Network Managers* is to be included in the qualification process in accordance with clause S7.7.1(b). The requirements must include a dispute resolution process.
- (d) *AEMO* must develop and *publish* guidelines to assist persons wishing to be accredited and registered by *AEMO* as an *Embedded Network Manager* with the preparation of their applications to *AEMO*.
- (e) An *Embedded Network Manager* must comply with the provisions of the *Rules* and procedures authorised under the *Rules* that are expressed to apply to *Embedded Network Managers*.

7.4.2B List of Embedded Network Managers

AEMO must *publish* and maintain a list of persons accredited and registered as *Embedded Network Managers*.

7.4.3 Nature of appointment of Metering Provider or Metering Data Provider

- (a) A *Metering Provider* or *Metering Data Provider* must perform all of the obligations of a *Metering Provider* or *Metering Data Provider* (as the case may be) in respect of a *metering installation* under the *Rules* and procedures authorised under the *Rules* on terms and conditions (including as to price) to be commercially agreed between the *Metering Provider* or *Metering Data Provider* and the appointing *Metering Coordinator*.
- (b) Subject to the terms of appointment by the *Metering Coordinator* and in accordance with the *Rules* and procedures authorised under the *Rules*:
 - (1) a *Metering Provider* appointed under clause 7.3.2(b); and
 - (2) a *Metering Data Provider* appointed under clause 7.3.2(d).may supply services in respect of the *metering installation* in addition to those provided under paragraph (a), including access to the services provided by the *metering installation* and *metering data* from the *metering installation*, on terms and conditions (including as to price) to be commercially agreed between the *Metering Provider* or *Metering Data Provider* (as the case may be) and the requesting party.

7.4.4 Deregistration of Metering Providers, Metering Data Providers and Embedded Network Managers

- (a) *AEMO* must establish, maintain and *publish* a procedure for deregistration of *Metering Providers* and *Metering Data Providers* which incorporates the principles specified in paragraph (b).
- (a1) *AEMO* must establish, maintain and *publish* a procedure for deregistration of *Embedded Network Managers*. This procedure must include a process for:
 - (1) voluntary deregistration by *Embedded Network Managers*; and
 - (2) determining a breach of the provisions of the *Rules* or of the procedures under the *Rules* by *AEMO*, which process incorporates the principles specified in paragraph (b).
- (a2) *AEMO* must deregister an *Embedded Network Manager* if the *Embedded Network Manager* requests deregistration and the request is made in accordance with the procedures developed by *AEMO* under paragraph (a1)(1).
- (b) A breach of the provisions of the *Rules* or of the procedures authorised under the *Rules* must be determined against the following principles:
 - (1) the definition of breach must contain three or more levels of severity, the highest level of severity being a ‘material breach’;
 - (2) the deregistration of a *Metering Provider*, *Metering Data Provider* or an *Embedded Network Manager* can only occur if it can be demonstrated that the person has committed a material breach; and
 - (3) the levels of a breach with severity below a material breach are to be treated as warnings with different levels of magnitude.
- (c) If *AEMO* reasonably determines that a *Metering Provider*, *Metering Data Provider* or an *Embedded Network Manager* has breached a provision of the *Rules* or of procedures authorised under the *Rules* that applies to *Metering Providers*, *Metering Data Providers* or *Embedded Network Managers*:
 - (1) *AEMO* must send to that *Metering Provider*, *Metering Data Provider* or *Embedded Network Manager* a notice in writing setting out the nature of the breach; and
 - (2) *AEMO* must, if the *Metering Provider*, *Metering Data Provider* or *Embedded Network Manager* remains in breach for a period of more than 7 days after notice in accordance with subparagraph (c)(1), conduct a review to assess the *Metering Provider’s*, *Metering Data Provider’s* or *Embedded Network Manager’s* capability for ongoing compliance with the *Rules* or procedures authorised under the *Rules*.
- (d) *AEMO* may, following a review conducted under subparagraph (c)(2) and in accordance with the procedure under paragraph (a), deregister the *Metering Provider*, *Metering Data Provider* or *Embedded Network Manager*, suspend the person from some categories of registration or allow the person to continue to operate under constraints agreed with *AEMO*.
- (e) If following a review under subparagraph (c)(2), *AEMO* deregisters or suspends from some categories of registration or allows the *Metering*

Provider, Metering Data Provider or Embedded Network Manager to continue to operate under constraints, then *AEMO* must inform:

- (1) the relevant *Metering Coordinator(s)* and the relevant *financially responsible Market Participants*; and
- (2) in the case of an ~~*Embedded Network Manager*~~*embedded network manager* only, the ~~*Embedded Network Manager*~~*Embedded Network Service Provider or Exempt Embedded Network Service Provider*,

of the outcome of that review.

7.5 Role and Responsibility of AEMO

7.5.1 Responsibility of AEMO for the collection, processing and delivery of metering data

- (a) Where the *Metering Coordinator* at a *connection point* or proposed *connection point* on a *transmission network* is the *Local Network Service Provider*, *AEMO* is responsible for:
 - (1) the collection of *metering data* with respect to the *metering installation*, the processing of that data, the delivery of the processed data to the *metering database* and the provision of *metering data* in accordance with the *Rules* and procedures authorised under the *Rules*; and
 - (2) the appointment of the *Metering Data Provider* to provide the *metering data services* in accordance with paragraph (b).
- (b) In performing its role under paragraph (a), *AEMO* must:
 - (1) subject to the limitation on that choice imposed by paragraph (d), permit the *financially responsible Market Participant* to appoint a *Metering Data Provider* of its choice to perform the obligations of a *Metering Data Provider* with respect to the *metering installation* under this Chapter 7;
 - (2) where a *financially responsible Market Participant* has not appointed a *Metering Data Provider* in accordance with subparagraph (1), appoint a *Metering Data Provider* to perform the obligations of a *Metering Data Provider* with respect to the *metering installation* under this Chapter 7; and
 - (3) comply with the processes for the collection, processing and delivery of *metering data* from the *metering installation* to the *metering database* and the provision of *metering data* to the persons who may receive *metering data* under clause 7.10.3(a) in accordance with the procedures authorised under the *Rules*, and may establish additional processes if necessary in order to fulfil that role.
- (c) If any additional processes are established by *AEMO* for the purpose of fulfilling its obligations under subparagraph (b)(3), and those processes impact on other persons, the relevant parts of those processes that impact on those persons must be incorporated in the *service level procedures*.
- (d) Where a *financially responsible Market Participant* chooses to appoint a *Metering Data Provider* under subparagraph (b)(1), it must:

- (1) only appoint a *Metering Data Provider* who can fully accommodate any special site or technology related conditions described in the document *published* under clause 7.8.12(c)(1); and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) clarify any matters with *AEMO* in order to choose a *Metering Data Provider* for that *metering installation* that is mutually suitable to all parties.

7.5.2 AEMO's costs in connection with metering installation

When *AEMO* is required to undertake functions associated with a *metering installation* in accordance with the requirements of the *metrology procedure* (which could include the preparation and application of a *profile*), *AEMO's* cost is to be recovered through *Participant fees* in accordance with a budget prepared under clause 2.11.3(b)(3) unless the *metrology procedure* specifies an alternative method of cost recovery in which case *AEMO* must not recover the costs through *Participant fees*.

7.5A Role and Responsibility of Embedded Network Managers

7.5A.1 Responsibility of Embedded Network Managers for management services

The provision of *embedded network management services* must be carried out only by an *Embedded Network Manager*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.5A.2 EN information

An *Embedded Network Manager* must:

- (a) maintain information about the types and configuration of *metering installations* at the *parent connection point* and all *child connection points* on the *Embedded Network Manager's embedded network* and about the subtractive or other arrangements used in respect of those *metering installations* relevant to *settlements*; and
- (b) in accordance with the *B2B Procedures*, make that information available on request to:
 - (1) the *financially responsible Market Participant* for any *child connection point* on the *embedded network* or that *financially responsible Market Participant's Metering Coordinator*;
 - (2) any *Incoming Retailer* or its *Metering Coordinator*; or
 - (3) the *Exempt Embedded Network Service Provider* of the relevant *embedded network*.

Note

~~Schedule 4 of the National Electricity Amendment (Expanding Competition in metering and related services) Rule 2015 No.12 inserts a definition for Incoming Retailer.~~

Part C Appointment of Metering Coordinator

7.6 Appointment of Metering Coordinator

7.6.1 Commercial nature of the Metering Coordinator appointment and service provision

- (a) A *Metering Coordinator* assumes responsibility in respect of a *connection point* under this Chapter 7, and must perform all of the obligations of the *Metering Coordinator* under the *Rules* and procedures authorised under the *Rules* on terms and conditions (including as to price) to be commercially agreed between the *Metering Coordinator* and the person who appoints the *Metering Coordinator* under clause 7.6.2.
- (b) Subject to the terms of its appointment under clause 7.6.2 and in accordance with the *Rules* and procedures authorised under the *Rules*, a *Metering Coordinator* may supply services in respect of the *metering installation* in addition to those provided under paragraph (a), including access to the services provided by the *metering installation* and *metering data* from the *metering installation*, on terms and conditions (including as to price) to be commercially agreed between the *Metering Coordinator* and the requesting party.

7.6.2 Persons who may appoint Metering Coordinators

- (a) A *Metering Coordinator* may only be appointed:
 - (1) with respect to a *connection point* or proposed *connection point* on a *transmission network*, by the *Market Participant* which is *financially responsible* at the *connection point*;
 - (2) with respect to a *connection point* (other than the *connection point* of a *retail customer*) that connects, or is proposed to *connect*, a *generating system* to a *distribution network*, by:
 - (i) the *Market Participant* which is *financially responsible* at the *connection point*;
 - (ii) a *Non-Market Generator* who owns, controls or operates the *generating system* that is connected to the *distribution network* at the *connection point*; or
 - (iii) a *person* who owns, controls or operates the *generating system* that is connected to the *distribution network* at the *connection point* and is exempt from the requirement to register as a *Generator* under clause 2.2.1(c); and
 - (3) with respect to any other *connection point*, by:
 - (i) the *Market Participant* which is *financially responsible* at the *connection point*; or

- (ii) the *large customer* whose premises are supplied at the *connection point*.
- (b) A person making an appointment under paragraph (a) must do so in accordance with the *Rules* and procedures authorised under the *Rules*.
- (c) The *Market Settlement and Transfer Solution Procedures* must specify that a *Metering Coordinator* at a *connection point* is responsible for the *metering installation*:
 - (1) where the change in the *Metering Coordinator* at a *connection point* is effected due to a change in the *financially responsible Market Participant* at that *connection point*, on the day that the *market load* at the *connection point* transfers to the new *financially responsible Market Participant*; and
 - (2) otherwise, on any other day.

7.6.3 Appointment with respect to transmission network connection

- (a) Where a *connection point* or proposed *connection point* is on a *transmission network*, only the *Local Network Service Provider* or the *financially responsible Market Participant* at the *connection point* may be appointed as *Metering Coordinator* under clause 7.6.2
- (b) Where a *connection point* or proposed *connection point* is on a *transmission network*, the *financially responsible Market Participant* at the *connection point* may request in writing an offer from the *Local Network Service Provider* to act as the *Metering Coordinator* in respect of the *connection point*.
- (c) If the *Local Network Service Provider* receives a request under paragraph (b), the *Local Network Service Provider* must:
 - (1) offer to act as the *Metering Coordinator* in respect of that *connection point*;
 - (2) provide the *financially responsible Market Participant* with the name of the *Metering Provider* and the *Metering Data Provider* that would be appointed under clause 7.3.2(a)(1) and 7.3.2(d), if requested by the *financially responsible Market Participant*; and
 - (3) provide the *financially responsible Market Participant* with the terms and conditions (including as to price) relating to that offer no later than 15 *business days* after the *Local Network Service Provider* receives a written request from the *financially responsible Market Participant*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.6.4 Type 7 metering installations

- (a) The *financially responsible Market Participant* must appoint the *Local Network Service Provider* as the *Metering Coordinator* in respect of a *connection point* which has a *type 7 metering installation* connected to, or proposed to be connected to, the *Local Network Service Provider's network*.

- (b) The *Local Network Service Provider* may provide the *financially responsible Market Participant* with a standard set of terms and conditions on which it will agree to act as the *Metering Coordinator* for a type 7 *metering installation*.
- (c) Where the *Local Network Service Provider* has not provided the *financially responsible Market Participant* with a standard set of terms and conditions referred to in paragraph (b), the *financially responsible Market Participant* must request an offer from the *Local Network Service Provider* to act as the *Metering Coordinator* pursuant to paragraph (a).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) The *Local Network Service Provider* must, within 15 *business days* of receipt of the request under paragraph (c), make an offer to the *financially responsible Market Participant* setting out the terms and conditions on which it will agree to act as the *Metering Coordinator*.
- (e) The terms and conditions of an offer made under paragraph (b) or (d) must:
 - (1) be fair and reasonable; and
 - (2) not have the effect of unreasonably discriminating between *financially responsible Market Participants*, or between customers of a *financially responsible Market Participant*.
- (f) A *financially responsible Market Participant* must accept an offer on the standard terms and conditions of appointment provided by the *Local Network Service Provider* under paragraph (b) or (d), unless the *financially responsible Market Participant* and *Local Network Service Provider* agree other terms and conditions to apply to the appointment of the *Local Network Service Provider* as the *Metering Coordinator* under paragraph (a).
- (g) For the avoidance of doubt, any *Metering Coordinator* appointed under paragraph (a) must comply with Chapter 2 of the *Rules*, including the requirement that a *Metering Coordinator* be registered with AEMO as a *Metering Coordinator* under clause 2.4A.1(a).

7.7 Metering Coordinator default arrangements

7.7.1 Obligations of financially responsible Market Participants on Metering Coordinator default event and end of contract term

- (a) Without limiting the obligations of a *financially responsible Market Participant* under clause 7.2.1(a), the *financially responsible Market Participant* must appoint a new *Metering Coordinator* in respect of a *connection point* in circumstances where:
 - (1) a *Metering Coordinator default event* occurs with respect to the existing *Metering Coordinator* for the *connection point*; or
 - (2) the appointment of the existing *Metering Coordinator* by a person in accordance with clauses 7.6.2(a)(2)(ii), (2)(iii) or (3)(ii) (the **relevant person**) is terminated or expires and the relevant person does not

appoint a new *Metering Coordinator* within the period specified by *AEMO* in procedures authorised under the *Rules*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) The *financially responsible Market Participant* must appoint the *Metering Coordinator* in accordance with paragraph (a) as soon as practicable after the *Metering Coordinator default event* occurs or the period referred to in subparagraph (a)(2) has elapsed (as the case may be).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) If:
 - (1) the *financially responsible Market Participant* is required to appoint a new *Metering Coordinator* in respect of a *connection point* for a relevant person in accordance with paragraph (a); and
 - (2) the existing contract between the *financially responsible Market Participant* and the relevant person does not deal with the appointment of a *Metering Coordinator* in these circumstances,the terms and conditions of the contract between the *financially responsible Market Participant* and the relevant person relating to the appointment of the *Metering Coordinator* (including as to price) must be fair and reasonable.
- (d) The appointment of the *Metering Coordinator* in accordance with clause 7.6.2(a) must include terms to the effect that the appointment of the *Metering Coordinator* will terminate on the appointment of a new *Metering Coordinator* following the occurrence of a *Metering Coordinator default event* in respect of the *Metering Coordinator*.

7.7.2 Notices to be provided by Metering Coordinator

A *Metering Coordinator* must without delay notify:

- (a) the *financially responsible Market Participant* and relevant person (as defined in clause 7.7.1(a)(2)) who has appointed it in accordance with clause 7.6.2 in respect of a *connection point*; and
- (b) *AEMO*,
of:
 - (c) the occurrence of a *Metering Coordinator default event* in relation to the *Metering Coordinator*; or
 - (d) the termination or expiry of the contract under which the *Metering Coordinator* has been appointed by a relevant person.

7.7.3 AEMO may issue breach notice

- (a) AEMO must establish, maintain and *publish* a procedure for the issue of a *Metering Coordinator default notice* in respect of *Metering Coordinators* which incorporates the principles specified in paragraph (b).
- (b) A breach of the provisions of the *Rules* or of the procedures authorised under the *Rules* must be determined against the following principles:
 - (1) the definition of breach must contain three or more levels of severity, the highest level of severity being a ‘material breach’;
 - (2) the issue of a *Metering Coordinator default notice* can only occur if it can be demonstrated that the *Metering Coordinator* has committed a material breach; and
 - (3) the levels of a breach with severity below a material breach are to be treated as warnings with different levels of magnitude.
- (c) If AEMO reasonably determines that a *Metering Coordinator* has breached a provision (or provisions) of the *Rules* or of procedures authorised under the *Rules* that applies to *Metering Coordinators* then:
 - (1) AEMO must send to that *Metering Coordinator* a notice in writing setting out the nature of the breach;
 - (2) AEMO must, if the *Metering Coordinator* remains in breach for a period of more than 7 days after notice in accordance with subparagraph (c)(1), conduct a review to assess the *Metering Coordinator’s* capability for ongoing compliance with the *Rules* or procedures authorised under the *Rules*; and
 - (3) AEMO may, following a review conducted under subparagraph (c)(2), issue a notice to the *Metering Coordinator* which must identify the continuing breach and state that the notice is a notice for the purpose of paragraph (d) of the definition of a *Metering Coordinator default event*.
- (d) If AEMO has issued a notice under subparagraph (c)(3), it must promptly issue a notice to the *financially responsible Market Participant* and relevant person for each *connection point* for which the *Metering Coordinator* in respect of whom the *Metering Coordinator default event* occurred is appointed by the *financially responsible Market Participant* or relevant person. Such notice must:
 - (1) state that a *Metering Coordinator default event* under paragraph (d) of the definition of *Metering Coordinator default event* has occurred; and
 - (2) specify the *Metering Coordinator* in respect of whom the *Metering Coordinator default event* occurred.

Part D Metering installation

7.8 Metering installation arrangements

7.8.1 Metering installation requirements

- (a) The *Metering Coordinator* at a *connection point* must ensure that there is a *metering installation* at that *connection point*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) The *Metering Coordinator* at a *connection point* must ensure that *energy data* held in the *metering installation* is based on units of watthour (**active energy**) and where required varhour (**reactive energy**).
- (c) Installation and maintenance of a *metering installation* must be carried out only by a *Metering Provider* appointed under clause 7.3.2(a).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) Paragraph (c) does not apply in respect of an off-market connection point where the retail customer buys electricity from an exempt seller within the meaning of the NERL.

7.8.2 Metering installation components

- (a) A *Metering Provider* must, in accordance with the *Rules* and procedures authorised under the *Rules*, ensure that a *metering installation* (other than a type 7 *metering installation*):-
 - (1) contains a device that has either a visible or an equivalently accessible display of the cumulative total *energy* measured by that *metering installation* (at a minimum);

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) is accurate in accordance with clause 7.8.8;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (3) in the case of *metering installations* types 1, 2, 3, or 4, has *electronic data transfer* facilities from the *metering installation* to the *metering data services database*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (4) includes a *communications interface* to meet the requirements of clause 7.3.2(e)(4);

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (5) is secure in accordance with rule 7.15;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (6) records *energy data* in a manner that enables *metering data* to be collated in accordance with clause 7.10.5;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (7) is capable of separately recording *energy data* for *energy* flows in each direction where bi-directional *active energy* flows occur or could occur;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (8) has a *measurement element* for *active energy* and if required in accordance with Schedule 7.4 a *measurement element* for *reactive energy*, with both measurements to be recorded;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (9) includes facilities for storing *interval energy data* for a period of at least 35 *days* if the *metering installation* is registered as a type 1, 2, 3 or 4 *metering installation*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (10) includes facilities for storing *interval energy data* for a period of at least 200 *days* or such other period as specified in the *metrology procedure* if the *metering installation* is registered as a type 4A or type 5 *metering installation*; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (11) in the case of a type 6 *metering installation*, includes facilities capable of continuously recording, the total accumulated *energy* supplied through it by a visible display in accordance with subparagraph (1), over a period of at least 12 months.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) A *metering installation* may consist of combinations of:
 - (1) a *current transformer*;
 - (2) a *voltage transformer*;
 - (3) secure and protected wiring from the *current transformer* and the *voltage transformer* to the *meter*;
 - (4) *communications interface* equipment such as a modem, isolation requirements, telephone service, radio transmitter and data link equipment;
 - (5) auxiliary electricity supply to the *meter*;
 - (6) an alarm circuit and monitoring facility;
 - (7) a facility to keep the *metering installation* secure from interference;
 - (8) test links and fusing;
 - (9) summation equipment; and
 - (10) several *metering points* to derive the *metering data* for a *connection point*.
- (c) Subject to paragraph (ea), the *financially responsible Market Participant* at a *connection point* must:
 - (1) apply to the *Local Network Service Provider* for a *NMI*; and
 - (2) provide the *Metering Coordinator* with the *NMI* for the *metering installation* within 5 *business days* of receiving the *NMI* from the *Local Network Service Provider*.
- (d) The *Local Network Service Provider* must:
 - (1) issue a unique *NMI* for each *metering installation* on its *network* to the *financially responsible Market Participant*; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) register the *NMI* with *AEMO* in accordance with procedures from time to time specified by *AEMO*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (e) The *Metering Coordinator* must ensure that *AEMO* is provided with the relevant details of the *metering installation* as specified in Schedule 7.1 within 10 *business days* of receiving the *NMI* under subparagraph (c)(2).

- (ea) An *Embedded Network Manager* at a *child connection point* on an *embedded network* for which it is the *Embedded Network Manager* must:
- (1) apply to AEMO for a *NMI* for a *metering installation* at a *child connection point*;
 - (2) provide the *Metering Coordinator*, *financially responsible Market Participant* and the *Exempt Embedded Network Service Provider* with the *NMI* for the *metering installation* within 5 *business days* of receiving the *NMI* from AEMO; and
 - (3) register the *NMI* with AEMO in accordance with procedures from time to time specified by AEMO.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (eb) The obligation in paragraph (ea) does not apply to the extent a *metering installation* at a *child connection point* already has a *NMI*.
- (ec) AEMO must issue for each *metering installation* at a *child connection point* a unique *NMI* to the *Embedded Network Manager*.

Requirements for metering installations for non-market generating units

- (f) In addition to the requirements in paragraphs (a) to (e), the *Metering Coordinator* at a *connection point* for a *non-market generating unit* must ensure that the *metering installation*:
- (1) where payments for the purchase of electricity *generated* by that unit are based on different rates according to the time of the day, is capable of recording *interval energy data*;
 - (2) where a *current transformer*, a *voltage transformer* or a *measurement element* for *reactive energy* is installed, meets the requirements in Schedule 7.4 for the type of *metering installation* appropriate to that *connection point*;
 - (3) for units with a *nameplate rating* greater than 1 MW, meets:
 - (i) the accuracy requirements specified in Schedule 7.4; and
 - (ii) the measurement requirements in subparagraph (a)(8);
 - (4) in relation to new accumulation *metering* equipment for units with a *nameplate rating* equal to or less than 1 MW, meets the minimum standards for *active energy* class 1.0 watt hour or 2.0 watt hour *meters* in accordance with clause S7.4.6.1(f);
 - (5) for units with a *nameplate rating* of equal to or less than 1 MW that are capable of recording *interval energy*, meets the minimum standards of accuracy for the *active energy meter* in accordance with Schedule 7.4 for a type 3 or 4 *metering installation* which is based on projected sent out annual *energy* volumes; and
 - (6) if reasonably required by the *Distribution Network Service Provider* (where such a request must be in writing and with reasons), after taking

into account the size of the *generating unit*, its proposed role and its location in the *network*, has the *active energy* and *reactive energy* measured where the unit has a *nameplate rating* of less than 1 MW.

Requirements for metering installations for a small generating unit classified as a market generating unit

- (g) In addition to the requirements for *metering installations* for *non-market generating units* in paragraph (f), the *Metering Coordinator* for a *small generating unit* classified as a *market generating unit* must ensure that a *metering installation*:
 - (1) is classified as a type 1, 2, 3 or 4 *metering installation*; and
 - (2) is capable of recording *interval energy data* relevant to *settlements*.

7.8.3 Small customer metering installations

- (a) Except as specified in clause 7.8.4, a *Metering Coordinator* must ensure that any new or replacement *metering installation* in respect of the *connection point* of a *small customer* is a type 4 *metering installation* that meets the *minimum services specification*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) *AEMO* must establish, maintain and *publish* procedures relating to the *minimum services specification* that set out for each service specified in the *minimum service specification*:
 - (1) minimum service levels, including service availability and completion timeframes; and
 - (2) minimum standards, including completion rates against the service levels and accuracy requirements.
- (c) The procedures established under paragraph (b) may also include technical requirements of one or more of the services specified in the *minimum services specification*.

7.8.4 Type 4A metering installation

No existing telecommunications network

- (a) *AEMO* may exempt a *Metering Coordinator* from complying with clause 7.8.3(a) in respect of a *connection point* for a period of up to 5 years if the *Metering Coordinator* demonstrates to *AEMO's* reasonable satisfaction that there is no existing *telecommunications network* which enables remote access to the *metering installation* at that *connection point*.
- (b) Where the *Metering Coordinator* is exempt under paragraph (a) from complying with clause 7.8.3(a) in respect of a *connection point*, the *Metering Coordinator* must ensure that any new or replacement *metering installation* in respect of that *connection point* including, for the avoidance of doubt, a *metering installation* at a *new connection*, is a type 4A *metering installation*

that has the capability, if remote access is activated, of providing the services in table S7.5.1.1.

- (c) Subject to the reapplication of paragraph (a), on and from the date that an exemption under paragraph (a) ceases to apply in respect of a *connection point*, the *Metering Coordinator* must ensure that the *metering installation* at that *connection point* is a type 4 *metering installation* that meets the *minimum services specification*.

Small customer refusal

- (d) A *Metering Coordinator* is not required to comply with clause 7.8.3(a) where, in the *Metering Coordinator's* reasonable opinion, the *small customer* has communicated its refusal to the installation or proposed installation of a type 4 *metering installation* at a *connection point* in accordance with paragraph (e).
- (e) For the purposes of paragraph (d) a *small customer* refusal to the installation or proposed installation of a type 4 *metering installation* must be communicated:
 - (1) verbally, in writing or by conduct; and
 - (2) to the *financially responsible Market Participant*, *Metering Coordinator* or *Metering Provider*.
- (f) If the *small customer* communicates its refusal under paragraph (e) to the *financially responsible Market Participant* or *Metering Provider*, the *financially responsible Market Participant* or *Metering Provider* (as the case may be) must promptly provide written notice of the refusal to the *Metering Coordinator* which must include:
 - (1) the date of the refusal;
 - (2) how the refusal was communicated; and
 - (3) details of the *NMI* at the relevant *connection point*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (g) A *Metering Coordinator* must retain a written record of a *small customer* refusal under paragraph (e) for a period of at least 7 years.
- (h) Where paragraph (d) applies:
 - (1) the *Metering Coordinator* must ensure that the new or replacement *metering installation* installed at that *connection point* is a type 4A *metering installation*; and
 - (2) clause 7.8.3(a) will apply to any subsequent installation or proposed installation of a new or replacement *metering installation* at that *connection point*, subject to the reapplication of paragraph (d).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i) Nothing in paragraph (h) prevents a *Metering Coordinator* from, at any time, activating the remote access capabilities of a *metering installation* with the consent of the *small customer* at the *connection point*.

7.8.5 Emergency management

- (a) The *Metering Coordinator* at a *connection point* must ensure that access to the *metering installation*, services provided by the *metering installation* and *energy data* held in the *metering installation* are managed in accordance with the *emergency priority procedures* in the event of an emergency condition as determined in accordance with those *emergency priority procedures*.
- (b) *AEMO* must establish, maintain and *publish* procedures that set out:
 - (1) the criteria for determining when an emergency condition is present and which *metering installations* will be affected by the emergency condition; and
 - (2) where a *Metering Coordinator* supplies services to a *Local Network Service Provider* from a *metering installation* that is affected by an emergency condition, which services the *Metering Coordinator* must prioritise at the request of the *Local Network Service Provider*.
- (c) A *Local Network Service Provider* must comply with the *emergency priority procedures* when issuing any service prioritisation request to a *Metering Coordinator* under those procedures.

7.8.6 Network devices

LNSP obligations

- (a) A *Local Network Service Provider*:
 - (1) may install and maintain a *network device* provided that the installation and maintenance of the *network device* does not:
 - (i) adversely impact on the operation of the *metering installation*, including its compliance with the *Rules* and procedures authorised under the *Rules*;
 - (ii) damage the *metering installation*; or
 - (iii) prevent the *metering installation* being maintained or removed, as required, by or on behalf of the *Metering Coordinator*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) must not remove a *metering installation*, or any part of a *metering installation*, in order to install or maintain a *network device*; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (3) subject to paragraph (b), must not use a *network device* to provide services to a *retail customer* or any other third party.
- (b) A *Local Network Service Provider* may use a *network device* to:
 - (1) *reconnect* or *disconnect* a *metering installation* via remote access, as permitted under *energy laws*; or
 - (2) provide services to a *retail customer* but only where those services are incidental to the provision of *network services* that are reasonably required to enable the *Local Network Service Provider* to meet its obligations to provide a safe, reliable and secure *network*.
- (c) Information obtained from a *network device*:
 - (1) may be accessed by the *Local Network Service Provider*; and
 - (2) is confidential and must be treated as *confidential information* in accordance with the *Rules*; and
 - (3) for the purposes of clause 8.6.2(c), is deemed to have been provided by the *retail customer* at the relevant *connection point*.

Metering Coordinator obligations

- (d) The *Metering Coordinator* at a *connection point*:
 - (1) must, at the request of the *Local Network Service Provider*, ensure that the *Local Network Service Provider* receives all reasonable assistance to facilitate access to a metering facility for:
 - (i) the installation of a *network device* under paragraph (a)(1); and
 - (ii) the maintenance of a *network device*; and
 - (2) unless paragraph (f) applies, must not, and must ensure that the *Metering Provider* does not:
 - (i) remove the *network device*;
 - (ii) take any action that adversely impacts on the operation of the *network device*;
 - (iii) damage the *network device*; or
 - (iv) prevent the *network device* being maintained or removed, as required, by or on behalf of the *Local Network Service Provider*, except with the consent of the *Local Network Service Provider*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (e) All reasonable costs incurred by the *Metering Coordinator* as a consequence of providing assistance to the *Local Network Service Provider* under paragraph (d)(1) must be borne by the *Local Network Service Provider*.
- (f) The *Metering Coordinator* may remove or arrange the removal of a *network device* from the metering facility, without the consent of the *Local Network Service Provider*, if:
 - (1) the *Metering Coordinator* proposes to install a new or replacement *metering installation* at a *connection point*;
 - (2) there is a *network device* in the metering facility at the *connection point*; and
 - (3) in the *Metering Coordinator's* or *Metering Provider's* reasonable opinion, the *metering installation* cannot be installed in the metering facility in a manner that allows it to:
 - (i) operate effectively and in compliance with the *Rules* and procedures authorised under the *Rules*; and
 - (ii) be maintained or removed, as required, by or on behalf of the *Metering Coordinator*,without removing or impacting on the *network device* as specified in paragraphs (d)(2)(i) to (iv); and
 - (4) it has complied with paragraph (g) and any applicable *jurisdictional electricity legislation*.
- (g) If a *Metering Coordinator* removes or arranges the removal of an existing *network device* under paragraph (f) it must:
 - (1) notify the *Local Network Service Provider* of its removal as soon as practicable after it is removed; and
 - (2) keep a record in accordance with paragraph (h) of the basis upon which the determination under paragraph (f)(3) was made.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (h) A record kept for the purposes of subparagraph (g) must include, in respect of each *network device*:
 - (1) the address from which the *network device* was removed;
 - (2) the date and time of removal of the *network device*;
 - (3) photographs and measurements of the *network device*, the *metering installation* and the metering facility; and
 - (4) any other material in relation to the determination in accordance with paragraph (f)(3) that is required by the procedures made under paragraph (i).

Network device procedures

- (i) *AEMO* must develop and maintain procedures that apply to:

- (1) *Metering Coordinators and Local Network Service Providers* and which specify when an existing *metering installation* that is to be replaced by a *Metering Coordinator* may be a *network device* for the purpose of this clause 7.8.6;
- (2) *Metering Coordinators and Local Network Service Providers* when installing or removing *network devices*, including the return of a *network device* to the *Local Network Service Provider*; and
- (3) notifications to be given in respect of activities which affect *network devices* or *metering installations*, including the provision of records maintained under paragraph (g)(2) when requested by the *Local Network Service Provider*.

Clause does not apply to transmission network connection points

- (j) This clause 7.8.6 does not apply in respect of *transmission network connection points*.

Definitions

- (k) In this clause 7.8.6, **metering facility** means the existing facility used to house the *metering installation*.

7.8.7 Metering point

- (a) The *Metering Coordinator* must ensure that:
 - (1) the *metering point* is located as close as practicable to the *connection point*; and
 - (2) any *instrument transformers* required for a *check metering installation* are located in a position which achieves a mathematical correlation with the *metering data*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) The *financially responsible Market Participant*, the *Local Network Service Provider* or, in the case of a *child connection point* on an embedded network with an Embedded Network Manager, the *Embedded Network Manager*, and *AEMO* must use their best endeavours to agree to adjust the *metering data* which is recorded in the *metering database* to allow for physical losses between the *metering point* and the relevant *connection point* where a *meter* is used to measure the flow of electricity in a power conductor.
- (c) Where a *Market Network Service Provider* installs a *two-terminal link* between two *connection points*, *AEMO* in its absolute discretion may require a *metering installation* to be installed in the *facility* at each end of the *two-terminal link*. Each of these *metering installations* must be separately assessed to determine the requirement for *check metering* in accordance with Schedule 7.4.

7.8.8 Metering installation types and accuracy

- (a) The type of *metering installation* and the accuracy requirements for a *metering installation* are to be determined in accordance with Schedule 7.4.
- (b) A *check metering installation* is not required to have the degree of accuracy required of a *metering installation* but the *Metering Coordinator* must ensure that it has mathematical correlation with the *metering installation* and be consistent with the requirements of Schedule 7.4.
- (c) The *Metering Coordinator* at a *connection point* must ensure that the accuracy of a type 6 *metering installation* is in accordance with regulations issued under the *National Measurement Act* or, in the absence of any such regulations, with the *metrology procedure*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.8.9 Meter churn

- (a) Any alteration or replacement of a *metering installation* under this Chapter 7 must be managed in accordance with the *meter churn procedures*.
- (b) A *Metering Coordinator* may arrange to alter a type 5 or 6 *metering installation* in accordance with paragraph (a) to make it capable of *remote acquisition* where:
 - (1) the alteration of the *metering installation* is reasonably required to address operational difficulties as defined in paragraph (d); or
 - (2) the *Metering Coordinator* is the *Local Network Service Provider* and the alteration of the *metering installation* is reasonably required to enable the *Local Network Service Provider* to meet its obligations to provide a safe, reliable and secure *network*.
- (c) An alteration of a *metering installation* by a *Metering Coordinator* in accordance with paragraph (b) does not alter the classification of that installation to a type 4 or 4A *metering installation*.
- (d) For the purposes of subparagraph (b)(1), operational difficulties arise where the *metering installation* is difficult or unsafe to access because:
 - (1) the *metering installation* is on a remote property;
 - (2) the *metering installation* is within a secure facility;
 - (3) the *metering installation* is in close proximity to hazardous materials;
or
 - (4) accessing or arranging access to the *metering installation* otherwise poses a risk to the safety and security of persons or property.
- (e) The *Market Settlement and Transfer Solution Procedures* must include provisions that enable:
 - (1) an *Incoming Retailer* to nominate a *Metering Coordinator*, *Metering Provider* or *Metering Data Provider* to be appointed at a *connection point* in respect of which it is the *Incoming Retailer*, and for those

- appointments to be recorded as being effective on or, where requested by an *Incoming Retailer*, after the day that the *market load* at the *connection point* transfers to the *Incoming Retailer* as the new *financially responsible Market Participant*; and
- (2) the installation of a new or replacement *metering installation* at a *connection point* as soon as practicable after the transfer of a *market load* at that *connection point* has been effected by AEMO.
- (f) AEMO must establish, maintain and *publish* procedures for the *Metering Coordinator*, *Metering Provider*, *Metering Data Provider* and *financially responsible Market Participant* to consider in managing the *meter churn* resulting from an alteration or replacement of a *metering installation* under paragraph (a) (the '*meter churn procedures*').

7.8.10 Meter installation malfunctions

- (a) Unless an exemption is obtained by the *Metering Coordinator* from AEMO under this clause 7.8.10, the *Metering Coordinator* must in respect of a *connection point* with:
- (1) a type 1, 2 or 3 *metering installation*, if a *metering installation malfunction* occurs to the *metering installation*, cause repairs to be made to it as soon as practicable but no later than 2 *business days* after the *Metering Coordinator* has been notified of the *metering installation malfunction*; or
 - (2) a *metering installation* other than the installations referred to in subparagraph (1), if a *metering installation malfunction* occurs to the *metering installation*, cause repairs to be made to it as soon as practicable but no later than 10 *business days* after the *Metering Coordinator* has been notified of the *metering installation malfunction*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) AEMO must establish, maintain and *publish* a procedure applicable to the provision of exemptions for the purpose of paragraph (a).
- (c) If an exemption is provided by AEMO under this clause 7.8.10 then the *Metering Provider* must provide AEMO with a plan for the rectification of the *metering installation*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) A *Registered Participant*, *Metering Provider* or *Metering Data Provider* who becomes aware of a *metering installation malfunction* of a *metering installation* that cannot be rectified within the applicable timeframes as specified in paragraph (a) must notify the *Metering Coordinator* of the *metering installation malfunction* within 1 *business day*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.8.11 Changes to metering equipment, parameters and settings within a metering installation

The *Metering Coordinator* at a *connection point* must ensure that changes to parameters or settings within a *metering installation* are:

- (a) authorised by *AEMO* prior to the alteration being made;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) implemented by a *Metering Provider*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) confirmed by the *Metering Coordinator* within 2 *business days* after the alteration has been made; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) reported to *AEMO* to enable *AEMO* to record the changes in the *metering register*.

7.8.12 Special site or technology related conditions

- (a) Special site or technology related conditions are situations where *AEMO* determines that special arrangements are required to support the integrity of the collection and processing of *metering data* from nominated *metering installations*. These conditions include, but are not limited to, the following situations:
 - (1) a *connection point* or proposed *connection point* on a *transmission network*, where the *metering data* collection and/or processing arrangements from *metering installations* nominated in the document published in subparagraph (c)(1) require a single *Metering Data Provider*;
 - (2) a situation where two or more *metering points* are required to form a *metering installation* and the *metering data* determined from that *metering installation* is required to be identified as a virtual *NMI* in the *settlements process*;
 - (3) a *metering installation* on an *interconnector*; or
 - (4) a *metering installation* on the *interconnection* between adjacent *distribution networks*.

- (b) Special site or technology related conditions do not exist until they are described and *published* in the document specified in subparagraph (c)(1).
- (c) Where *AEMO* determines that special site or technology related conditions exist under paragraph (a), it must:
 - (1) describe and *publish* those special site or technology related conditions including the nomination of *metering installations* affected by those conditions in a document;
 - (2) notify *Metering Coordinators* and *financially responsible Market Participants* of the availability of the document specified in subparagraph (1) at the time of its *publication* and each time that document is revised; and
 - (3) clarify any matters with the *Metering Coordinator* or the *financially responsible Market Participant* in order to enable the *Metering Coordinator* or *financially responsible Market Participant* to choose a *Metering Data Provider* for that *metering installation* that is mutually suitable to all parties.
- (d) The *Metering Coordinator* or the *financially responsible Market Participant* at a *connection point* may make alterations to a *metering installation* and its *metering data* collection arrangements in order to remove its classification as a special site or technology related condition, in which case *AEMO* must remove that *metering installation* from the document specified in subparagraph (c)(1).

7.8.13 Joint metering installations

- (a) Where more than one *Market Participant* uses a *metering installation* at a particular *connection point*, they must agree and notify *AEMO* as to which of them will appoint the *Metering Coordinator* for that *metering installation*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) In the absence of such agreement, *AEMO* may nominate one of the *Market Participants* to appoint the *Metering Coordinator* for that *metering installation*.
- (c) Where more than one *Market Participant* is subject to the same special site or technology related conditions as specified in clause 7.8.12(a), the *Metering Coordinator* must notify *AEMO* of the *Metering Data Provider* that will provide the *metering data services* for the relevant *metering installation*.
- (d) In the absence of a *Metering Coordinator* notifying *AEMO* in accordance with paragraph (c), *AEMO* may nominate a *Metering Data Provider* to provide the *metering data services* for the *metering installation*.
- (e) Clause 7.8.13 does not apply to a *metering installation* at a *child connection point*.

7.9 Inspection, Testing and Audit of Metering installations

7.9.1 Responsibility for testing

- (a) A person who arranges or carries out testing of a *metering installation* under this clause 7.9.1 must do so in accordance with:
 - (1) this clause 7.9.1; and
 - (2) the relevant inspection and testing requirements set out in Schedule 7.6.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) A *Registered Participant* may request that the *Metering Coordinator* make arrangements for the testing of a *metering installation* and if the request is reasonable, the *Metering Coordinator* must:
 - (1) not refuse the request; and
 - (2) make arrangements for the testing.
- (c) Where the *Metering Coordinator* does not arrange for the testing requested under paragraph (b), the *Metering Coordinator* must advise *AEMO* that the requested testing has not been arranged and *AEMO* must make the arrangements for the testing where, in *AEMO*'s reasonable opinion, it is practicable for *AEMO* to do so.
- (d) The *Registered Participant* who requested the tests under paragraph (b) may make a request to the *Metering Coordinator* to witness the tests.
- (e) The *Metering Coordinator* must not refuse a request received under paragraph (d) and must no later than 5 *business days* prior to the testing, advise:
 - (1) the party making the request; and
 - (2) the *financially responsible Market Participant*,
of:
 - (3) the location and time of the tests; and
 - (4) the method of testing to be undertaken.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) The *Metering Coordinator* and *AEMO* must co-operate for the purpose of making arrangements for *AEMO* to inspect or test the *metering installation* where:
 - (1) the *Metering Coordinator* must make arrangements for *AEMO* to have access to the *metering installation*; and
 - (2) *AEMO* must:

- (i) no later than seven *business days* prior to the testing or inspection, give the *Metering Coordinator* notice of:
 - (A) its intention to access the *metering installation* for the purpose of inspection or testing;
 - (B) the name of the *representative* who will be conducting the test or inspection on behalf of *AEMO*; and
 - (C) the time when the test or inspection will commence and the expected time when the test or inspection will conclude; and
 - (ii) where reasonable, comply with the security and safety requirements of the *Metering Coordinator*.
- (g) Where the *Metering Coordinator* has arranged testing of, or *AEMO* has undertaken testing of, a *metering installation* under this clause 7.9.1 and Schedule 7.6, the *Metering Coordinator* or *AEMO* (as the case may be) must:
 - (1) inform the *financially responsible Market Participant* that testing has been undertaken in respect of the *metering installation* in accordance with this clause 7.9.1; and
 - (2) make the test results available in accordance with paragraphs (h) and (i).
- (h) If the test results referred to in paragraph (g) indicate deviation from the technical requirements for that *metering installation*, the *Metering Coordinator* or *AEMO* (as the case may be) must ensure that the test results are provided as soon as practicable to the persons who receive that *metering data* under clause 7.10.3(a).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (i) If the test results referred to in paragraph (g) indicate compliance with the technical requirements for that *metering installation*, the *Metering Coordinator* or *AEMO* (as the case may be) must ensure that the test results are provided as soon as practicable:
 - (1) in circumstances where the tests were requested by a *Registered Participant*, to the *Registered Participant* and persons receive that *metering data* under clause 7.10.3(a); or
 - (2) to a *Registered Participant* if requested by that *Registered Participant*, where the tests are not the result of a request for testing.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (j) *AEMO* must check test results recorded in the *metering register* by arranging for sufficient audits annually of *metering installations* and to satisfy itself that the accuracy of each *metering installation* complies with the requirements of this Chapter 7.

- (k) The *Metering Coordinator* must store the test results in accordance with clause 7.9.5 and provide a copy to *AEMO* upon request or as part of an audit.
- (l) The cost of any test under paragraph (b) must be borne by:
 - (1) if paragraph (h) applies, the *Metering Coordinator*; and
 - (2) otherwise, the *Registered Participant* who requested the test.

7.9.2 Actions in event of non-compliance

- (a) If the accuracy of the *metering installation* does not comply with the requirements of the *Rules*, the *Metering Coordinator* must:
 - (1) advise *AEMO* as soon as practicable of the errors detected and the possible duration of the existence of the errors; and
 - (2) arrange for the accuracy of the *metering installation* to be restored in a time-frame agreed with *AEMO*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) *AEMO* may make appropriate corrections to the *metering data* to take account of errors referred to in paragraph (a) and to minimise adjustments to the final *settlements* account.

7.9.3 Audits of information held in metering installations

- (a) *AEMO* is responsible for auditing *metering installations*.
- (b) A *Registered Participant* may request *AEMO* to conduct an audit to determine the consistency between the data held in the *metering database* and the data held in the relevant *metering installation*.
- (c) If there are inconsistencies between data held in a *metering installation* and data held in the *metering database*, the *Metering Coordinator* and *Registered Participants* with a financial interest in the *metering installation* or the *energy* measured by that *metering installation* must liaise together to determine the most appropriate way to resolve the discrepancy.
- (d) If there is an inconsistency between the data held in a *metering installation* and the data held in the *metering database*, the data in the *metering installation* is to be taken as *prima facie* evidence of the *connection point's energy data*.
- (e) *AEMO* must carry out periodic random audits of *metering installations* to confirm compliance with the *Rules*.
- (e1) The *Metering Coordinator* must ensure that *AEMO* has unrestrained access to *metering installations* for the purpose of carrying out such random audits provided that *AEMO* agrees to comply with the *Metering Coordinator's* reasonable security and safety requirements and has first given the *Metering Coordinator* at least two *business days'* notice of its intention to carry out an audit, which notice must include:

- (1) the name of the *representative* who will be conducting the audit on behalf of *AEMO*; and
- (2) the time when the audit will commence and the expected time when the audit will conclude.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) The costs of any audit conducted under paragraph (b) will be borne by:
 - (1) if paragraph (c) applies, the *Metering Coordinator*; or
 - (2) otherwise, the *Registered Participant* who requested the audit.

7.9.4 Errors found in metering tests, inspections or audits

- (a) If a *metering installation* test, inspection or audit, carried out in accordance with clause 7.9.1, demonstrates errors in excess of those prescribed in Schedule 7.4, the *Metering Coordinator* must ensure the *metering data* is substituted in accordance with this clause 7.9.4 and clause 7.10.1 as appropriate.
- (b) If *AEMO* or the *Metering Coordinator* is not aware of the time at which the error that was identified in paragraph (a) arose, the error is to be deemed to have occurred at a time half way between the time of the most recent test or inspection which demonstrated that the *metering installation* complied with the relevant accuracy requirement and the time when the error was detected.
- (c) The time that the error was deemed to occur, as determined in paragraph (b), is to be used by the *Metering Data Provider* in performing substitution of the *metering data*.
- (d) If a test or audit of a *metering installation* demonstrates an error of measurement of less than 1.5 times the error permitted by Schedule 7.4, no substitution of readings is required unless in *AEMO's* reasonable opinion a particular party would be significantly affected if no substitution were made.
- (e) If any substitution is required under paragraph (d), *AEMO* must request the *Metering Coordinator* or the *financially responsible Market Participant* or the *Metering Data Provider*, as appropriate, to arrange for a suitable substitution of the incorrect *metering data* to be undertaken in accordance with the recommendations of any audit report provided by *AEMO* (under clauses 7.9.1(j), 7.9.3(b) or 7.9.3(e)), or if no audit report is provided, in accordance with the substitution requirements of the *metrology procedure*.

7.9.5 Retention of test records and documents

- (a) All records and documentation of tests prepared under this Chapter 7 or for the purposes of this Chapter 7 must be retained in accordance with this clause 7.9.5.
- (b) The *Metering Coordinator* must ensure records and documentation are retained as follows:
 - (1) for a period of at least 7 years:

- (i) sample testing of *meters* while the *meters* of the relevant style remain in service;
 - (ii) the most recent sample test results of the *meters* referred to in subparagraph (i) after the *meters* are no longer in service;
 - (iii) non-sample testing of *meters* while the *meters* remain in service;
 - (iv) the most recent non-sample test results after the *meters* are no longer in service;
 - (v) the most recent sample test results of *instrument transformers* after *instrument transformers* of the relevant type are no longer in service;
 - (vi) the most recent non sample test results of *instrument transformers* after they are no longer in service;
 - (vii) tests of new *metering* equipment of the relevant style while the equipment remains in service; and
 - (viii) tests of new *metering* equipment of the relevant style after the equipment is no longer in service; and
- (2) for a period of at least 10 years:
- (i) sample testing of *instrument transformers* while *instrument transformers* of the relevant type remain in service; and
 - (ii) non-sample testing of *instrument transformers* while they remain in service.
- (c) The *Metering Coordinator* must ensure records of type tests and pattern approvals carried out or obtained in accordance with S7.4.6.1(f) are retained while *metering* equipment of the relevant type remains in service and for at least 7 years after it is no longer in service.

7.9.6 Metering installation registration process

AEMO must establish, maintain and *publish* a registration process to facilitate the application of this Chapter 7 to *Market Participants*, *off-market retailers*, *Metering Coordinators* and *Network Service Providers* in respect of:

- (a) new *metering installations*;
- (b) modifications to existing *metering installations*; and
- (c) decommissioning of *metering installations*,

including the provision of information on matters such as application process, timing, relevant parties, fees and *metering installation* details.

Part E Metering Data

7.10 Metering Data Services

7.10.1 Metering Data Services

- (a) *Metering Data Providers* must provide *metering data services* in accordance with the *Rules* and procedures authorised under the *Rules*, including:

- (1) collecting *metering data* by local access or by *remote acquisition*;
 - (2) the validation and substitution of *metering data* for a type 1, 2, 3 and 4 *metering installation*;
 - (3) the *validation, substitution and estimation of metering data for a type 4A, 5 and 6 metering installation*;
 - (4) *the calculation, estimation and substitution of metering data for a type 7 metering installation*;
 - (5) *establishing and maintaining a metering data services database associated with each metering installation and providing access to the metering data services database in accordance with clause 7.10.2*;
 - (6) delivery of *metering data* and relevant *NMI Standing Data* for a *metering installation* in accordance with clause 7.10.3;
 - (7) the delivery of *metering data* and relevant *NMI Standing Data* to *AEMO* for *settlements*;
 - (8) ensuring the *metering data* and other data associated with the *metering installation* is protected from local access or remote access while being collected and while held in the *metering data services database* and that *data* is provided only in accordance with the *Rules*;
 - (9) maintaining the standard of accuracy of the time setting of the *metering data services database* and the *metering installation* in accordance with clause 7.10.6;
 - (10) notifying the *Metering Coordinator* of any *metering installation malfunction* of a *metering installation* within 1 *business day*; and
 - (11) management and storage of *metering data* in accordance with clause 7.10.2.
- (b) Despite anything to the contrary in the *Rules*, *AEMO* may obtain *energy data* directly from a *metering installation* for the *settlements* process.

7.10.2 Data management and storage

- (a) *Metering Data Providers* must:
- (1) retain *metering data* for all relevant *metering installations* in the *metering data services database*:
 - (i) online in an accessible format for at least 13 months;
 - (ii) following the retention under subparagraph (1)(i), in an accessible format for an overall period of not less than 7 years; and
 - (2) archive in an accessible format for a period of 7 years:
 - (i) *metering data* in its original form collected from the *metering installation*;
 - (ii) records of each substitution to *metering data* in respect of a *metering installation*; and

- (3) if required in procedures authorised by *AEMO* under this Chapter 7, provide the persons referred to in clauses 7.15.5(c)(1) to 7.15.5(c)(5a) with access to the *metering data* and *NMI Standing Data* in the *metering data services database*; and

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (4) except for the persons referred to in clauses 7.15.5(c)(1) to 7.15.5(c)(5a), ensure that no other person has access to the *metering data services database*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) *Metering Data Providers* accredited for type 7 *metering installations* must maintain techniques for determining *calculated metering data* for type 7 *metering installations* that are *market loads* under Schedule 7.4 in accordance with the *metrology procedure*.
- (c) *Metering Data Providers* must maintain *electronic data transfer* facilities in order to deliver *metering data* from the *metering data services database* to the *metering database* in accordance with the relevant *service level procedures*.
- (d) *Check metering data*, where available, and appropriately adjusted for differences in *metering installation* accuracy, where applicable, must be used by the *Metering Data Provider* to validate *metering data*.
- (e) If the *Metering Data Provider* becomes aware that the *metering data* that has been delivered into the *metering database* from a *metering data services database* is incorrect, then the *Metering Data Provider* must provide corrected *metering data* to the persons referred to in clauses 7.15.5(c)(1) to 7.15.5(c)(5a).
- (f) *Metering data* may only be altered by a *Metering Data Provider* except in the preparation of *settlements ready data*, in which case *AEMO* may alter the *metering data* in accordance with clause 7.11.2(c).
- (g) A *Metering Data Provider* may only alter *metering data* in the *metering data services database* in accordance with the *metrology procedure*.
- (h) *Metering Data Providers* must maintain *electronic data transfer* facilities in order to deliver *metering data* from the *metering data services database* in accordance with clause 7.10.3.
- (i) The *Metering Data Provider's* rules and protocols for supplying the *metering data services* must be approved by *AEMO* and *AEMO* must not unreasonably withhold such approval.
- (j) The *Metering Data Provider* must arrange with the *Metering Coordinator* to obtain the relevant *metering data* if *remote acquisition*, if any, becomes unavailable.

7.10.3 Provision of metering data to certain persons

- (a) The *Metering Data Provider* must provide *metering data* and relevant *NMI Standing Data* to the persons referred to in clauses 7.15.5(c)(1) to 7.15.5(c)(5a) as required by and in accordance with the *Rules* and procedures authorised by *AEMO* under this Chapter 7.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) *AEMO* must ensure that the procedures it authorises under this Chapter 7 do not require the *Metering Data Provider* to provide *metering data* or relevant *NMI Standing Data* to a person under paragraph (a) except to the extent that such *metering data* or relevant *NMI Standing Data* is required by that person to perform its obligations under the *Rules*, the *National Energy Retail Rules* or *jurisdictional electricity legislation*.

7.10.4 Use of check metering data

- (a) *Check metering data*, where available and provided that the *check metering data* has been appropriately adjusted for differences in *metering installation* accuracy, must be used by *Metering Data Providers* or *AEMO*, as the case may be, for:
- (1) validation;
 - (2) substitution; and
 - (3) estimation,
- of *metering data* as required by clauses 7.10.1 and 7.11.2(c).

7.10.5 Periodic energy metering

- (a) The *Metering Data Provider* must, for type 1, 2, 3, 4, 4A and 5 *metering installations*, collate *metering data* relating to:
- (1) the amount of *active energy*; and
 - (2) *reactive energy* (where relevant) passing through a *connection point*,
in *trading intervals* within a *metering data services database* unless it has been agreed between *AEMO*, the *Local Network Service Provider*, *Embedded Network Manager* in relation to *child connection points* and the *financially responsible Market Participant* that *metering data* may be recorded in sub-multiples of a *trading interval*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) For type 6 *metering installations*, *metering data* relating to the amount of *active energy* passing through a *connection point* must be converted into *trading intervals* in the *profiling* process undertaken by *AEMO* in accordance with the *metrology procedure* and the *metrology procedure* must specify:

- (1) the parameters to be used in preparing the *trading interval metering data* for each *market load*, including the algorithms;
- (2) the *metering data* from *first-tier loads* that is to be used in the conversion process;
- (3) the quality and timeliness of the *metering data* from the *first-tier loads*;
- (4) the party responsible for providing the *metering data* from the *first-tier loads*; and
- (5) if required, the method of cost recovery in accordance with clause 7.5.2.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) The *Metering Data Provider* must, for type 7 *metering installations*, prepare *metering data* relating to the amount of *active energy* passing through a *connection point* in accordance with clause 7.10.1(a)(4) in *trading intervals* within a *metering data services database*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.10.6 Time settings

- (a) The *Metering Provider* must set the times of clocks of all *metering installations* with reference to *Eastern Standard Time* to a standard of accuracy in accordance with Schedule 7.4 relevant to the *load* through the *connection point* when installing, testing and maintaining *metering installations*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) AEMO must ensure that the *metering database* clock is maintained within –1 second and +1 second of *Eastern Standard Time*.
- (c) The *Metering Data Provider* must maintain the *metering data services database* clock within –1 second and + 1 second of *Eastern Standard Time*.
- (d) The *Metering Data Provider* must:
 - (1) check the accuracy of the clock of the *metering installation* with reference to *Eastern Standard Time* to a standard of accuracy in accordance with Schedule 7.4 relevant to the *load* through the *connection point* on each occasion that the *metering installation* is accessed;
 - (2) reset the clock of the *metering installation* so that it is maintained to the required standard of accuracy in accordance with Schedule 7.4 relevant to the *load* through the *connection point* where the clock error of a

metering installation does not conform to the required standard of accuracy on any occasion that the *metering installation* is accessed; and

- (3) notify the *Metering Provider* where the *Metering Data Provider* is unable to reset the clock of the *metering installation* in accordance with subparagraph (2).

7.10.7 Metering data performance standards

- (a) Except as otherwise specified in clause 7.5.1, the *Metering Coordinator* must ensure that *metering data* is provided to AEMO for all *trading intervals* where the *metering installation* has the capability for *remote acquisition* of *metering data*, and that the data is:
 - (1) derived from a *metering installation* compliant with clause 7.8.8(a);
 - (2) provided within the timeframe required for *settlements* and *prudential requirements* specified in the *metrology procedure*, and the relevant *service level procedures*;
 - (3) actual or substituted in accordance with the *metrology procedure*; and
 - (4) provided in accordance with the performance standards specified in the *metrology procedure*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) The performance standards specified in subparagraph (a)(4) must be set at a level that does not impose a material risk on AEMO's ability to meet its *settlements* and *prudential requirements* obligations under the *Rules*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) AEMO may relax or exempt the performance standards specified in subparagraph (a)(4) in circumstances, including those referred to in clause 7.8.9(b), when AEMO and the *Metering Coordinator* agree on a lower performance standard that does not place a material risk on AEMO's ability to meet its *settlements* and *prudential requirements* obligations under the *Rules*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) Where the *metering installation* is a type 4A *metering installation* or does not have the capability for *remote acquisition* of *metering data*, the *Metering Coordinator* must ensure that *metering data* is provided to AEMO and that the data is:
 - (1) derived from a *metering installation* compliant with clause 7.8.8(a);
 - (2) provided within the timeframe required for *settlements* specified in the *metrology procedure* and the relevant *service level procedures*;

- (3) actual, substituted or estimated in accordance with the *metrology procedure*; and
- (4) provided in accordance with the performance standards specified in the *metrology procedure*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.11 Metering data and database

7.11.1 Metering database

- (a) AEMO must create, maintain and administer a *metering database* (either directly or under a contract for provision of the database) containing information for each *metering installation* registered with AEMO.
- (b) AEMO must ensure that the *metering database* has the capability for remote access.
- (c) The *metering database* must include *metering data*, *settlements ready data*, and information for each *metering installation* registered with AEMO in accordance with rule 7.12.
- (d) AEMO must:
 - (1) enable the persons referred to in clauses 7.15.5(c)(1) to 7.15.5(c)(5a) and clause 7.15.5(e) to access or receive data in the *metering database*; and
 - (2) except as specified in subparagraph (1), ensure that no other person has access to the *metering database*.
- (e) For all types of *metering installations*, the *metering database* must contain *metering data* that is:
 - (1) retained online in an accessible format for at least 13 months; and
 - (2) following the retention under subparagraph (1), archived in an accessible format for an overall period of not less than 7 years.
- (f) The *settlements ready data* held in the *metering database* must be used by AEMO for *settlements* purposes.
- (g) The *settlements ready data* held in the *metering database* may be used by *Distribution Network Service Providers* for the purpose of determining *distribution service charges* in accordance with clause 6.20.1.
- (h) AEMO must retain *settlements ready data* for all *metering installations* for a period of 7 years.
- (i) Despite anything to the contrary in this *Rule*, AEMO may provide an *energy ombudsman* with *metering data* relating to a *Registered Participant* from a *metering installation*, the *metering database*, or the *metering register*, if the *energy ombudsman* has received a complaint to which the data is relevant from a *retail customer* of the *Registered Participant*.

- (j) *AEMO* must notify the relevant *Registered Participant* of any information requested by the *energy ombudsman* under paragraph (i) and, if it is requested by that *Registered Participant*, supply the *Registered Participant* with a copy of any information provided to the *energy ombudsman*.
- (k) *AEMO* must, acting jointly with the *energy ombudsman*, develop procedures for the efficient management of timely access to data by the *energy ombudsman*.

7.11.2 Data validation, substitution and estimation

- (a) If *AEMO* in the preparation of *settlements ready data* detects *metering data* that fails validation *AEMO* must notify the *Metering Data Provider* within 1 business day of detection.
- (b) Where a *Metering Data Provider* receives notification under paragraph (a), the *Metering Data Provider* must use its best endeavours to provide corrected *metering data* to *AEMO* within 1 *business day* or advise *AEMO* that this time limit cannot be achieved, and the reason for delay, in which case the parties must agree on a revised time limit by which the corrected *metering data* will be provided.
- (c) Where *metering data* fails validation by *AEMO* in the preparation of *settlements ready data* and replacement *metering data* is not available within the time required for *settlements* then *AEMO* must prepare a substitute value in accordance with the *metrology procedure*.

7.11.3 Changes to energy data or to metering data

- (a) The *Metering Coordinator* must ensure that *energy data* held in a *metering installation* is not altered except when the *meter* is reset to zero as part of a repair or reprogramming.
- (b) If an on-site test of a *metering installation* requires the injection of current, the *Metering Coordinator* must ensure that:
 - (1) the *energy data* stored in the *metering installation* is inspected; and
 - (2) if necessary following the inspection under subparagraph (1), alterations are made to the *metering data*, to ensure that the *metering data* in the *metering data services database* and the *metering database* is not materially different from the *energy* consumed at that *connection point* during the period of the test.
- (c) If a *Metering Coordinator* considers alterations are necessary under paragraph (b)(2), the *Metering Coordinator* must:
 - (1) notify *AEMO* that alteration to the *metering data* is necessary; and
 - (2) advise the *financially responsible Market Participant* of the need to change the *metering data* and the *Metering Coordinator* must arrange for the *Metering Data Provider* to:
 - (i) alter the *metering data* for the *connection point* held in the *metering data services database* in accordance with the validation, substitution and estimation procedures in the *metrology procedure*; and

- (ii) provide the altered *metering data* to the persons who receive that *metering data* under clause 7.10.3(a).
- (d) If a test referred to in paragraph (b) is based on actual *connection point loads*, no alteration is required.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.12 Register of Metering Information

7.12.1 Metering register

- (a) As part of the *metering database*, AEMO must maintain a *metering register* of all *metering installations* and *check metering installations* which provide *metering data* used for *settlements* or in relation to off-market connection points for which there is an off-market retailer.
- (b) The *metering register* referred to in paragraph (a) must contain the information specified in Schedule 7.1.

7.12.2 Metering register discrepancy

- (a) If the information in the *metering register* indicates that the *metering installation* or the *check metering installation* does not comply with the requirements of the *Rules*, AEMO must advise affected *Registered Participants* of the discrepancy.
- (b) The *Metering Coordinator* must arrange for the discrepancy to be corrected within 2 *business days* of receipt of notification under paragraph (a) unless exempted by AEMO.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.13 Disclosure of NMI information

7.13.1 Application of this Rule

A *retailer* is entitled to information under this *Rule* only if the relevant information is not available to the *retailer* through the *Market Settlement and Transfer Solution Procedures*.

7.13.2 NMI and NMI checksum

- (a) A *Distribution Network Service Provider* or Embedded Network Manager must, at the request of a *retailer*, and within 1 *business day* of the date of the request, provide the *retailer* with the *NMI* and *NMI checksum* for premises identified in the request by reference to:
 - (1) a unique meter identifier held by the *Distribution Network Service Provider*; or
 - (2) a street address; or

- (3) the code used by Australia Post to provide a unique identifier for postal addresses.
- (b) If a computer search by the *Distribution Network Service Provider* does not produce a unique match for the information provided by the *retailer*, the *Distribution Network Service Provider* must provide the *retailer* with any computer matches achieved up to a maximum of 99.

7.13.3 NMI Standing Data

- (a) ~~Unless paragraph (b) applies, a~~ *Distribution Network Service Provider* must, at the request of a *retailer*, and within 2 business days of the date of the request, provide the *retailer* with the *NMI Standing Data* for premises identified in the request by reference to the *NMI* for the premises.
- (b) An *Embedded Network Manager* at a child connection point on an embedded network for which it is the *Embedded Network Manager* must, at the request of a *retailer*, and within 2 business days of the date of the request, provide the *retailer* with the *NMI Standing Data* for the premises at the child connection point identified in the request by reference to the *NMI* for the premises.

7.14 Metering data provision to retail customers

- (a) *AEMO* must establish, maintain and *publish* the *metering data provision procedures* in accordance with this rule 7.14, this Chapter 7, and otherwise in accordance with the *Rules*.
- (b) The objective of the *metering data provision procedures* is to establish the minimum requirements for the manner and form in which *metering data* should be provided to a *retail customer* (or its *customer authorised representative*) in response to a request for such data from the *retail customer* or *customer authorised representative* to the *retailer* or the *Distribution Network Service Provider*.
- (c) The *metering data provision procedures* must:
 - (1) specify the manner and form in which *retail customers'* *metering data* must be provided, including a:
 - (i) detailed data format; and
 - (ii) summary data format;
 - (2) for *retail customers* for whom *interval metering data* is available, specify the summary data format, which, at a minimum should include the *retail customer's*:
 - (i) nature and extent of *energy* usage for daily time periods;
 - (ii) usage or *load* profile over a specified period; and
 - (iii) a diagrammatic representation of the information referred to in subparagraph (i);
 - (3) for *retail customers* for whom accumulated *metering data* is available, specify a summary data format;
 - (4) include timeframes in which a *retailer* or a *Distribution Network Service Provider* must, using reasonable endeavours, respond to

requests made by a *retail customer* or *customer's* authorised representative. The timeframe to be included must:

- (i) be no more than 10 *business days*, except where requests are made by a *customer authorised representative* in relation to more than one *retail customer* of either the *retailer* or *Distribution Network Service Provider* to whom the request is made; and
 - (ii) take account of procedures in place relating to the validation of *metering data*; and
- (5) specify a minimum method of delivery for the requested *metering data*.
- (d) *Retailers* and *Distribution Network Service Providers* must comply with the *metering data provision procedures* when responding to requests by a *retail customer* or *customer authorised representative*.

Part F Security of metering installation and energy data

7.15 Security of metering installation and energy data

7.15.1 Confidentiality

- (a) *Energy data, metering data, NMI Standing Data*, information included under a scheme for a NMI Standing Data Schedule as referred to in clause 3.13.12A, information in the *metering register* and passwords are confidential and must be treated as *confidential information* in accordance with the *Rules*.
- (b) For the purposes of clause 8.6.2(c), *metering data* from a *metering installation* at a *retail customer's connection point* is deemed to have been provided by the *retail customer*.

7.15.2 Security of metering installations

- (a) The *Metering Coordinator* at a *connection point* must ensure that the *metering installation* is secure and that associated links, circuits and information storage and processing systems are protected by security mechanisms acceptable to *AEMO*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) *AEMO* may override any of the security mechanisms fitted to a *metering installation* with prior notice to the *Metering Coordinator*.
- (c) If a *Local Network Service Provider, financially responsible Market Participant, Metering Provider* or *Metering Data Provider* becomes aware that a seal protecting *metering* equipment has been broken, it must notify the *Metering Coordinator* within 5 *business days*.
- (d) If a broken seal has not been replaced by the person who notified the *Metering Coordinator* under paragraph (c), the *Metering Coordinator* must ensure that the broken seal is replaced no later than:

- (1) the first occasion on which the *metering* equipment is visited to take a reading; or
 - (2) 100 days,
after receipt of notification that the seal has been broken.
- (e) The costs of replacing broken seals as required by paragraph (d) are to be borne by:
- (1) the *financially responsible Market Participant* if the seal was broken by a *retail customer* of that *financially responsible Market Participant*;
 - (2) a *Registered Participant* if the seal was broken by the *Registered Participant*;
 - (3) the *Metering Provider* if the seal was broken by the *Metering Provider*;
 - (4) the *Metering Data Provider* if the seal was broken by the *Metering Data Provider*; or
 - (5) otherwise by the *Metering Coordinator*.
- (f) If it appears that as a result of, or in connection with, the breaking of a seal referred to in paragraph (c) that the relevant *metering* equipment may no longer meet the relevant minimum standard, the *Metering Coordinator* must ensure that the *metering* equipment is tested.

7.15.3 Security controls for energy data

- (a) The *Metering Coordinator* must ensure that *energy data* held in the *metering installation* is protected from local access and remote access by suitable password and security controls in accordance with paragraph (c).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) The *Metering Provider* must keep records of passwords secure.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) Except as otherwise specified in clause 7.15.4(e), the *Metering Provider* must allocate 'read only' passwords to *Market Participants*, *off-market retailers*, *Local Network Service Providers* and *AEMO*, except where separate 'read only' and 'write' passwords are not available, in which case the *Metering Provider* must allocate a password to *AEMO* only. For the avoidance of doubt, a *financially responsible Market Participant* may allocate that 'read only' password to a *retail customer* who has requested access to its *energy data* in accordance with paragraph (g).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) The *Metering Provider* must hold 'read only' and 'write' passwords.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (e) The *Metering Provider* must forward a copy of the passwords held under paragraph (d) to *AEMO* on request by *AEMO* for *metering installations* types 1, 2, 3 and 4.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (f) *AEMO* must hold a copy of the passwords referred to in paragraph (e) for the sole purpose of revealing them to a *Metering Provider* in the event that the passwords cannot be obtained by the *Metering Provider* by any other means.
- (g) Subject to the authorisation of the *Metering Coordinator* which is for the purpose of managing congestion in accordance with clause 7.15.5(b), if a *retail customer* of a *financially responsible Market Participant* requests a 'read only' password, the *financially responsible Market Participant* must:
- (1) obtain a 'read only' password from the *Metering Provider* in accordance with paragraph (c); and
 - (2) provide a 'read only' password to the *retail customer* within 10 *business days*.
- (h) The *Metering Coordinator* referred to in paragraph (g) must not unreasonably withhold the authorisation required by the *financially responsible Market Participant*.
- (i) The *Metering Provider* must allocate suitable passwords to the *Metering Data Provider* that enables the *Metering Data Provider* to collect the *energy data* and to maintain the clock of the *metering installation* in accordance with clause 7.10.6.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (j) The *Metering Data Provider* must keep all *metering installation* passwords secure and not make the passwords available to any other person.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.15.4 Additional security controls for small customer metering installations

In respect of a *small customer metering installation*:

- (a) the *Metering Coordinator* must ensure that access to *energy data* held in the *metering installation* is only given to a person and for a purpose that is permitted under the *Rules*;
- (b) the *Metering Coordinator* must ensure that access to services provided by the *metering installation* and *metering data* from the *metering installation* is only given to:
 - (1) in respect of a service listed in the *minimum services specification* in column 1 of table S7.5.1.1 and of *metering data* in connection with that service, an *access party* listed in column 3 of table S7.5.1.1;
 - (2) a person and for a purpose that is permitted under the *Rules*; or
 - (3) except as otherwise specified in subparagraph (1) or (2):
 - (i) the *Local Network Service Provider*, but only to the extent that, in the *Metering Coordinator's* reasonable opinion, such access is reasonably required by the *Local Network Service Provider* to enable it to meet its obligations to provide a safe, reliable and secure *network*; or
 - (ii) a person and for a purpose to which the *small customer* has given prior consent;
- (c) the *Metering Coordinator* must ensure that the services provided by the *metering installation* are protected from local access and remote access by suitable password and security controls in accordance with paragraph (e);
- (d) the *Metering Provider* must keep records of passwords secure; and
- (e) the *Metering Provider* must ensure that:
 - (1) it forwards a copy of a password allowing local access and a copy of a password allowing remote access to the *metering installation*, services provided by the *metering installation* and *energy data* held in the *metering installation*, to the *Metering Coordinator*, *Metering Data Provider*, *Embedded Network Manager* in relation to *child connection points* and *AEMO*; and
 - (2) except as provided above, no other person receives or has access to a copy of a password allowing local access or remote access to the *metering installation*, services provided by the *metering installation* or *energy data* held in the *metering installation*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

7.15.5 Access to data

- (a) Access to *energy data* recorded by a *metering installation* must only be provided where passwords are allocated in accordance with rule 7.15.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (b) The *Metering Coordinator* must ensure that access to *energy data* from the *metering installation* is scheduled appropriately to ensure that congestion does not occur.
- (c) Except as specified in paragraphs (d) or (e), only the following persons may access or receive *metering data*, *settlements ready data*, *NMI Standing Data*, and data from the *metering register* for a *metering installation*:
 - (1) *Registered Participants* with a financial interest in the *metering installation* or the *energy* measured by that *metering installation*;
 - (2) the *Metering Coordinator* appointed in respect of the *connection point* for that *metering installation*, or a person who was previously appointed as the *Metering Coordinator* in respect of that *connection point*, as required in connection with a *Metering Coordinator default event* in accordance with procedures authorised under the *Rules*;
 - (3) the *Metering Provider* appointed with respect to that *metering installation*;
 - (4) the *Metering Data Provider* appointed with respect to that *metering installation*, or who was previously appointed with respect to a *metering installation* as required in accordance with the *Rules* and procedures authorised under the *Rules*;
 - (5) AEMO and its authorised agents; ~~and~~
 - (5a) in relation to a *metering installation* at a *child connection point*, an *Embedded Network Manager*; ~~and~~
 - (6) the AER or *Jurisdictional Regulators* upon request to AEMO.
- (d) In addition to the persons listed in paragraph (c), the following persons may access or receive *metering data* in accordance with the *Rules* and procedures authorised under the *Rules*:
 - (1) a *retail customer* or *customer authorised representative*, upon request by that *retail customer* or its *customer authorised representative* to the *retailer* or *Distribution Network Service Provider* in relation to that *retail customer's* *metering installation* in accordance with the *metering data provision procedures*;
 - (2) if a *small customer* has consented to a person accessing the *metering data* from its *small customer metering installation* in accordance with clause 7.15.4(b)(3), to that person;
 - (3) a *large customer* or a *customer authorised representative*, in relation to *metering data* from the *metering installation* in respect of the *connection point* of the *large customer*;
 - (4) the *energy ombudsman* in accordance with paragraphs 7.11.1(i) – (k); and
 - (5) an *Exempt Embedded Network Service Provider* in relation to a *metering installation* at a *child connection point* on its *network*.
- (e) In addition to the persons listed in paragraphs (c) and (d), a *retailer* may access and receive *NMI Standing Data*.

- (f) Without limiting this clause 7.15.5 or clause 7.13.3:
- (1) a *retailer* may access and receive *NMI Standing Data*;
 - (2) a *customer authorised representative* may receive *metering data*;
 - (3) a *retailer* or a *Distribution Network Service Provider* may access, receive or provide *metering data* to a *customer authorised representative*; and
 - (4) *Exempt Embedded Network Service Provider* and its *Embedded Network Manager* may access or receive *metering data*,
- after having first done whatever may be required or otherwise necessary, where relevant, under any applicable privacy legislation (including if appropriate making relevant disclosures or obtaining relevant consents from *retail customers*).

PART G Procedures

7.16 Procedures

7.16.1 Obligation to establish, maintain and publish procedures

- (a) *AEMO* is responsible for the establishment and maintenance of procedures specified in Chapter 7 except for procedures established and maintained under rule 7.17.
- (b) The procedures authorised by *AEMO* under Chapter 7 must be established and maintained by *AEMO* in accordance with the *Rules consultation procedures*.
- (c) The *Information Exchange Committee* is responsible for the establishment and maintenance of procedures specified in rule 7.17.
- (d) The procedures authorised by the *Information Exchange Committee* must be established and maintained in accordance with the requirements of rule 7.17.
- (e) The procedures established or maintained under this clause 7.16.1 must be *published* by the party authorised to make the procedure.
- (f) *AEMO* must establish, maintain and *publish* a list of procedures authorised under the *Rules* relevant to this Chapter 7, irrespective of who authorised those procedures.

7.16.2 Market Settlement and Transfer Solution Procedures

- (a) *AEMO*, must establish, maintain and *publish Market Settlement and Transfer Solution Procedures*.
- (b) *AEMO* must *publish* any amendment to the *Market Settlement and Transfer Solution Procedures*.
- (c) All *Registered Participants*, *Metering Providers*, *Metering Data Providers* and *Embedded Network Managers* must comply with the *Market Settlement and Transfer Solution Procedures*.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (d) If a *Registered Participant, Metering Provider, Metering Data Provider* or *Embedded Network Manager* breaches the requirements of the *Market Settlement and Transfer Solution Procedures*, *AEMO* may send to that *Registered Participant, Metering Provider, Metering Data Provider* or *Embedded Network Manager* a notice in writing setting out the nature of the breach.
- (e) If the *Registered Participant, Metering Provider, Metering Data Provider* or *Embedded Network Manager* remains in breach for more than 5 *business days* after receipt of the notice from *AEMO*, *AEMO* must advise:
 - (1) the *AER*; and
 - (2) in the case of breach by a *Registered Participant* other than a *Metering Coordinator*, the *Authority* responsible for administering *jurisdictional electricity legislation* in the *participating jurisdiction* in which the *connection point* to which the breach relates is located.

7.16.3 Requirements of the metrology procedure

- (a) *AEMO* must establish, maintain and *publish* the *metrology procedure* that will apply to *metering installations* in accordance with this clause 7.16.3 and this Chapter 7.
- (b) The *metrology procedure* must include a minimum period of 3 months between the date when the *metrology procedure* is *published* and the date the *metrology procedure* commences unless the change is made under clause 7.16.7(e) in which case the effective date may be the same date as the date of *publication*.
- (c) The *metrology procedure* must include:
 - (1) information on the devices and processes that are to be used to:
 - (i) measure, or determine by means other than a device, the flow of electricity in a power conductor;
 - (ii) convey the measured or determined data under subparagraph (i) to other devices;
 - (iii) prepare the data using devices or algorithms to form *metering data*; and
 - (iv) provide access to the *metering data* from a *telecommunications network*;
 - (2) the requirements for the provision, installation and maintenance of *metering installations*;
 - (3) the obligations of *Metering Coordinators, financially responsible Market Participants, Local Network Service Providers, Metering Providers, Metering Data Providers* and *Embedded Network Managers*;

- (4) details on:
 - (i) the parameters that determine the circumstances when *metering data* must be delivered to *AEMO* for the purposes of Chapter 3 and such parameters must include, but are not limited to, the volume limit per annum below which *AEMO* will not require *metering data* for those purposes;
 - (ii) the timeframe obligations for the delivery of *metering data* relating to a *metering installation* for the purpose of *settlements*; and
 - (iii) the performance standards for *metering data* required for the purpose of *settlements*;
- (5) subject to clause 7.16.4(d)(2), zero MWh as the specification for the *type 5 accumulation boundary*;
- (6) procedures for:
 - (i) the validation and substitution of *metering data*;
 - (ii) the estimation of *metering data*;
 - (iii) the method:
 - (A) by which *accumulated metering data* is to be converted by *AEMO* into *trading interval metering data*; and
 - (B) of managing the *first-tier load metering data* that is necessary to enable the conversion referred to in subparagraph (A) to take place; and
- (7) other matters in the *Rules* required to be included in the *metrology procedure*.

7.16.4 Jurisdictional metrology material in metrology procedure

- (a) Subject to this clause 7.16.4, *AEMO* may include in the *metrology procedure* other metrology material that is in the nature of a guideline, specification or other standard for a *participating jurisdiction* in relation to type 5, 6 and 7 *metering installations* which alters the application of the *metrology procedure* for that jurisdiction (*jurisdictional metrology material*).
- (b) *Jurisdictional metrology material* may only be submitted to *AEMO* for inclusion in the metrology procedure by the *Ministers of the MCE*.
- (c) *Jurisdictional metrology material* submitted to *AEMO* under paragraph (b) must:
 - (1) be in writing;
 - (2) be provided to *AEMO* within sufficient time for *AEMO* to meet its obligations under this clause 7.16.4;
 - (3) be consistent with the matters contained in clauses 7.16.3 and 7.16.5;
 - (4) contain a date by which the *Ministers of the MCE* will undertake a review in relation to harmonising the *jurisdictional metrology material* with the *metrology procedure* (the **review date**); and

- (5) be accompanied by written reasons as to why the *jurisdictional metrology material* is required instead of the *metrology procedure*.
- (d) *Jurisdictional metrology material* may address the following matters:
 - (1) guidelines for the replacement of a device capable of producing *interval energy data* with a device that only produces *accumulated energy data*; and
 - (2) the specification of the *type 5 accumulation boundary*.
- (e) On receiving *jurisdictional metrology material* from the *Ministers of the MCE*, AEMO must undertake the *Rules consultation procedures* in relation to that material, including in that consultation the reasons referred to subparagraph (c)(5).
- (f) At the conclusion of the *Rules consultation procedures* under paragraph (e), AEMO must provide a final report to the *Ministers of the MCE* in accordance with rule 8.9(k) of the outcome of that procedure and:
 - (1) in the case where the *Ministers of the MCE* do not advise AEMO of any amendments to the *jurisdictional metrology material*, AEMO must incorporate that material into a separate part of the *metrology procedure*; or
 - (2) in the case where the *Ministers of the MCE* advise AEMO of amendments to the *jurisdictional metrology material*, AEMO must incorporate the amended material into a separate part of the *metrology procedure*.
- (g) The *jurisdictional metrology material*, as included in the *metrology procedure* by AEMO, expires on the review date unless the *Ministers of the MCE* submit to AEMO new *jurisdictional metrology material* in accordance with this clause 7.16.4.
- (h) The *jurisdictional metrology material* must not prevent the *metering data* from being collected as *interval metering data* if required by the *financially responsible Market Participant* or a *Local Network Service Provider* for any purpose other than for *settlements*.

7.16.5 Additional metrology procedure matters

- (a) The *metrology procedure* may:
 - (1) clarify the operation of the *Rules* in relation to:
 - (i) *load profiling*;
 - (ii) the provision and maintenance of *meters*;
 - (iii) the provision of *metering data services*;
 - (iv) metrology for a *market load* connected to a *network* where the owner or operator of that *network* is not a *Registered Participant*;
 - (v) the accreditation of *Metering Providers*, *Metering Data Providers* and *Embedded Network Managers*; and
 - (vi) with respect to the provision, installation and maintenance of *metering installations* and the provision of *metering data*

services, the obligations of Metering Coordinators, financially responsible Market Participants, Local Network Service Providers, AEMO, Metering Providers and Metering Data Providers;

- (2) specify in detail:
 - (i) the accuracy of *metering installations*;
 - (ii) inspection and testing standards;
 - (iii) *Metering Provider, Metering Data Provider and Embedded Network Manager* capabilities in accordance with Schedules 7.2, 7.3 and 7.7 respectively, and accreditation standards;
 - (iv) the standards and/or technical requirements for the *metering data services database*; and
 - (v) the technical standards for *metering* of a *market load* that is *connected* to a *network* where the operator or owner of that *network* is not a *Registered Participant*;
 - (3) provide information on the application of the *Rules*, subject to a statement in the procedure that where any inconsistency arises between the *Rules* and the *metrology procedure*, the *Rules* prevail to the extent of that inconsistency;
 - (4) in relation to type 4A, 5, 6 and 7 *metering installations* specify in what circumstances *metering data* held in the *metering data services database* within the relevant *participating jurisdiction*, can be used by *Distribution Network Service Providers* to calculate charges for *distribution services* for the purposes of clause 6.20.1(e); and
 - (5) contain information to ensure consistency in practice between the *metrology procedure* and other instruments developed and *published* by AEMO, including the practices adopted in the *Market Settlement and Transfer Solution Procedures*.
- (b) The *metrology procedure* may not include information relating to consumer protection.

7.16.6 Requirements of the service level procedures

- (a) AEMO must establish, maintain and *publish* the *service level procedures* that will apply to the relevant categories of registration that apply to *Metering Providers* and *Metering Data Providers*, in accordance with this Chapter 7 and this clause 7.16.6.
- (b) AEMO must establish, maintain and *publish* the *service level procedures* in accordance with clause 7.16.1.
- (c) The *service level procedures* must include:
 - (1) the requirements for the provision, installation and maintenance of *metering installations* by *Metering Providers*;
 - (2) requirements for the systems and processes for the collection, processing and delivery of *metering data* by *Metering Data Providers*;

- (3) the performance levels associated with the collection, processing and delivery of *metering data*;
 - (4) the data formats that must be used for the delivery of *metering data*;
 - (5) the requirements for the management of relevant *NMI Standing Data*;
 - (6) the requirements for the processing of *metering data* associated with *connection point* transfers and the alteration of *metering installations* where one or more devices are replaced;
 - (7) other matters in the *Rules* required to be included in the *service level procedures*; and
 - (8) information to ensure consistency in practice between the *service level procedures* and other documents developed and *published* by *AEMO*, including the practices adopted in the *Market Settlement and Transfer Solutions Procedures*.
- (d) The *service level procedures* must include requirements for accreditation, and for *Metering Providers* and *Metering Data Providers* (the '**service providers**'), may include requirements relating to, without limitation:
- (1) cooperation with *AEMO*;
 - (2) the confidentiality of information collected by the service providers;
 - (3) the resolution of disputes between *AEMO* and the service providers, including disputes associated with a breach of the *Rules* and procedures authorised under the *Rules*;
 - (4) the access of *AEMO* to and the inspection and audit by *AEMO* of any equipment or database maintained by the service providers;
 - (5) the insurance which must be taken out by or on behalf of the service providers;
 - (6) subcontracting by the service providers;
 - (7) the software and systems that are used by the service providers;
 - (8) maintenance of quality systems accreditation;
 - (9) the ownership of intellectual property that is developed or used by the service providers; and
 - (10) the delivery up to *AEMO* of data, works, material and other property that *AEMO* has the right to in the event of the deregistration of a service provider.

7.16.6A Requirements of the ENM service level procedures

- (a) *AEMO* must establish, maintain and *publish* the *ENM service level procedures* that apply to *Embedded Network Managers*, in accordance with this Chapter 7 and this clause 7.16.6A.
- (b) *AEMO* must establish and publish the *ENM service level procedures* in accordance with clause 7.16.7.
- (c) The *ENM service level procedures* must include:
 - (1) a list of *embedded network management services*;

- (2) the requirements for the provision of *embedded network management services*;
 - (3) the requirements for the management of relevant *EN wiring information*;
 - (4) the requirements for the assignment of the *parent connection point* and *child connection points* on an *embedded network*;
 - (5) application of *distribution loss factors* in relation to the *embedded network*;
 - (6) the requirements for the notification of *distribution loss factors* to *AEMO*; and
 - (7) information to ensure consistency in practice between the *ENM service level procedures* and other documents developed and published by *AEMO*, including the practices adopted in the *Market Settlement and Transfer Solutions Procedures*.
- (d) The *ENM service level procedures* must include requirements for accreditation and registration for *Embedded Network Managers*, including, without limitation:
 - (1) requirements relating to cooperation with *AEMO*, *Registered Participants*, *Metering Providers* and *Metering Data Providers*;
 - (2) the confidentiality of information collected by the *Embedded Network Managers*;
 - (3) the resolution of disputes between *AEMO* and the *Embedded Network Managers*, including disputes associated with a breach of the *Rules* and procedures authorised under the *Rules*;
 - (4) the access of *AEMO* to and the inspection and audit by *AEMO* of any relevant database maintained by the *Embedded Network Managers*;
 - (5) the insurance which must be taken out by or on behalf of the *Embedded Network Managers*;
 - (6) subcontracting by the *Embedded Network Managers*;
 - (7) the software and systems that are used by the *Embedded Network Managers*;
 - (8) the ownership of intellectual property that is developed or used by the *Embedded Network Managers*; and
 - (9) the delivery up to *AEMO* of data, works, material and other property that *AEMO* has the right to in the event of the deregistration of an *Embedded Network Manager*.
- (e) The *ENM service level procedures* must contain information to ensure consistency in practice between the procedures and other documents developed and published by *AEMO*, including the practices adopted in the *Market Settlement and Transfer Solutions Procedures*.

Clause 7.16.6B Guide to embedded networks

AEMO must develop and *publish* a guide to *embedded networks* addressing, without limitation:

- (a) the nature of *network exemptions* granted by the *AER* under section 13(3) of the *National Electricity Law* and clause 2.5.1(d) in respect of *embedded networks*;
- (b) which *retailers* and other persons are able to sell electricity to consumers whose premises are *supplied* with electricity conveyed through *embedded networks*; and
- (c) the roles, responsibilities and obligations of *Embedded Network Managers* under the *Rules* and procedures authorised under the *Rules*.

7.16.7 Amendment of procedures in the Metering Chapter

- (a) Any person (the '**proponent**') may submit to *AEMO* a proposal (the '**proposal**') to amend any procedure in this Chapter 7 including the *metrology procedure* except:
 - (1) in relation to the *jurisdictional metrology material* which is contained within the *metrology procedure*; and
 - (2) procedures specified in rule 7.17, and must include reasons for the proposed change.
- (b) For proposals submitted under paragraph (a), *AEMO* must:
 - (1) give notice of receipt of the proposal to the proponent; and
 - (2) advise the proponent of the action that *AEMO* proposes to undertake under paragraphs (c) or (e).
- (c) Where *AEMO*:
 - (1) accepts the proposal, *AEMO* must conduct the *Rules consultation procedures* in relation to that proposal;
 - (2) requests further information from the proponent in relation to a proposal, on receiving that information *AEMO* must either accept, or reject the proposal; or
 - (3) rejects a proposal, *AEMO* must advise the proponent of its decision and reasons for the decision in writing.
- (d) *AEMO* may at the conclusion of the *Rules consultation procedures* amend the procedure (if necessary).
- (e) Where, in *AEMO*'s reasonable opinion, a proposal referred to in paragraph (a) relates to amendments that are of a minor or administrative nature, *AEMO* is not required to undertake the *Rules consultation procedures* but must:
 - (1) *publish* the proposal including the accompanying reasons;
 - (2) issue a notice to *Registered Participants, Metering Providers, Metering Data Providers, Embedded Network Managers, Ministers* and the *AER* advising that the amendment to the procedure has been *published*;
 - (3) invite submissions on the proposal;

- (4) allow 10 *business days* for the receipt of submissions;
- (5) allow a reasonable extension of time for submissions if requested in writing by a *Registered Participant*, *Metering Provider*, *Metering Data Provider* or *Embedded Network Manager*;
- (6) *publish* submissions as soon as practicable after submissions have been received;
- (7) consider the submissions; and
- (8) *publish*, on or before the day of *publication* of the procedure identified in paragraph (a), reasons for the amendments to the procedure.

7.16.8 National Measurement Act

- (a) *AEMO* in consultation with the National Measurement Institute must establish guidelines that clarify the application of the requirements of the *National Measurement Act* to *metering installations*.
- (b) For the avoidance of doubt, to the extent that there is an inconsistency between the *Rules* and the *National Measurement Act*, the Act prevails to the extent of that inconsistency.

Part H B2B Requirements

7.17 B2B Arrangements

7.17.1 B2B e-Hub

- (a) *AEMO* must provide and operate a *B2B e-Hub*.
- (b) The *B2B e-Hub* must:
 - (1) have the capability to facilitate the *B2B Communications* in accordance with the *B2B Procedures*;
 - (2) have the capability to support a free-form method of communication between *B2B Parties*; and
 - (3) meet any minimum standards of performance specified in the *B2B Procedures*.
- (c) A person must not use the *B2B e-Hub* unless they are a *B2B e-Hub Participant*.
- (d) Each *B2B Party* and *AEMO* must comply with the *B2B Procedures*.
- (e) Subject to paragraph (f), each *B2B Party* must use the *B2B e-Hub* for *B2B Communications* in accordance with the *B2B Procedures*.
- (f) *B2B Parties* may, on such terms and conditions as agreed between them, communicate a *B2B Communication* on a basis other than through the *B2B e-Hub* provided the *B2B Communication* is otherwise made in accordance with the *B2B Procedures*.
- (g) Despite paragraphs (d) and (e), a person:
 - (1) appointed as a *Metering Coordinator* in respect of a *transmission network connection point*; and

- (2) not accredited as a *B2B e-Hub Participant*,
is not required to:
- (3) comply with the *B2B Procedures*; and
- (4) use the *B2B e-Hub* for *B2B Communications*,
in respect of that *transmission network connection point*.

7.17.2 B2B e-Hub Participants

- (a) A *B2B e-Hub Participant* is a person so accredited with AEMO.
- (b) AEMO must establish and maintain an accreditation process for *B2B e-Hub Participants* (including circumstances under which accreditation can be revoked by AEMO) and *publish* information relating to the process by which parties can apply to be accredited as *B2B e-Hub Participants*.
- (c) To be eligible for accreditation as a *B2B e-Hub Participant*, a person must:
 - (1) satisfy AEMO that it is complying with and will comply with the *Rules* and the procedures authorised under the *Rules*; and
 - (2) satisfy such other requirements as reasonably determined by AEMO, which may include (but are not limited to):
 - (i) systems and information technology requirements necessary for secure use of the *B2B e-Hub*; and
 - (ii) fee payment and credit support requirements.
- (d) AEMO may exempt persons or classes of persons from any one or more requirements of the accreditation process for *B2B e-Hub Participants* established under paragraph (b), subject to such conditions as AEMO deems appropriate.

7.17.3 Content of the B2B Procedures

- (a) The *B2B Procedures* may be constituted by one or more separate documents and:
 - (1) must provide for *B2B Communications* to support each of the services set out in the *minimum services specification*;
(1A) must provide for *B2B Communications* to support the billing and settlement of network charges payable by retailers to Embedded Network Service Providers and Exempt Network Operators in accordance with the shadow network charges procedure;
 - (2) may provide for any other *B2B Communications* determined in accordance with the *Rules*;
 - (3) may include obligations in relation to the information to be maintained and provided to support *B2B Communications*;
 - (4) must not restrict *B2B Parties* from communicating *B2B Communications* on a basis other than through the *B2B e-Hub* as permitted under clause 7.17.1(f); and
 - (5) may include minimum performance standards for the *B2B e-Hub*.

- (b) For each *B2B Communication*, the *B2B Procedures*:
 - (1) must specify:
 - (i) the required *B2B Data* inputs and *B2B Data* outputs;
 - (ii) the required business process flows and related timing requirements;
 - (iii) the required content and format;
 - (iv) the required delivery method; and
 - (v) the back-up delivery method to be used where the required delivery method cannot be used; and
 - (2) may specify:
 - (i) details for testing and certification;
 - (ii) provisions relating to contingency arrangements; and
 - (iii) examples of how a *B2B Communication* may operate in practice.
- (c) *B2B Data* is confidential information and may only be disclosed as permitted by the *Rules*.

7.17.4 Changing B2B Procedures

Change date for B2B Procedures

- (a) Any change to the *B2B Procedures* must specify the date on which the change to the *B2B Procedures* will commence (**B2B change date**). The B2B change date must be not less than 10 *business days* after the *B2B Decision* to make the change is *published*.
- (b) The *Information Exchange Committee* may change the B2B change date to a date later than that previously specified by the *Information Exchange Committee* following consultation with AEMO and any affected *B2B Parties* and *B2B Change Parties*. If the B2B change date is changed by the *Information Exchange Committee*, the *Information Exchange Committee* must provide AEMO with that date and AEMO must *publish* that date
- (c) A change to the *B2B Procedures* may also include provisions relating to a date for the end of a process related to a *B2B Communication*. That date may be after the date of commencement of the change and may be left to the discretion of the *Information Exchange Committee*. If the date is set by the *Information Exchange Committee*, the *Information Exchange Committee* must provide AEMO with that date and AEMO must *publish* that date.

Minor and administrative changes to the B2B Procedures

- (d) If a change to the *B2B Procedures* is of a minor or administrative nature or is necessary to correct a manifest error in the *B2B Procedures*, the *Information Exchange Committee* may recommend the change to AEMO and need not consult on the change in accordance with the *Rules consultation procedures*. Paragraphs (a) to (c) and (n) to (q) (inclusive) and clause 7.17.5 apply to such a change (with any necessary modifications).

- (e) *AEMO* must publish its *B2B Decision* in relation to a change under paragraph (d) and notify all *B2B Parties* of the change to the *B2B Procedures*.

B2B Procedure change process

- (f) Any person (other than the *Information Exchange Committee*) may propose a change to the *B2B Procedures* by providing a change proposal to the *Information Exchange Committee* in writing. A change proposal must provide details of the proposed change to the *B2B Procedure* and supporting information, including reasons for the proposed change.
- (g) Within 25 *business days* of receipt by the *Information Exchange Committee* of a proposal under paragraph (f), the *Information Exchange Committee* must meet to determine whether, on a *prima facie* basis, changing the *B2B Procedures* is warranted having regard to the *national electricity objective* and the *B2B factors* and considering the *B2B Principles*.
- (h) If, after its consideration under paragraph (g), the *Information Exchange Committee* decides that the proposal made under paragraph (f) should not be considered further, the *Information Exchange Committee* must within five *business days* provide written reasons for that decision to the person who made the proposal.
- (i) If, after its consideration under paragraph (g), the *Information Exchange Committee* decides that the proposal made under paragraph (f) should be considered further, the *Information Exchange Committee* must:
 - (1) develop the proposal into a *B2B Proposal* (which may differ from the proposal originally made) and an accompanying *B2B Procedures Change Pack* for consultation; and
 - (2) seek *AEMO*'s advice on whether:
 - (i) a conflict with the *Market Settlement and Transfer Solution Procedures* arises from the *B2B Proposal*; and
 - (ii) changes are required to the *B2B e-Hub* in order to deliver the *B2B Proposal* and, if so, the likely costs of making such changes,and include any such advice in the *B2B Procedures Change Pack*.
- (j) The *Information Exchange Committee* must comply with the *Rules consultation procedures* in relation to the *B2B Proposal*. For the purposes of rule 8.9(b), the nominated persons to whom notice must be given are *B2B Parties*, relevant *B2B Change Parties*, *AEMO* and such other persons who identify themselves to the *Information Exchange Committee* as interested in the *B2B Procedures*. For the purposes of the notice, the particulars of the matters under consultation must include a copy of the *B2B Procedures Change Pack*.
- (k) *AEMO* must publish the notice of consultation within 3 *business days* of its receipt and must notify all persons referred to in paragraph (j) of the consultation.
- (l) In addition to the matters which rule 8.9(g) requires be included in the draft report, the draft report must contain details of how the *Information Exchange Committee* has:

- (1) had regard to the *national electricity objective* and the *B2B factors*; and
 - (2) sought to give effect to the *B2B Principles*,when considering the *B2B Proposal* and each valid written submission.
- (m) In addition to the matters which rule 8.9(k) requires be included in the final report, the final report must contain details of how the *Information Exchange Committee* has:
 - (1) had regard to the *national electricity objective* and the *B2B factors*; and
 - (2) sought to give effect to the *B2B Principles*,when considering the *B2B Proposal* and each valid written submission.
- (n) The *Information Exchange Committee* may decide:
 - (1) not to recommend the proposed change to the *B2B Procedures*; or
 - (2) to recommend a change to the *B2B Procedures* to AEMO.
- (o) An *Information Exchange Committee Recommendation* may recommend a different change to the *B2B Procedures* than that originally proposed under paragraph (f).
- (p) The *Information Exchange Committee's* decision under paragraph (n) must be included in the final report required under rule 8.9(k).
- (q) In making a decision under paragraph (n), the *Information Exchange Committee* must:
 - (1) have regard to the *national electricity objective* and the *B2B factors*; and
 - (2) seek to give effect to the *B2B Principles*.
- (r) For the purposes of paragraph (q), to the extent of any conflict between the *B2B Principles*, the *Information Exchange Committee* may determine the manner in which those principles can best be reconciled or which of them should prevail.

7.17.5 B2B Decision

- (a) If the *Information Exchange Committee* decides not to recommend a change to the *B2B Procedures* under clause 7.17.4(n)(1), AEMO must take no further action in respect of the proposal.
- (b) If the *Information Exchange Committee* makes an *Information Exchange Committee Recommendation*, AEMO must consider the *Information Exchange Committee Recommendation* and must approve that *Information Exchange Committee Recommendation*, unless it concludes that the *Information Exchange Committee Recommendation* would conflict with the *Market Settlement and Transfer Solution Procedures*.
- (c) In considering whether the *Information Exchange Committee Recommendation* would conflict with the *Market Settlement and Transfer Solution Procedures*, AEMO must not otherwise consider the merits of the *Information Exchange Committee Recommendation*.

- (d) *AEMO* must not amend the *Information Exchange Committee Recommendation* and must not conduct any further consultation on the *Information Exchange Committee Recommendation* prior to making its *B2B Decision*.
- (e) *AEMO* must *publish* and make available on its website its *B2B Decision*, with reasons, within 10 *business days* of receiving an *Information Exchange Committee Recommendation* from the *Information Exchange Committee*.
- (f) If *AEMO* decides not to approve an *Information Exchange Committee Recommendation* (a **Vetoed Recommendation**), then:
 - (1) the reasons for the *B2B Decision* which are to be published and made available in accordance with paragraph (e) must include an explanation of how the Vetoed Recommendation would give rise to a conflict with the *Market Settlement and Transfer Solution Procedures*; and
 - (2) the *Information Exchange Committee* may:
 - (i) reconsider the proposal made under clause 7.17.4(f) in respect of which the Vetoed Recommendation was made; and
 - (ii) make a new *Information Exchange Committee Recommendation*, which may materially differ from the Vetoed Recommendation, in accordance with clauses 7.17.4(i) to 7.17.4(r) (inclusive).

7.17.6 Establishment of Information Exchange Committee

- (a) *AEMO* must establish the *Information Exchange Committee* in accordance with the *Information Exchange Committee Election Procedures* and the *Rules*.
- (b) The *Information Exchange Committee* must consist of:
 - (1) one *Distribution Network Service Provider Member*;
 - (2) one *Retailer Member*;
 - (3) one *Metering Member*;
 - (4) one *Consumer Member*;
 - (5) one *AEMO Member*;
 - (6) if there is at least one person that is accredited by *AEMO* as a *B2B e-Hub Participant* and that person:
 - (i) is a *Third Party B2B Participant*; and
 - (ii) nominates a representative for election as the *Third Party B2B Participant Member*,
one *Third Party B2B Participant Member*; and
 - (7) at least two, but no more than four, *Discretionary Members*.
- (c) *AEMO* must maintain a register of *Members* which includes:
 - (1) the name of each current *Member* and their category of membership;
and

- (2) in respect of each *Discretionary Member*, a description of the class or classes of persons that the *Discretionary Member* has been appointed by AEMO to represent under clause 7.17.10(d).
- (d) Subject to paragraph (e), the *AEMO Member* is the chairperson of the *Information Exchange Committee*.
- (e) If the *AEMO Member* is unable to act as chairperson at a meeting of the *Information Exchange Committee* because he or she has, or would reasonably be considered to have, a material conflict of interest in the matter to be decided or determined by the *Information Exchange Committee* at that meeting, then a *Member* chosen by an *ordinary majority* may preside as chairperson of the meeting for the relevant matter.
- (f) Each *Member* must serve on the *Information Exchange Committee* for the term specified in the *Information Exchange Committee Election Procedures* and must only be removed or replaced in accordance with the *Information Exchange Committee Election Procedures* and the *Rules*.
- (g) *B2B Parties* must ensure that the *Information Exchange Committee Election Procedures* include provisions in respect of:
 - (1) procedures for nominating *Members* and voting for *Members*;
 - (2) the term of a *Member*;
 - (3) procedures for the determination and publication of results of elections of a *Member*; and
 - (4) procedures for the removal or resignation of a *Member*.

7.17.7 Functions and powers of Information Exchange Committee

- (a) The functions and powers of the *Information Exchange Committee* include:
 - (1) developing, consulting on and making an *Information Exchange Committee Recommendation*;
 - (2) managing the ongoing development of the *B2B Procedures* and any changes to them;
 - (3) establishing the *Information Exchange Committee Working Groups*;
 - (4) developing, consulting on and approving the *Information Exchange Committee Works Programme*;
 - (5) reviewing and considering work completed by the *Information Exchange Committee Working Groups*;
 - (6) developing proposed amendments to the *Information Exchange Committee Election Procedures*; and
 - (7) developing proposed amendments to the *Information Exchange Committee Operating Manual*.
- (b) The *Information Exchange Committee* must prepare an *Information Exchange Committee Annual Report* by 31 December each year. The *Information Exchange Committee* must provide the *Information Exchange Committee Annual Report* to AEMO by the following 31 March and AEMO must publish that *Information Exchange Committee Annual Report*.

- (c) The *Information Exchange Committee Annual Report* must contain the information required by the *Information Exchange Committee Operating Manual*.
- (d) By 28 February each year the *Information Exchange Committee* must prepare a draft budget for the following *financial year* in a form which is consistent with the budget procedures of AEMO. Following discussion with AEMO the *Information Exchange Committee* must prepare a budget by 31 March and provide that budget to AEMO. When AEMO publishes its budget pursuant to clause 2.11.3, AEMO must advise the *Information Exchange Committee* of the final budget for the *Information Exchange Committee* for that *financial year*.
- (e) The *Information Exchange Committee* must provide to AEMO the current version of the *B2B Procedures* and the *Information Exchange Committee Works Programme*.
- (f) AEMO must publish the *B2B Procedures* and the *Information Exchange Committee Works Programme* provided to it by the *Information Exchange Committee*.

7.17.8 Obligations of Members

- (a) Each *Member* in performing his or her duties or in exercising any right, power or discretion as a *Member* must:
 - (1) have regard to the *national electricity objective* and *B2B factors*; and
 - (2) seek to give effect to the *B2B Principles*,and must:
 - (1) at all times act honestly;
 - (2) exercise the degree of care and diligence that a reasonable person in a like position would exercise;
 - (3) not make improper use of information acquired by virtue of his or her position to gain, directly or indirectly, an advantage for himself or herself, or the parties by which he or she is employed and/or which nominated him or her to be a *Member*;
 - (4) not make improper use of his or her position to gain, directly or indirectly, an advantage for himself or herself or the parties by which he or she is employed and/or which nominated him or her to be a *Member*; and
 - (5) not take part in any decision or determination of the *Information Exchange Committee* where the *Member* has, or would reasonably be considered to have, a material conflict of interest in the matter to be decided or determined by the *Information Exchange Committee*.
- (b) For the purposes of subparagraph (a)(5), a conflict will be material if it detracts, or would reasonably be considered to be likely to detract, from the *Member's* capacity to exercise independent judgment in respect of the relevant decision or determination.

- (c) Notwithstanding subparagraph (a)(5) and paragraph (b), a *B2B Party* may take into account the interests of the persons it has been elected to represent in performing his or her duties or in exercising any right, power or discretion.
- (d) Notwithstanding subparagraph (a)(5) and paragraph (b), the *Consumer Member* may take into account the interests of *small customers* in performing his or her duties or in exercising any right, power or discretion.
- (e) Notwithstanding subparagraph (a)(5) and paragraph (b), the *Discretionary Member* may take into account the interests of the persons the *Discretionary Member* was appointed by *AEMO* to represent in performing his or her duties or in exercising any right, power or discretion.
- (f) Notwithstanding subparagraph (a)(5) and paragraph (b), the *AEMO Member* may take into account the interests of *AEMO* in performing his or her duties or in exercising any right, power or discretion.

7.17.9 Meetings of Information Exchange Committee

- (a) The *Information Exchange Committee* must meet at least once every three months.
- (b) The quorum for a meeting of the *Information Exchange Committee* consists of:
 - (1) if there are less than nine *Members*, five *Members*; and
 - (2) if there are nine *Members* or more, six *Members*,and must include the *AEMO Member*, except where the *AEMO Member* is unable to attend the meeting because he or she has, or would reasonably be considered to have, a material conflict of interest in the matter to be decided or determined by the *Information Exchange Committee* at the meeting.
- (c) A decision of the *Information Exchange Committee* is not valid and enforceable unless, in respect of:
 - (1) an *Information Exchange Committee Recommendation*, it has the support of a *super majority*;
 - (2) any decision that a proposal under clause 7.17.4(f) should not be considered further after initial consideration under clause 7.17.4(g), and any decision to not recommend a change to the *B2B Procedures* for approval by *AEMO*, it has the support of a *super majority*;
 - (3) any decision to approve the *Information Exchange Committee Works Programme*, it has the support of a *super majority*; and
 - (4) any other decision by the *Information Exchange Committee*, it has the support of an *ordinary majority*.

7.17.10 Nomination, election and appointment of Members

- (a) A person may only be nominated and elected as a *Member* in accordance with the *Information Exchange Committee Election Procedures* and the *Rules* including, without limitation, this clause 7.17.10 and clause 7.17.11.

- (b) *AEMO* must appoint a *Consumer Member*. Prior to making such appointment, *AEMO* must consult with Energy Consumers Australia and may consult with any other person or persons determined by *AEMO*.
- (c) *AEMO* must appoint an *AEMO Member* and the *AEMO Member* must be a director of *AEMO*.
- (d) *AEMO* must appoint at least two, but may appoint up to four, *Discretionary Members* to represent a class or classes of persons who, in *AEMO*'s reasonable opinion, have an interest in the *B2B Procedures* and those interests are not adequately represented on the *Information Exchange Committee*. Prior to making such appointments, *AEMO* may consult with any person or persons determined by *AEMO*.
- (e) *Distribution Network Service Providers* must elect a *Distribution Network Service Provider Member*.
- (f) *Retailer Member Voters* must elect a *Retailer Member*.
- (g) *Metering Member Voters* must elect a *Metering Member*.
- (h) *Third Party B2B Participants* must elect a *Third Party B2B Participant Member*.
- (i) Any person who is:
 - (1) both a *retailer* and a *Local Retailer*, may nominate and vote only once in respect of the appointment of a *Retailer Member*; and
 - (2) registered with *AEMO* in two or more of the categories of *Metering Coordinator*, *Metering Provider* and *Metering Data Provider*, may nominate and vote only once in respect of the appointment of a *Metering Member*.
- (j) If two or more persons are *related bodies corporate* and belong to the same *Voter Category* (**related voters**) then only one of the related voters may nominate and vote in respect of an election for a *Distribution Network Service Provider Member*, a *Retailer Member*, *Metering Member* or *Third Party B2B Participant Member*, as the case may be.

7.17.11 Qualifications of Members

- (a) In this clause, being **Independent** of another person means:
 - (1) is not currently an employee or director of that person;
 - (2) is not:
 - (i) an employee of, or a partner in, any partnership; or
 - (ii) an employee of, or a director of, any company,which partnership or company is an adviser or consultant to that person, where such relationship is a significant source of income for that partnership or company; or
 - (3) an adviser or consultant to that person, where such relationship is a significant source of income for that adviser or consultant.

- (b) Each *B2B Party* must ensure that a person they nominate as a *Member* satisfies the requirements for that particular category of *Member* as set out in the *Information Exchange Committee Election Procedures* and the *Rules*.
- (c) A *B2B Party* must ensure that a person they nominate as a *Member*:
 - (1) has knowledge of and experience in the *National Electricity Market*;
 - (2) in relation to *Members* voted by a particular *Voter Category*, has experience with and skills in considering, issues that affect the relevant *Voter Category*.
 - (3) has knowledge of the subject matter of *B2B Procedures*; and
 - (4) has knowledge and understanding of the *Rules* and the related legislative and regulatory framework.
- (d) *AEMO* must ensure that an appointee for a *Discretionary Member* or the *Consumer Member*:
 - (1) has knowledge of and experience with the *National Electricity Market*;
 - (2) has experience with and skills in considering issues that affect:
 - (i) in respect of a *Discretionary Member*, the class or classes of persons whom the *Discretionary Member* represents (as specified in the register kept pursuant to clause 7.17.6(c)); and
 - (ii) in respect of the *Consumer Member*, *small customers*;
 - (3) has knowledge of the subject matter of *B2B Procedures*;
 - (4) has knowledge and understanding of the *Rules* and the related legislative and regulatory framework; and
 - (5) in the case of the *Discretionary Member*, is Independent of *AEMO*.

7.17.12 Information Exchange Committee Election Procedures and Information Exchange Committee Operating Manual

- (a) The *Information Exchange Committee*, *AEMO* and *B2B Parties* must comply with the *Information Exchange Committee Election Procedures* and the *Information Exchange Committee Operating Manual*.
- (b) *B2B Parties* and *AEMO* are not obliged to comply with an amendment to the *Information Exchange Committee Election Procedures* unless that amendment is made in accordance with this clause.
- (c) The *Information Exchange Committee Election Procedures* may only be amended in accordance with the procedure set out in the *Information Exchange Committee Election Procedures* and with the support of not less than 75% of voters in each of at least three of the *Voter Categories* for the following *Members*:
 - (1) *Distribution Network Service Provider Member*;
 - (2) *Retailer Member*;
 - (3) *Metering Member*; and
 - (4) *Third Party B2B Participant Member*.

- (d) *AEMO must publish the current version of the Information Exchange Committee Election Procedures.*
- (e) *B2B Parties and AEMO are not obliged to comply with an amendment to the Information Exchange Committee Operating Manual unless that amendment is made in accordance with this clause.*
- (f) *The Information Exchange Committee Operating Manual may only be amended in accordance with the procedure set out in the Information Exchange Committee Election Procedures and with the support of not less than 75% of voters in each of at least three of the Voter Categories for the following Members:*
 - (1) *Distribution Network Service Provider Member;*
 - (2) *Retailer Member;*
 - (3) *Metering Member;* and
 - (4) *Third Party B2B Participant Member.*
- (g) *AEMO must publish the current version of the Information Exchange Committee Operating Manual.*

7.17.13 Cost Recovery

- (a) *The B2B costs must be paid by AEMO in the first instance and recouped by AEMO as Participant fees.*
- (b) *Subject to paragraph (a), the costs of any Member relating to their participation in the Information Exchange Committee and the costs of individuals relating to their participation in the Information Exchange Committee Working Groups is not to be borne by AEMO.*
- (c) *The cost to a person of implementing and maintaining the necessary systems and processes to ensure compliance with B2B Procedures must be met by that person.*

Schedule 7.1 Metering register

S7.1.1 General

- (a) *The metering register forms part of the metering database and holds static metering information associated with metering installations defined by the Rules that determines the validity and accuracy of metering data.*
- (b) *The purpose of the metering register is to facilitate:*
 - (1) *the registration of connection points, metering points and affected Registered Participants;*
 - (2) *the verification of compliance with the Rules; and*
 - (3) *the auditable control of changes to the registered information.*

S7.1.2 Metering register information

Metering information to be contained in the metering register should include, but is not limited to the following:

- (a) *Connection and metering point* reference details, including:
 - (1) agreed locations and reference details (eg drawing numbers);
 - (2) loss compensation calculation details;
 - (3) site identification names;
 - (4) details of *Market Participants* and *Local Network Service Providers* associated with the *connection point* and the *Embedded Network Manager* in relation to a *child connection point*;
 - (5) details of the *Metering Coordinator*; and
 - (6) transfer date for *Second-Tier Customer* and *Non-Registered Second-Tier Customer metering data* (i.e. to another *Market Customer*).
- (b) The identity and characteristics of *metering* equipment (ie *instrument transformers*, *metering installation* and *check metering installation*), including:
 - (1) serial numbers;
 - (2) *metering installation* identification name;
 - (3) *metering installation* types and models;
 - (4) *instrument transformer* ratios (available and connected);
 - (5) current test and calibration programme details, test results and references to test certificates;
 - (6) asset management plan and testing schedule;
 - (7) calibration tables, where applied to achieve *metering installation* accuracy;
 - (8) *Metering Provider(s)* and *Metering Data Provider(s)* details;
 - (9) summation scheme values and multipliers; and
 - (10) data register coding details.
- (c) Data communication details, including:
 - (1) telephone number(s) for access to *energy data*;
 - (2) communication equipment type and serial numbers;
 - (3) communication protocol details or references;
 - (4) data conversion details;
 - (5) user identifications and access rights; and
 - (6) 'write' password (to be contained in a hidden or protected field).
- (d) Data validation, substitution and estimation processes agreed between affected parties, including:
 - (1) algorithms;
 - (2) data comparison techniques;
 - (3) processing and alarms (eg *voltage* source limits; phase angle limits);

- (4) *check metering* compensation details; and
- (5) alternate data sources.
- (e) Data processing prior to the *settlement* process, including algorithms for:
 - (1) *generation* half-hourly 'sent out' calculation;
 - (2) customer half-hourly *load* calculation; and
 - (3) *Local Retailer* net *load* calculation.

Schedule 7.2 Metering Provider

S7.2.1 General

- (a) A *Metering Provider* must be accredited by and registered by *AEMO*. *AEMO* must accredit and register a *Metering Provider* only for the type of work the *Metering Provider* is qualified to provide.
- (b) *AEMO* must establish a qualification process for *Metering Providers* that enables registration to be achieved in accordance with the requirements of this Schedule 7.2.
- (c) A *Metering Provider* must have the necessary licences in accordance with appropriate State and Territory requirements.
- (d) A *Metering Provider* must ensure that any *metering* equipment it installs is suitable for the range of operating conditions to which it will be exposed (e.g. temperature; impulse levels), and operates within the defined limits for that equipment.

S7.2.2 Categories of registration

- (a) Registrations for *Metering Providers* in relation to the provision, installation and maintenance of *metering installation* types 1, 2, 3, 4 and 4A must be categorised in accordance with Tables S7.2.2.1, S7.2.2.2 and S7.2.2.3, or other procedures approved by *AEMO*.
- (b) Registrations for *Metering Providers* in relation to the provision, installation and maintenance (unless otherwise specified) of *metering installation* types 5 and 6 must be categorised in accordance with Table S7.2.2.4 with the capabilities established in the *metrology procedures*.
- (c) Registration for *Metering Providers* in relation to the provision, installation and maintenance of *small customer metering installations* must be categorised in accordance with Tables S7.2.2.2 and satisfy the requirements in clause S7.2.5.
- (d) *AEMO* may establish *Accredited Service Provider categories* of registration for a *Metering Provider* in accordance with clause S7.2.6.

Table S7.2.2.1 Categories of registration for accreditation

Category	Competency
1C	Class 0.2 CTs with < 0.1% uncertainty.

Category	Competency
1V	Class 0.2 VTs with < 0.1% uncertainty.
1M	Class 0.2 Wh meters with < 0.1/cosφ% uncertainty and class 0.5 varh meters with <0.3/sinφ uncertainty.
1A	Class 0.2 CTs, VTs, Wh meters; class 0.5 varh meters; the total installation to 0.5%. Wh with < 0.2% uncertainty at unity <i>power factor</i> ; 1.0% for varh with <0.4% uncertainty at zero <i>power factor</i> .
2C	Class 0.5 CTs with < 0.2% uncertainty.
2V	Class 0.5 VTs with < 0.2% uncertainty.
2M	Class 0.5 Wh meters with < 0.2/cosφ uncertainty and class 1.0 varh meters with <0.4/sinφ uncertainty.
2A	Class 0.5 CTs, VTs, Wh meters; class 1.0 varh meters; the total installation to 1.0%. Wh with < 0.4% uncertainty at unity <i>power factor</i> ; 2.0% for varh with <0.5% uncertainty at zero <i>power factor</i> .

Table S7.2.2.2 Categories of registration for accreditation

Category	Competency
3M	Class 1.0 Wh meters with < 0.3/cosφ uncertainty and class 2.0 varh meters with <0.5/sinφ% uncertainty.
3A	Class 0.5 CTs, VTs; class 1.0 Wh meters; class 2.0% varh meters; the total installation to 1.5%. Wh with < 0.5% uncertainty at unity <i>power factor</i> ; 3.0% for varh with <0.6% uncertainty at zero <i>power factor</i> .
4M	Class 1.0 Wh meters and class 1.5 Wh meters with <0.3/cosφ% uncertainty.
4A	Class 1.0 Wh meters and class 1.5 Wh meters with <0.3/cosφ% uncertainty.
4S	Class 1.0Wh meters and class 1.5 Wh meters with <0.3/cosφ% uncertainty.

Table S7.2.2.3 Categories of registration for accreditation

Category	Competency
L	Approved <i>communications interface</i> installer

Table S7.2.2.4 Categories of registration for accreditation

Category	Competency
5A Installation only	Class 1.0 and class 1.5 whole current Wh <i>meters</i> with $<0.3/\cos\Phi\%$ uncertainty.
6A Installation only	Class 1.5 whole current Wh <i>meters</i> with $<0.3/\cos\Phi\%$ uncertainty.
5B	Class 1.0 and class 1.5 whole current or CT connected Wh <i>meters</i> with $<0.3/\cos\Phi\%$ uncertainty.
6B	Class 1.5 whole current or CT connected Wh <i>meters</i> with $0.3\leq/\cos\Phi\%$ uncertainty.

S7.2.3 Capabilities of Metering Providers for metering installations types 1, 2, 3, 4 and 4A

Category 1A, 2A, 3A and 4M *Metering Providers* must be able to exhibit the following capabilities to the reasonable satisfaction of AEMO:

- (a) Detailed design and specification of *metering* schemes, including:
 - (1) knowledge and understanding of this Chapter 7;
 - (2) knowledge of equipment (*meters*, *current transformers* and where applicable *voltage transformers*);
 - (3) design experience including knowledge of *current transformers* and where applicable *voltage transformers* and the effect of burdens on performance;
 - (4) ability to calculate summation scheme values, multipliers, etc; and
 - (5) ability to produce documentation, such as single line diagrams, panel layouts and wiring diagrams.
- (b) Programming and certification requirements for *metering installations* to the required accuracy, including:
 - (1) licensed access to *metering* software applicable to all equipment being installed by the *Metering Provider*;
 - (2) ability to program requirements by setting variables in *meters*, summators, modems, etc;
 - (3) management of the testing of all equipment to the accuracy requirements specified in this Chapter 7;
 - (4) certifications that all calibration and other *meter* parameters have been set, verified and recorded prior to *meters*, and other components of the *metering installation* being released for installation;

- (5) all reference/calibration equipment for the purpose of meeting test or inspection obligations must be tested to ensure full traceability to test certificates issued by a *NATA* accredited body or a body recognised by *NATA* under the International Laboratory Accreditation Corporation (**ILAC**) mutual recognition scheme and documentation of the traceability must be provided to *AEMO* on request; and
 - (6) compliance with ISO/IEC Guide 25 "General Requirements for the Competence of Calibration and Testing Laboratories" with regard to the calculation of uncertainties and accuracy.
- (c) Installation and commissioning of *metering installations* and, where necessary, the *communications interface* to facilitate the *remote acquisition* of *metering data*, including:
 - (1) the use of calibrated test equipment to perform primary injection tests and field accuracy tests;
 - (2) the availability of trained and competent staff to install and test *metering installations* to determine that installation is correct; and
 - (3) the use of test procedures to confirm that the *metering installation* is correct and that *metering* constants are recorded and/or programmed correctly.
- (d) Inspection and maintenance of *metering installations* and equipment, including:
 - (1) regular readings of the measurement device where external recording is used (6 monthly) and verification with *AEMO* records;
 - (2) approved test and inspection procedures to perform appropriate tests as detailed in this Chapter 7;
 - (3) calibrated field test equipment for primary injection and *meter* testing to the required levels of uncertainty; and
 - (4) secure documentation system to maintain *metering* records for all work performed on a *metering installation*, including details of the security method used.
- (e) Verification of *metering data* and *check metering data*, as follows:
 - (1) on commissioning *metering data*, verification of all readings, constraints (adjustments) and multipliers to be used for converting raw data to consumption data; and
 - (2) on inspection, testing and/or maintenance, verification that readings, constants and multipliers are correct by direct conversion of *meter* readings and check against the *metering database*.
- (f) Quality System as AS 9000 series standards, including:
 - (1) a quality system to AS/NZ ISO 9000 series applicable to the work to be performed:
 - Type 1 full implementation of AS/NZ ISO 9002;
 - Type 2 full implementation of AS/NZ ISO 9002;

Type 3 – implementation of AS/NZ ISO 9002 to a level agreed with *AEMO*;

Type 4 implementation of AS/NZ ISO 9002 to a level agreed with *AEMO*;

Type 4A – implementation of AS/NZ ISO 9002 to a level agreed with *AEMO*;

- (2) the calculations of accuracy based on test results are to include all reference standard errors;
 - (3) an estimate of Testing Uncertainties which must be calculated in accordance with the ISO “Guide to the Expression of Uncertainty in Measurement”; and
 - (4) a knowledge and understanding of the appropriate standards and guides, including those in the *Rules*.
- (g) All of the capabilities relevant to that type of *metering installation* which are set out in the *Rules* and procedures authorised under the *Rules*.

S7.2.4 Capabilities of Metering Providers for metering installations types 5 and 6

Metering Providers, who apply for categories of *Metering Provider* accreditation of *metering installations* types 5 and/or 6, must be able to exhibit, to the reasonable satisfaction of *AEMO* all of the capabilities relevant to that type of *metering installation* which are set out in the *Rules* and procedures authorised under the *Rules*.

S7.2.5 Capabilities of Metering Providers for small customer metering installations

Category 4S *Metering Providers* must be able to exhibit, to the reasonable satisfaction of *AEMO*:

- (a) all of the capabilities in S7.2.3; and
- (b) the establishment of an appropriate security control management plan and associated infrastructure and communications systems for the purposes of preventing unauthorised local access or remote access to *metering installations*, services provided by *metering installations* and *energy data* held in *metering installations*.

S7.2.6 Capabilities of the Accredited Service Provider category

- (a) The *Accredited Service Providers categories* established by *AEMO* under clause S7.2.2(d) may perform work relating to the installation of any types 1, 2, 3, 4, 4A, 5 or 6 *metering installations*.
- (b) *AEMO* must include *Accredited Service Provider categories* in the accreditation guidelines prepared and *published* under clause 7.4.1(c).
- (c) *AEMO* may determine:
 - (1) the competencies of a *Metering Provider* registered in each *Accredited Service Provider category* provided that those competencies are

consistent with any capabilities established in the *metrology procedure* in respect of the work performed under paragraph (a); and

- (2) different competencies for each *Accredited Service Provider category* for each *participating jurisdiction*.

Schedule 7.3 Metering Data Provider

S7.3.1 General

- (a) A *Metering Data Provider* must be accredited by and registered by *AEMO*.
- (b) *AEMO* must accredit and register a *Metering Data Provider* only for the type of work the *Metering Data Provider* is qualified to provide.
- (c) *AEMO* must establish a qualification process for *Metering Data Providers* that enables registration to be achieved in accordance with the requirements of this Schedule 7.3.

S7.3.2 Categories of registration

Categories of registration are set out in Table S7.3.2.1.

Table S7.3.2.1 Categories of registration for accreditation

<i>Metering installation type</i>	<i>Categories of registration</i>	
1, 2 3 and/or 4	Category 1D, 2D, 3D and/or 4D (for <i>remote acquisition</i> , processing and delivery of <i>metering data</i> for <i>connection points</i>)	Category 4S (for <i>small customer metering installations</i> in relation to <i>remote acquisition</i> , processing and delivery of <i>metering data</i> for <i>connection points</i>)
4A, 5 and/or 6	Category 4AC, 5C and/or 6C (for manual collection or <i>remote acquisition</i> of <i>metering data</i>)	Category 4AD, 5D and/or 6D (for manual collection, processing and delivery of <i>metering data</i> or for <i>remote acquisition</i> , processing and delivery of <i>metering data</i>)
7	Category 7D (for processing and delivery of <i>calculated metering data</i>)	

S7.3.3 Capabilities of Metering Data Providers

Metering Data Providers must be able to exhibit to the reasonable satisfaction of *AEMO* the following capabilities, as applicable, for the categories of *Metering Data Provider* accreditation sought:

- (a) Detailed understanding of the *Rules*, and all procedures authorised under the *Rules* including the relevant *service level procedures* relating to the function of a *Metering Data Provider* and the carrying out of *metering data services*.
- (b) Detailed understanding of the participant role relationships and obligations that exist between the *Metering Data Provider*, *Metering Provider*, *financially responsible Market Participant*, *off-market retailer*, *Local Network Service Provider*, *AEMO* and the *Metering Coordinator*.
- (c) An understanding of *metering* arrangements, including knowledge of *metering* equipment (*meters*, *current transformers* and *voltage transformers*).
- (d) Authorised access to *metering* software for the:
 - (1) collection of *metering data*;
 - (2) establishment, maintenance and operation of a *metering data services database* for the storage and management of *metering data* and *NMI Standing Data*; and
 - (3) the validation, substitution and estimation of *metering data*.
- (e) Processes and systems for the collection of *metering data* including:
 - (1) knowledge of manual collection and *remote acquisition* of *metering data* (as applicable);
 - (2) collection technologies and methodologies; and
 - (3) *metering* protocols and equipment.
- (f) Systems for the processing of *metering data* including:
 - (1) processes for the verification and commissioning of *metering data* and relevant *NMI Standing Data* pertaining to each *metering installation* into the *metering data services database*;
 - (2) processes for validation, substitution and estimation of *metering data*;
 - (3) processes for the storage, adjustment and aggregation of *metering data*; and
 - (4) the secure storage of historical data.
- (g) Processes for the delivery of *metering data* and relevant *NMI Standing Data* to *Registered Participants* and *AEMO* including:
 - (1) delivery performance requirements for *metering data*; and
 - (2) an understanding of the relevant *metering data* file formats.
- (h) The availability of trained and competent staff to:
 - (1) read or interrogate the *metering installation*;
 - (2) collect and process *metering data* into the *metering data services database*;
 - (3) validate, substitute or estimate *metering data* as the case may be;
 - (4) maintain the physical and logical security of the *metering data services database* and only allow access to *metering data* by those persons entitled to receive *metering data*; and

- (5) ensure the ongoing performance and availability of the collection process and the *metering data services database* are maintained inclusive of necessary system supports for backup, archiving and disaster recovery.
- (i) The establishment of a quality system which will:
 - (1) underpin all operational documentation, processes and procedures;
 - (2) facilitate good change control management of procedures, IT systems and software;
 - (3) provide audit trail management of *metering data* and *NMI Standing Data*;
 - (4) maintain a security control management plan;
 - (5) maintain security controls and data integrity; and
 - (6) maintain knowledge and understanding of the *Rules* and relevant procedures, standards and guides authorised under the *Rules*.
- (j) Understanding of the required logical interfaces necessary to support the provision of *metering data services* including the interfaces needed to:
 - (1) access *AEMO's* systems for the management and delivery of *metering data*;
 - (2) support *B2B procedures*; and
 - (3) support *Market Settlement and Transfer Solution Procedures* for delivery and update of *NMI Standing Data*.

S7.3.4 Capabilities of Metering Data Providers for small customer metering installations

Category 4S *Metering Data Providers* must be able to exhibit, to the reasonable satisfaction of *AEMO*:

- (a) all the capabilities in S7.3.3; and
- (b) the establishment of an appropriate security control management plan and associated infrastructure and communications systems for the purposes of preventing unauthorised local access or remote access to *metering installations*, services provided by *metering installations* and *energy data* held in *metering installations*.

Schedule 7.4 Types and Accuracy of Metering installations

S7.4.1 General requirements

- (a) This Schedule 7.4 sets out the minimum requirements for *metering installations*.

S7.4.2 Metering installations commissioned prior to 13 December 1998

- (a) This clause provides conditions that are to apply to *metering installations* that were commissioned prior to 13 December 1998.

- (b) The use of *metering class current transformers* and *voltage transformers* that are not in accordance with Table S7.4.3.1 are permitted provided that where necessary to achieve the overall accuracy requirements:
 - (1) *meters* of a higher class accuracy are installed; and/or
 - (2) calibration factors are applied within the *meter* to compensate for *current transformer* and *voltage transformer* errors.
- (c) Protection *current transformers* are acceptable where there are no suitable *metering class current transformers* available and the overall accuracy and performance levels can be met.
- (d) Where the requirements of paragraph (b) and (c) cannot be achieved then the *Metering Coordinator* is required to comply with transitional arrangements or obtain an exemption from AEMO or upgrade the *metering installation* to comply with this Schedule 7.4.
- (e) The arrangements referred to in paragraph (d) may remain in force while the required accuracy and performance can be maintained within the requirements of the *Rules*.
- (f) The purchase of new *current transformers* and *voltage transformers* must comply with the *Rules*.

S7.4.3 Accuracy requirements for metering installations

Table S7.4.3.1 Overall Accuracy Requirements of Metering Installation Components

Type	Volume limit per annum per connection point	Maximum allowable overall error ($\pm\%$) at full load (Item 6) active reactive		Minimum acceptable class or standard of components	Metering installation clock error (seconds) in reference to EST
1	greater than 1000GWh	0.5	1.0	0.2CT/VT/ <i>meter</i> Wh 0.5 <i>meter</i> varh	± 5
2	100 to 1000GWh	1.0	2.0	0.5CT/VT/ <i>meter</i> Wh 1.0 <i>meter</i> varh	± 7
3	0.75 to less than 100 GWh	1.5	3.0	0.5CT/VT 1.0 <i>meter</i> Wh 2.0 <i>meter</i> varh (Item 1)	± 10
4	less than 750 MWh (Item 2)	1.5	n/a	Either 0.5 CT and 1.0 <i>meter</i> Wh; or whole current general purpose <i>meter</i> Wh:	± 20 (Item 2a)

Type	Volume limit per annum per connection point	Maximum allowable overall error ($\pm\%$) at full load (Item 6) active reactive		Minimum acceptable class or standard of components	Metering installation clock error (seconds) in reference to EST
				<ul style="list-style-type: none"> meets requirements of clause 7.8.2(a)(9); and meets the requirements of clause 7.10.7(a). (Item 1)	
4A	less than x MWh Item 3	1.5	3.0	Either 0.5 CT and 1.0 meter Wh; or whole current general purpose meter Wh: <ul style="list-style-type: none"> meets the requirements of clause 7.8.2(a)(10); and has the capability, if remote access is activated, of providing the services in table S7.5.1.1; and meets the requirements of clause 7.10.7(d). 	± 20 (Item 2a)
5	less than x MWh (Item 3)	1.5 (Item 3b)	n/a	Either 0.5 CT and 1.0 meter Wh; or whole current connected general purpose meter wh: <ul style="list-style-type: none"> meets requirements of clause 7.8.2(a)(10); and meets the requirements of clause 7.10.7(d). (Item 1)	' $\pm/-20$ ' (Item 3a)

Type	Volume limit per annum per connection point	Maximum allowable overall error ($\pm\%$) at full load (Item 6) active reactive		Minimum acceptable class or standard of components	Metering installation clock error (seconds) in reference to EST
6	less than y MWh (Item 4)	2.0 (Item 4b)	n/a	CT or whole current general purpose <i>meter</i> Wh recording <i>accumulated energy data</i> only. Processes used to convert the <i>accumulated metering data</i> into <i>trading interval metering data</i> and <i>estimated metering data</i> where necessary are included in the <i>metrology procedure</i> . (Item 1)	(Item 4a)
7	volume limit not specified (Item 5)	(Item 6)	n/a	No <i>meter</i> . The <i>metering data</i> is <i>calculated metering data</i> determined in accordance with the <i>metrology procedure</i> .	n/a

- Item 1:
- (a) For a type 3, 4, 4A and 5 and 6 *metering installation*, whole current *meters* may be used if the *meters* meet the requirements of the relevant *Australian Standards* and International Standards which must be identified in the *metrology procedure*.
 - (b) The *metering installation* types referred to in paragraph (a) must comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the *National Measurement Act*.
- Item 2: *High voltage* customers that require a VT and whose annual consumption is below 750 MWh, must meet the relevant accuracy requirements of Type 3 *metering* for *active energy* only.
- Item 2a: For the purpose of clarification, the clock error for a type 4 and 4A *metering installation* may be relaxed in the *metrology procedure* to accommodate evolving whole current technologies.
- Item 3: The following requirements apply in relation to a type 4A and type 5 *metering*

installation:

- (1) the value of "x" must be determined by each *Minister* of a *participating jurisdiction* and:
 - (i) the "x" value must be provided to *AEMO*; and
 - (ii) *AEMO* must record the "x" value in the *metrology procedure*;
- (2) the maximum acceptable value of "x" determined under subparagraph (1) must be 750 MWh per annum; and

Item 3a: For the purpose of clarification, the clock error for a type 5 *metering installation* may be relaxed in the *metrology procedure* to accommodate evolving whole current technologies.

Item 3b: The maximum allowable error of a type 5 *metering installation* may be relaxed in the *metrology procedure* to accommodate evolving technologies providing that such relaxation is consistent with any regulations published under the *National Measurement Act*.

Item 4: The following requirements apply in relation to a type 6 *metering installation*:

- (1) a *metrology procedure* must include a procedure relating to converting *active energy* into *metering data*;
- (2) the value of "y" must be determined by each *Minister* of a *participating jurisdiction* and:
 - (i) the "y" value must be provided to *AEMO*; and
 - (ii) *AEMO* must record the "y" value in the *metrology procedure*;
- (3) the maximum acceptable value of "y" determined under subparagraph (2) must be 750 MWh per annum;
- (4) devices within the *metering installation* may record *accumulated energy data* in pre determined daily time periods where such time periods are contained in the *metrology procedure*.

Item 4a: Any relevant clock errors for a type 6 *metering installation* are to be established in the *metrology procedure*.

Item 4b: The maximum allowable error of a type 6 *metering installation* may be relaxed in the *metrology procedure* providing that such relaxation is consistent with any regulations published under the *National Measurement Act*.

- Item 5:
- (a) A type 7 *metering installation* classification applies where a *metering installation* does not require a *meter* to measure the flow of electricity in a power conductor and accordingly there is a requirement to determine by other means the *metering data* that is deemed to correspond to the flow of electricity in the power conductor.
 - (b) The condition referred to in paragraph (a) will only be allowed for *connection points* where *AEMO* in consultation with the *Metering Coordinator* determines:

- (1) the *load* pattern is predictable;
- (2) for the purposes of *settlements*, the *load* pattern can be reasonably calculated by a relevant method set out in the *metrology procedure*; and
- (3) it would not be cost effective to meter the *connection point* taking into account:
 - (i) the small magnitude of the *load*;
 - (ii) the *connection* arrangements; and
 - (iii) the geographical and physical location.
- (c) The *metrology procedure* must include arrangements for type 7 *metering installations* that have been classified as *market loads*.
- (d) A *connection point* that meets the condition for classification as a type 7 *metering installation* does not prevent that *connection point* from being subject to *metering* in the future.

Item 6: The maximum allowable overall error ($\pm\%$) at different *loads* and *power factors* is set out in Table S7.4.3.2 to Table S7.4.3.6.

Table S7.4.3.2 Type 1 Installation – Annual Energy Throughput greater than 1,000 GWh

% Rated Load	Power Factor					
	Unity	0.866 lagging		0.5 lagging		Zero
	active	active	reactive	active	reactive	reactive
10	1.0%	1.0%	2.0%	n/a	n/a	1.4%
50	0.5%	0.5%	1.0%	0.7%	1.4%	1.0%
100	0.5%	0.5%	1.0%	n/a	n/a	1.0%

Table S7.4.3.3 Type 2 Installation – Annual Energy Throughput between 100 and 1,000 GWh

% Rated Load	Power Factor					
	Unity	0.866 lagging		0.5 lagging		Zero
	active	active	reactive	active	reactive	reactive
10	2.0%	2.0%	4.0%	n/a	n/a	2.8%
50	1.0%	1.0%	2.0%	1.5%	3.0%	2.0%
100	1.0%	1.0%	2.0%	n/a	n/a	2.0%

Table S7.4.3.4 Type 3 Installation – Annual Energy Throughput from 0.75 GWh to less than 100 GWh and Type 4A Installation - Annual Energy Throughput less than 0.75 GWh

% Rated Load	Power Factor					
	Unity	0.866 lagging		0.5 lagging		Zero
	active	active	reactive	active	reactive	reactive
10	2.5%	2.5%	5.0%	n/a	n/a	4.0%
50	1.5%	1.5%	3.0%	2.5%	5.0%	3.0%
100	1.5%	1.5%	3.0%	n/a	n/a	3.0%

Table S7.4.3.5 Type 4 or 5 Installation – Annual Energy Throughput less than 0.75 GWh

% Rated Load	Power Factor		
	Unity	0.866 lagging	0.5 lagging
	active	active	active
10	2.5%	2.5%	n/a
50	1.5%	1.5%	2.5%
100	1.5%	1.5%	n/a

Table S7.4.3.6 Type 6 Installation – Annual Energy Throughput less than 0.75 GWh

% Rated Load	Power Factor		
	Unity	0.866 lagging	0.5 lagging
	active	active	active
10	3.0%	n/a	n/a
50	2.0%	n/a	3.0%
100	2.0%	n/a	n/a

Note:

All measurements in Tables S7.4.3.2 – S7.4.3.6 are to be referred to 25 degrees Celsius.

- (a) The method for calculating the overall error is the vector sum of the errors of each component part (that is, $a + b + c$) where:
- a = the error of the *voltage transformer* and wiring;
 - b = the error of the *current transformer* and wiring; and
 - c = the error of the *meter*.

- (b) If compensation is carried out then the resultant *metering data* error shall be as close as practicable to zero.

S7.4.4 Check metering

- (a) *Check metering* is to be applied in accordance with the following Table:

Metering Installation Type in accordance with Table S7.2.3.1	Check Metering Requirements
1	<i>Check metering installation</i>
2	Partial <i>check metering</i>
3	No requirement
4, 4A, 5 and 6	No requirement

- (b) A *check metering installation* involves either:
- (1) the provision of a separate *metering installation* using separate *current transformer* cores and separately fused *voltage transformer* secondary circuits, preferably from separate secondary windings: or
 - (2) if in AEMO's absolute discretion it is considered appropriate, in the case of a *metering installation* located at the *facility* at one end of the *two-terminal link*, a *metering installation* located at the *facility* at the other end of a *two-terminal link*.
- (c) Where the *check metering installation* duplicates the *metering installation* and accuracy level, the average of the two validated data sets will be used to determine the *energy* measurement.
- (d) Partial *check metering* involves the use of other *metering data* or operational data available to AEMO in 30 min electronic format as part of a validation process in accordance with the *metrology procedure*.
- (e) The physical arrangement of partial *check metering* shall be agreed between the *Metering Coordinator* and AEMO.
- (f) *Check metering installations* may be supplied from secondary circuits used for other purposes and may have a lower level of accuracy than the *metering installation*, but must not exceed twice the level prescribed for the *metering installation*.

S7.4.5 Resolution and accuracy of displayed or captured data

Programmable settings available within a *metering installation* or any peripheral device, which may affect the resolution of displayed or stored data, must:

- (a) meet the requirements of the relevant *Australian Standards* and International Standards which must be identified in the *metrology procedure*; and
- (b) comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the *National Measurement Act*.

S7.4.6 General design standards

S7.4.6.1 Design requirements

Without limiting the scope of detailed design, the following requirements must be incorporated in the design of each *metering installation*:

- (a) For *metering installations* greater than 1000 GWh pa per *connection point*, the *current transformer* core and secondary wiring associated with the *meter(s)* shall not be used for any other purpose unless otherwise agreed by AEMO.
- (b) For *metering installations* less than 1000 GWh pa per *connection point* the *current transformer* core and secondary wiring associated with the *meter(s)* may be used for other purposes (e.g. local *metering* or protection) provided the *Metering Coordinator* demonstrates to the satisfaction of AEMO that the accuracy of the *metering installation* is not compromised and suitable procedures/measures are in place to protect the security of the *metering installation*.
- (c) Where a *voltage transformer* is required, if separate secondary windings are not provided, then the *voltage* supply to each *metering installation* must be separately fused and located in an accessible position as near as practical to the *voltage transformer* secondary winding.
- (d) Secondary wiring must be by the most direct route and the number of terminations and links must be kept to a minimum.
- (e) The incidence and magnitude of burden changes on any secondary winding supplying the *metering installation* must be kept to a minimum.
- (f) *Meters* must:
 - (1) meet the requirements of relevant *Australian Standards* and *International Standards* which must be identified in the *metrology procedure*; and
 - (2) have a valid pattern approval issued under the authority of the National Measurement Institute or, until relevant pattern approvals exist, a valid type test certificate.
- (g) New *instrument transformers* must:
 - (1) meet the requirements of relevant *Australian Standards* and *International Standards* which must be identified in the *metrology procedure*; and
 - (2) have a valid pattern approval issued under the authority of the National Measurement Institute or, until relevant pattern approvals exist, a valid type test certificate.
- (h) Suitable *isolation* facilities are to be provided to facilitate testing and calibration of the *metering installation*.
- (i) Suitable drawings and supporting information, detailing the *metering installation*, must be available for maintenance and auditing purposes.

S7.4.6.2 Design guidelines

In addition to the above design requirements, the following guidelines should be considered for each *metering installation*:

- (a) The provision of separate secondary windings for each *metering installation* where a *voltage transformer* is required.
- (b) A *voltage* changeover scheme where more than one *voltage transformer* is available.

Schedule 7.5 Requirements of minimum services specification

S7.5.1 Minimum services specification

A *metering installation* meets the *minimum services specification* if it:

- (a) subject to paragraph (d), is capable of providing the services listed in table S7.5.1.1 in accordance with the procedures made under clause 7.8.3;
- (b) is connected to a *telecommunications network* which enables remote access to the *metering installation*;
- (c) achieves the maximum allowable overall error ($\pm\%$) at rates not exceeding the rates set out in table S7.4.3.4; and
- (d) in relation to a *metering installation* that is connected to a *current transformer*, is capable of providing the services listed in items (c) to (f) in table S7.5.1.1 in accordance with procedures made under clause 7.8.3.

Table S7.5.1.1 Minimum Services Specification – services and access parties

1. Service	2. Description	3. Access Party
(a) remote <i>disconnection</i> service	The remote <i>disconnection</i> of a <i>small customer's</i> premises via the <i>metering installation</i> .	<i>Local Network Service Provider</i> <i>financially responsible Market Participant</i>
(b) remote <i>reconnection</i> service	The remote <i>reconnection</i> of a <i>small customer's</i> premises via the <i>metering installation</i> .	<i>Local Network Service Provider</i> <i>financially responsible Market Participant</i> <i>Incoming Retailer</i>
(c) remote on-demand <i>meter</i> read service	The remote retrieval of <i>metering data</i> including quality flags for a specified point or points in time and the provision of such data to the requesting party. The service includes the retrieval and provision of: <ul style="list-style-type: none"> • <i>reactive energy</i> 	<i>Registered Participants</i> with a financial interest in the <i>metering installation</i> or the <i>energy</i> measured by that <i>metering installation</i> A person to whom a <i>small customer</i> has given its consent under clause 7.15.4(b)(3)(ii)

1. Service	2. Description	3. Access Party
	<p><i>metering data</i> and/or <i>active energy metering data</i> (for imports and/or exports of <i>energy</i> measured by the <i>meter</i>);</p> <ul style="list-style-type: none"> • <i>interval metering data</i> and cumulative total <i>energy</i> measurement for the <i>metering installation</i>; and • <i>accumulated metering data</i> at the start and the end of the period specified in the request. 	
(d) remote scheduled <i>meter</i> read service	<p>The remote retrieval of <i>metering data</i> including quality flags on a regular and ongoing basis and the provision of such data to the requesting party. The service includes the retrieval and provision of:</p> <ul style="list-style-type: none"> • <i>reactive energy metering data</i> and/or <i>active energy metering data</i> (for imports and/or exports of <i>energy</i> measured by the <i>meter</i>); • <i>interval metering data</i> and cumulative total <i>energy</i> measurement for the <i>metering installation</i>; and • <i>accumulated metering data</i> at the start and the end of the period specified in the request. 	<p><i>Registered Participants</i> with a financial interest in the <i>metering installation</i> or the <i>energy</i> measured by that <i>metering installation</i></p> <p>A person to whom a <i>small customer</i> has given its consent under clause 7.15.4(b)(3)(ii)</p>
(e) <i>metering installation</i> inquiry service	<p>The remote retrieval of information from, and related to, a specified <i>metering installation</i> and the provision of such information to the requesting party. The <i>metering installation</i> must be</p>	<p><i>Local Network Service Provider</i></p> <p><i>financially responsible Market Participant</i></p> <p>A person to whom a <i>small customer</i> has given its consent</p>

1. Service	2. Description	3. Access Party
	<p>capable of providing the following information, as a minimum, when requested:</p> <ul style="list-style-type: none"> the status of the switch used to effect the <i>disconnection</i> and <i>reconnection</i> services; the <i>voltage</i> as measured by the <i>metering installation</i>, with a date and <i>time stamp</i> for that reading; the current as measured by the <i>metering installation</i>, with a date and <i>time stamp</i> for that reading; the power (watts) as measured by the <i>metering installation</i>, with a date and <i>time stamp</i> for that reading; the supply frequency (Hertz) as measured by the <i>metering installation</i>, with a date and <i>time stamp</i> for that reading; the average <i>voltage</i> and current over a nominated <i>trading interval</i> for one or more nominated <i>trading intervals</i>; and events that have been recorded in <i>meter</i> log (or logs) including recorded information in the tamper detection alarm, reverse energy flow alarm and <i>metering</i> device temperature alarm. 	under clause 7.15.4(b)(3)(ii)
(f) advanced <i>meter</i>	The remote setting of the	<i>Local Network Service</i>

1. Service	2. Description	3. Access Party
reconfiguration service	<p>operational parameters of the <i>meter</i>.</p> <p>The operational parameters that must be capable of being set are, as a minimum, the following:</p> <ul style="list-style-type: none"> the activation or deactivation of a data stream or data streams; and altering the method of presenting <i>energy data</i> and associated information on the <i>meter</i> display. 	<p><i>Provider</i></p> <p><i>financially responsible Market Participant</i></p>

Schedule 7.6 Inspection and Testing Requirements

S7.6.1 General

- (a) The *Metering Coordinator* must ensure that equipment comprised in a purchased *metering installation* has been tested to the required class accuracy with less than the uncertainties set out in Table S7.6.1.1.
- (b) The *Metering Coordinator* must ensure appropriate test certificates of the tests referred to in paragraph (a) are retained.
- (c) The *Metering Coordinator* (or any other person arranging for testing) must ensure that testing of the *metering installation* is carried out:
 - (1) in accordance with clause 7.9.1 and this Schedule 7.6; or
 - (2) in accordance with an asset management strategy that defines an alternative testing practice (other than time based) determined by the *Metering Coordinator* and approved by *AEMO*,

and:

 - (3) in accordance with a test plan which has been registered with *AEMO*;
 - (4) to the same requirements as for new equipment where equipment is to be recycled for use in another site; and
 - (5) so as to include all data storage and processing components included in the *metrology procedure*, including algorithms used to prepare agreed *load patterns*.
- (d) *AEMO* must review the prescribed testing requirements in this Schedule 7.6 every 5 years in accordance with equipment performance and industry standards.
- (e) The testing intervals may be increased if the equipment type/experience proves favourable.

- (f) The maximum allowable level of testing uncertainty (\pm) for all *metering* equipment must be in accordance with Table S7.6.1.1.

Table S7.6.1.1 Maximum Allowable Level of Testing Uncertainty (\pm)

Description		Metering Equipment Class				
		Class 0.2	Class 0.5	Class 1.0	General Purpose	Class 2.0
In Laboratory	CTs ratio phase	0.05% 0.07 crad	0.1% 0.15 crad	n/a	n/a	n/a
	VTs ratio Phase	0.05% 0.05 crad	0.1% 0.1 crad	n/a	n/a	n/a
	Meters Wh	0.05/cos ϕ %	0.1/cos ϕ %	0.2/cos ϕ %	0.2/cos ϕ %	n/a
	Meters varh	n/a	0.2/sin ϕ %	0.3/sin ϕ %	n/a	0.4/sin ϕ %
In Field	CTs ratio Phase	0.1% 0.15 crad	0.2% 0.3 crad	n/a	n/a	n/a
	VTs ratio Phase	0.1% 0.1 crad	0.2% 0.2 crad	n/a	n/a	n/a
	Meters Wh	0.1/cos ϕ %	0.2/cos ϕ %	0.3/cos ϕ %	0.3/cos ϕ %	n/a
	Meters varh	n/a	0.3/sin ϕ %	0.4/sin ϕ %	n/a	0.5/sin ϕ %

Where cos ϕ is the *power factor* at the test point under evaluation.

Table S7.6.1.2 Maximum Period Between Tests

Unless the *Metering Coordinator* has developed an asset management strategy that defines practices that meet the intent of this Schedule 7.6 and is approved by *AEMO*, the maximum period between tests must be in accordance with this Table S7.6.1.2.

Description	Metering Installation Type				
	Type 1	Type 2	Type 3	Type 4 & 4A	Types 5 & 6
CT	10 years	10 years	10 years	10 years	10 years
VT	10 years	10 years	10 years		n/a
Burden tests	When <i>meters</i> are tested or when changes are made				
CT connected Meter (electronic)	5 years	5 years	5 years	5 years	5 years

Description	Metering Installation Type				
	Type 1	Type 2	Type 3	Type 4 & 4A	Types 5 & 6
CT connected Meter (induction)	2.5 years	2.5 years	5 years	5 years	5 years
Whole current Meter	The testing and inspection requirements must be in accordance with an asset management strategy. Guidelines for the development of the asset management strategy must be recorded in the <i>metrology procedure</i> .				

Table S7.6.1.3 Period Between Inspections

Unless the *Metering Coordinator* has developed an asset management strategy that meets the intent of this Schedule 7.6 and is approved by *AEMO*, the period between inspections must be in accordance with this Table S7.6.1.3.

Description	Metering Installation Type			
	Type 1	Type 2	Type 3	Type 4, 4A, 5 & 6
<i>Metering installation equipment inspection</i>	2.5 years	12 months (2.5 years if <i>check metering</i> installed)	> 10 GWh: 2 years 2 ≤ GWh ≤ 10: 3 years <2 GWh: when <i>meter</i> is tested.	When <i>meter</i> is tested.

S7.6.2 Technical Guidelines

- Current transformer* and *voltage transformer* tests are primary injection tests or other testing procedures as approved by *AEMO*.
- The calculations of accuracy based on test results are to include all reference standard errors.
- An “estimate of testing uncertainties” must be calculated in accordance with the ISO “Guide to the Expression of Uncertainty for Measurement”.
- Where operational *metering* is associated with *settlements metering* then a shorter period between inspections is recommended.
- For $\sin\phi$ and $\cos\phi$ refer to the ISO “Guide to the Expression of Uncertainty in Measurement”, where $\cos\phi$ is the *power factor*.
- A typical inspection may include:
 - check the seals;
 - compare the pulse counts;
 - compare the direct readings of *meters*;
 - verify *meter* parameters and physical connections; and
 - current transformer* ratios by comparison.

Schedule 7.7 Embedded Network Managers

S7.7.1 General

- (a) An *Embedded Network Manager* must be accredited and registered by AEMO.
- (b) AEMO must establish a qualification process for *Embedded Network Managers* that enables accreditation and registration to be achieved in accordance with the requirements of this schedule 7.7.
- (c) An *Embedded Network Manager* must ensure that *embedded network management services* are carried out in accordance with the *Rules* and procedures authorised under the *Rules*.

S7.7.2 Capabilities of Embedded Network Managers

Embedded Network Managers must be able to exhibit to the reasonable satisfaction of AEMO the following capabilities:

- (a) detailed understanding of the *Rules* including this Chapter 7, and all procedures authorised under the *Rules* including the *ENM service level procedures* and the shadow network charges procedure.
- (b) detailed understanding of:
 - (1) the terms and conditions on which the AER grants network exemptions ~~exemptions~~ under ~~section 13 of~~ the *National Electricity Law* to persons who engage in the activity of owning, controlling or operating *embedded networks*; and
 - (2) any related guidelines developed and issued by the AER under clause 2.5.1.
- (c) detailed understanding of the participant role relationships and obligations that exist between *Embedded Network Managers*, *Metering Data Providers*, *Metering Providers*, *financially responsible Market Participants*, *Local Network Service Providers*, AEMO and *Metering Co-ordinators*.
- (d) the establishment of a system which will:
 - (1) underpin all operational documentation, processes and procedures;
 - (2) facilitate good change control management of procedures, IT systems and software;
 - (3) provide audit trail management of *EN wiring information*;
 - (4) maintain security controls and data integrity; and
 - (5) maintain knowledge and understanding of the *Rules* and relevant procedures, standards and guides authorised under the *Rules*.
- (e) understanding of the required logical interfaces necessary to support the provision of *embedded network management services* including the interfaces needed to:
 - (1) access AEMO's systems; and

- (2) support the *metrology procedure, B2B Procedures, service level procedures, ENM service level procedures, shadow network charges procedure* and *Market Settlement and Transfer Solution Procedures*.

CHAPTER 10

10. Glossary

AARR

The *aggregate annual revenue requirement* for *prescribed transmission services*.

abnormal conditions

A condition described in clause 4.2.3A(a).

above-standard system shared transmission service

A *shared transmission service* that exceeds the requirements referred to in paragraph (a)(1) or (2) of the definition of *negotiated transmission service* principally as a consequence of investments that have *system-wide benefits*.

ACCC

Australian Competition and Consumer Commission as established under the *Competition and Consumer Act 2010* (Cth).

acceptable credit criteria

The credit criteria defined in clause 3.3.3.

acceptable credit rating

The credit rating determined by *AEMO* under clause 3.3.4.

accepted restriction offer

A *restriction offer* accepted by *AEMO* in accordance with the *restriction offer procedures*.

access charge

For a *Distribution Network Service Provider* - in respect of access to:

- (a) *negotiated distribution services* which would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c), an amount described in clause 5.3AA(f)(4).
- (b) **[Deleted]**

access party

In respect of a service that is listed in column 1 of Table S7.5.1.1, the party listed in column 3 of Table S7.5.1.1.

access policy

An access policy as required for *large DCA services* under clause 5.2A.8.

access standard

Either an *automatic access standard* or a *negotiated access standard* for a particular technical requirement as recorded in a *connection agreement*.

Accredited Service Provider category

A category of registration of a *Metering Provider* established by AEMO under S7.2.2(b) as a consequence of requirements of a *participating jurisdiction* to install *metering installations*.

accumulated energy data

The data that results from the measurement of the flow of electricity in a power conductor where the data represents a period in excess of a *trading interval*. *Accumulated energy data* is held in the *metering installation*. The measurement is carried out at a *metering point*.

accumulated metering data

The *accumulated energy data*, once collected from a *metering installation*, is *accumulated metering data*. *Accumulated metering data* is held in a *metering data services database* and the *metering database*.

activate, activated, activation

The operation of a *generating unit* (other than a *scheduled generating unit*) at an increased *loading level* or reduction in demand (other than a *scheduled load*) undertaken in response to a request by AEMO in accordance with an *unscheduled reserve contract*.

active energy

A measure of electrical energy flow, being the time integral of the product of *voltage* and the in-phase component of current flow across a *connection point*, expressed in watthour (Wh).

active power

The rate at which *active energy* is transferred.

active power capability

The maximum rate at which *active energy* may be transferred from a *generating unit* to a *connection point* as specified or proposed to be specified in a *connection agreement* (as the case may be).

additional intervention claim

Has the meaning given in clause 3.12.2(k).

adequately damped

In relation to a *control system*, when tested with a step change of a feedback input or corresponding reference, or otherwise observed, any oscillatory response at a *frequency* of:

- (a) 0.05 Hz or less, has a damping ratio of at least 0.4;
- (b) between 0.05 Hz and 0.6 Hz, has a halving time of 5 seconds or less (equivalent to a damping coefficient –0.14 nepers per second or less); and
- (c) 0.6 Hz or more, has a damping ratio of at least 0.05 in relation to a *minimum access standard* and a damping ratio of at least 0.1 otherwise.

adjusted gross energy

The *energy* adjusted in accordance with clause 3.15.5 (for a *transmission network connection point*) or clause 3.15.5A (for a *virtual transmission node*) or clause 3.15.4 (for any other *connection point*).

adjusted locational component

Has the meaning given to it in clause 6A.23.3(b).

adjusted non-locational component

Has the meaning given to it in clause 6A.23.3(e).

administered floor price

A price floor to apply to a *regional reference price*, with the levels of the price floor being administered under clause 3.14.1 and the circumstances under which it can be invoked by *AEMO* being determined as set out in clause 3.14.2.

administered price cap

A price cap to apply to a *dispatch price*, *regional reference price* or *ancillary service price* as specified in clause 3.14.1.

administered price period

A period declared by *AEMO*, in accordance with clause 3.14.2, in which an *administered price cap* may be invoked.

adoptive jurisdiction

Has the meaning given in the *National Electricity Law*.

adverse system strength impact

An adverse impact, assessed in accordance with the *system strength impact assessment guidelines*, on the ability under different operating conditions of:

- (a) the *power system* to maintain system stability in accordance with clause S5.1a.3; or
- (b) a *generating system* or *market network service facility* forming part of the *power system* to maintain stable operation including following any *credible contingency event* or *protected event*,

so as to maintain the power system in a *secure operating state*.

Adviser

The Dispute Resolution Adviser specified in clause 8.2.2(a).

Adviser referral notice

A notice referring a dispute to the *Adviser* for the purposes of clause 8.2.5.

AEMC

The Australian Energy Market Commission, which is established under section 5 of the *Australian Energy Market Commission Establishment Act 2004* (SA).

AEMO

Means Australian Energy Market Operator Limited (ACN 072 010 327)

Note

Before its change of name, AEMO was known as NEMMCO.

AEMO advisory matter

A matter that relates to *AEMO's* functions under the *National Electricity Law* and a matter in which *AEMO* has a role in schedules 5.1a, 5.1, 5.2, 5.3 and 5.3a.

AEMO co-ordinating centre

The control centre from which *AEMO* conducts *market* related activities and the coordination of the operation of the *national grid*.

AEMO intervention event

An event where *AEMO* intervenes in the *market* under the *Rules* by:

- (a) issuing a *direction* in accordance with clause 4.8.9; or
- (b) exercising the *reliability and emergency reserve trader* in accordance with rule 3.20 by:
 - (1) *dispatching scheduled generating units, scheduled network services or scheduled loads* in accordance with a *scheduled reserve contract*; or
 - (2) *activating loads or generating units* under an *unscheduled reserve contract*.

AEMO Member

A person appointed as a *Member* by *AEMO* to represent *AEMO* in accordance with clause 7.17.10(c).

AEMO power system security responsibilities

The responsibilities described in clause 4.3.1.

AER

The Australian Energy Regulator, which is established by section 44AE of the *Competition and Consumer Act 2010* (Cth).

AER Exempt Network Guidelines

Has the meaning given in the *National Electricity Law*.

affected participant's adjustment claim

Has the meaning given in clause 3.12.2(g)(3).

Affected Participant

- (a) In respect of a particular *direction* in an *intervention price trading interval*:
 - (1) a *Scheduled Generator* or *Scheduled Network Service Provider*:
 - (i) which was not the subject of the *direction*, that had its *dispatched* quantity affected by that *direction*; or
 - (ii) which was the subject of the *direction*, that had its *dispatched* quantity for other *generating units* or other services which were not the subject of that *direction* affected by that *direction*, however, the *Scheduled Generator* or *Scheduled Network Service Provider* is only an *Affected Participant* in respect of those

- generating units* and services which were not the subject of that *direction*; or
- (2) an *eligible person* entitled to receive an amount from *AEMO* pursuant to clause 3.18.1(b)(1) where there has been a change in flow of a *directional interconnector*, for which the *eligible person* holds units for the *intervention price trading interval*, as a result of the *direction*; and
- (b) in relation to the exercise of the *RERT* under rule 3.20:
- (1) a *Scheduled Generator* or *Scheduled Network Service Provider*:
 - (i) whose *plant* or *scheduled network service* was not *dispatched* under a *scheduled reserve contract*, that had its *dispatched* quantity affected by the *dispatch* of *plant* or *scheduled network service* under that *scheduled reserve contract*; and
 - (ii) who was not the subject of *activation* under an *unscheduled reserve contract*, that had its *dispatched* quantity affected by the *activation* of *generating units* or *loads* under that *unscheduled reserve contract*;
 - (2) a *Scheduled Generator* or *Scheduled Network Service Provider* whose *plant* or *scheduled network service* was *dispatched* under a *scheduled reserve contract*, that had its *dispatched* quantity for other *generating units* or other services which were not *dispatched* under the *scheduled reserve contract* affected by that *dispatch* of *plant* or *scheduled network service* under that *scheduled reserve contract*, however, the *Scheduled Generator* or *Scheduled Network Service Provider* is only an *Affected Participant* in respect of those *generating units* and services which were not *dispatched* under that *scheduled reserve contract*; or
 - (3) an *eligible person* entitled to receive an amount from *AEMO* pursuant to clause 3.18.1(b)(1) where there has been a change in flow of a *directional interconnector*, for which the *eligible person* holds units for the *intervention price trading interval*, as a result of the *dispatch* of *plant* or *scheduled network service* under a *scheduled reserve contract* or the *activation* of *generating units* or *loads* under an *unscheduled reserve contract*.

aggregate annual revenue requirement

For *prescribed transmission services*, the meaning in clause 6A.22.1 and for any other service, the calculated total annual revenue to be earned by an entity for a defined class or classes of service.

aggregate payment due

The aggregate of the net amounts payable by *AEMO* to each of the *Market Participants* to whom payments are to be made in relation to *spot market transactions* or *reallocation transactions* in respect of a *billing period* determined in accordance with clause 3.15.22(c).

agreed capability

In relation to a *connection point*, the capability to receive or send out power for that *connection point* determined in accordance with the relevant *connection agreement*.

allowed rate of return

Has the meaning given to it by clause 6.5.2(a) or clause 6A.6.2(a), as the case may be.

allowed rate of return objective

Has the meaning given to it by clause 6.5.2(c) or clause 6A.6.2(c), as the case may be.

alternative control service

A *distribution service* that is a *direct control service* but not a *standard control service*.

alternative network constraint formulation

A *network constraint* equation formulation used by *AEMO* other than a *fully co-optimised network constraint formulation*.

Amending Rule

A Rule made by the *AEMC* under section 103 of the *National Electricity Law* on and from the date of commencement of the operation of that Rule, or parts of that Rule.

ancillary service fees

The fees determined by *AEMO* under Chapter 2 in relation to *ancillary services*.

ancillary service generating unit

A *generating unit* which has been classified in accordance with Chapter 2 as an *ancillary service generating unit*.

ancillary service load

A *market load* or *load* which has been classified in accordance with Chapter 2 as an *ancillary service load*.

ancillary service price

In respect of a *dispatch interval*, for a *market ancillary service*, the common clearing price for the *market ancillary service* determined in accordance with clause 3.9.

Ancillary Service Provider

A person who engages in the activity of owning, controlling or operating a *generating unit*, *load* or *market load* classified in accordance with Chapter 2 as an *ancillary service generating unit* or *ancillary service load*, as the case may be.

ancillary services

Market ancillary services and *non-market ancillary services*.

ancillary services agreement

An agreement under which an *NMAS provider* agrees to provide one or more *non-market ancillary services* to *AEMO*.

annual benchmarking report

Has the meaning given to it by clause 6.27 or clause 6A.31, as the case may be.

annual building block revenue requirement

The amount representing the revenue requirement of a *Transmission Network Service Provider* for each *regulatory year* of a *regulatory control period* calculated in accordance with clause 6A.5.4.

annual revenue requirement

An amount representing revenue for a *Distribution Network Service Provider*, for each *regulatory year* of a *regulatory control period*, calculated in accordance with Part C of Chapter 6.

annual service revenue requirement (or "ASRR")

Has the meaning set out in clause 6A.22.2.

apparent power

The square root of the sum of the squares of the *active power* and the *reactive power*.

applicable regulatory instruments

All laws, regulations, orders, licences, codes, determinations and other regulatory instruments (other than the *Rules*) which apply to *Registered Participants* from time to time, including those applicable in each *participating jurisdiction* as listed below, to the extent that they regulate or contain terms and conditions relating to access to a *network*, *connection* to a *network*, the provision of *network services*, *network service price* or *augmentation* of a *network*.

- (1) New South Wales:
 - (a) the *Electricity Supply Act 1995* (**ES Act**);
 - (b) all regulations made and licences (**Licences**) issued under the ES Act;
 - (c) the *Independent Pricing and Regulatory Tribunal Act 1992* (**IPART Act**);
 - (d) all regulations and determinations made under the IPART Act;
 - (e) all regulatory instruments applicable under the Licences; and
 - (f) *Commercial Arbitration Act 2010*.
- (2) Victoria:
 - (a) the *Electricity Industry Act 2000* (**EI Act**);
 - (b) all regulations made and licences (**Licences**) issued under the EI Act;
 - (c) the *Essential Services Commission Act 2001* (**ESCV Act**);
 - (d) all regulations and determinations made under the ESCV Act;
 - (e) all regulatory instruments applicable under the Licences; and
 - (f) the Tariff Order made under section 158A(1) of the *Electricity Industry Act 1993* and continued in effect by clause 6(1) of Schedule 4 to the *Electricity Industry (Residual Provisions) Act 1993*, as amended or varied in accordance with section 14 of the EI Act.
- (3) South Australia:

- (a) the *Electricity Act 1996*;
 - (b) all regulations made and licences (**Licences**) issued under the Electricity Act;
 - (c) the *Essential Services Commission Act 2002 (ESCSA Act)*;
 - (d) all regulations and determinations made under the ESCSA Act;
 - (e) all regulatory instruments applicable under the Licences; and
 - (f) the Electricity Pricing Order made under section 35B of the Electricity Act.
- (4) Australian Capital Territory:
 - (a) the *Utilities Act 2000*;
 - (b) all regulations made and licences (**Licences**) issued under the Utilities Act;
 - (c) the *Independent Competition and Regulatory Commission Act 1997 (ICRC Act)*;
 - (d) all regulations and determinations made under the ICRC Act; and
 - (e) all regulatory instruments applicable under the Licences.
- (5) Queensland:
 - (a) the *Electricity Act 1994*;
 - (b) all regulations made and authorities and special approvals (**Licences**) granted under the Electricity Act;
 - (c) the *Queensland Competition Authority Act 1997 (QCA Act)*;
 - (d) all regulations and determinations made under the QCA Act;
 - (e) all regulatory instruments applicable under the Licences; and
 - (f) the *Gladstone Power Station Agreement Act 1993* and associated agreements.
- (6) Tasmania:
 - (a) the *Electricity Supply Industry Act 1995*;
 - (b) all regulations made and licences (**Licences**) issued under the Electricity Supply Industry Act;
 - (c) all regulatory instruments under the Electricity Supply Industry Act or the Licences (including, without limitation, determinations of the Tasmanian Electricity Regulator under the *Electricity Supply Industry (Price Control) Regulations*); and
 - (d) the Tasmanian Electricity Code issued under section 49A of the Electricity Supply Industry Act.

application to connect

An application made by a *Connection Applicant* in accordance with rule 5.3 or rule 5.3A for *connection* to a *network* and/or the provision of *network services* or modification of a *connection* to a *network* and/or the provision of *network services*.

approved jurisdictional scheme

For a *Distribution Network Service Provider*, means a *jurisdictional scheme* in relation to which the AER:

- (a) has made a decision under clause 6.12.1(20);
- (b) has made a determination under clause 6.6.1A(e); or
- (c) is taken to have made a determination under clause 6.6.1A(f).

approved pass through amount

In respect of a *positive change event* for a *Transmission Network Service Provider*:

- (a) the amount which the AER determines should be passed through to *Transmission Network Users* under clause 6A.7.3(d)(2); or
- (b) the amount which the AER is taken to have determined under clause 6A.7.3(e)(1),

as the case may be.

In respect of a *positive change event* for a *Distribution Network Service Provider*:

- (a) the amount the AER determines should be passed through to *Distribution Network Users* under clause 6.6.1(d)(2); or
- (b) the amount the AER is taken to have determined under clause 6.6.1(e)(1),

as the case may be.

approved pricing proposal

A *pricing proposal* approved by the AER.

ASRR

The *annual service revenue requirement*.

asset exemption

Has the meaning given in clause 6.4B.1(a).

Asset Exemption Guidelines

Guidelines developed, maintained and *published* by the AER under clause 6.4B.1(c).

asynchronous generating unit

A *generating unit* that is not a *synchronous generating unit*.

attributable connection point cost share

Has the meaning set out in clause 6A.22.4.

attributable cost share

Has the meaning set out in clause 6A.22.3.

auction

A *settlement residue* auction held under clause 3.18.

auction amounts

All amounts:

- (a) payable by *AEMO* to *eligible persons* under *SRD agreements*; or
- (b) distributed to *Network Service Providers* under clause 3.18.4; or
- (c) recovered by *AEMO* under clause 3.18.4, clause 3.18.4A or the *auction rules*, including *auction expense fees*; or
- (d) payable by *eligible persons* to *AEMO* under *SRD agreements* including any margin referred to in clause 3.18.4A(b).

auction expense fees

The costs and expenses incurred by *AEMO* referred to in clause 3.18.4(b).

auction participation agreement

Has the meaning given in clause 3.18.1(a).

auction rules

The rules developed by *AEMO* under clause 3.18.3, as amended from time to time in accordance with that clause.

augmentation

Has the meaning given in the *National Electricity Law*.

augmentation technical report

A report on *augmentation* under rule 5.21.

Australian Standard (AS)

The most recent edition of a standard publication by Standards Australia (Standards Association of Australia).

Australian Government's National Greenhouse and Energy Reporting Framework

The reporting framework developed under the National Greenhouse and Energy Reporting Act 2007 (Cth).

Authority

Any government, government department, instrumentality, *Minister*, agency, statutory authority or other body in which a government has a controlling interest, and includes the *AEMC*, *AEMO*, the *AER* and the *ACCC* and their successors.

automatic access standard

In relation to a technical requirement of access, a standard of performance, identified in a schedule of Chapter 5 as an automatic access standard for that technical requirement, such that a *plant* that meets that standard would not be denied access because of that technical requirement.

automatic generation control system(AGC)

The system into which the *loading levels* from economic *dispatch* will be entered for *generating units* operating on automatic generation control in accordance with clause 3.8.21(d).

automatic reclose equipment

In relation to a *transmission line* or *distribution line*, the equipment which automatically recloses the relevant line's circuit breaker(s) following their opening

as a result of the detection of a fault in the *transmission line* or the *distribution line* (as the case may be).

available capacity

The total MW capacity available for *dispatch* by a *scheduled generating unit*, *semi-scheduled generating unit* or *scheduled load* (i.e. maximum plant availability) or, in relation to a specified *price band*, the MW capacity within that *price band* available for *dispatch* (i.e. availability at each price band).

average electrical energy loss

The volume-weighted average of the *electrical energy losses* incurred in each *trading interval* over all *trading intervals* in a defined period of time

average loss factor

A multiplier used to describe the *average electrical energy loss* for electricity used or transmitted.

avoided Customer TUOS charges

The charges described in rule 5.3AA(h).

B2B Change Party

A person who has provided a change proposal to the *Information Exchange Committee* under clause 7.17.4(f) and is not otherwise a *B2B Party*.

B2B Communications

Communications between *B2B Parties* relating to end-users or *supply* to end-users provided for in the *B2B Procedures*.

B2B costs

The following costs incurred by *AEMO*:

- (a) the costs of the development of the *B2B Procedures*;
- (b) the costs of the establishment and operation of the *Information Exchange Committee* (including the engagement costs of specialist advisers), all of which must be set out in the budget prepared by the *Information Exchange Committee* pursuant to clause 7.17.7(d) and the *Information Exchange Committee Annual Report*; and
- (c) the operational costs associated with any service provided by *AEMO* to facilitate *B2B Communications* (including providing, maintaining, upgrading and operating a *B2B e-Hub*).

B2B Data

Data relating to *B2B Communications*.

B2B Decision

A decision of *AEMO* to approve or not approve an *Information Exchange Committee Recommendation*.

B2B Determination Dispute

A dispute in relation to either a *B2B Decision* or an *Information Exchange Committee Recommendation*.

B2B e-Hub

An electronic information exchange platform provided, maintained and operated by AEMO to facilitate *B2B Communications*.

B2B e-Hub Participant

A person who has been accredited by AEMO as a *B2B e-Hub Participant* under clause 7.17.2.

B2B factors

The following factors:

- (a) The reasonable costs of compliance by AEMO and *B2B Parties* with the *B2B Procedures* compared with the likely benefits from *B2B Communications*;
- (b) The likely impacts on innovation in and barriers to entry to the markets for services facilitated by advanced meters resulting from changing the existing *B2B Procedures*; and
- (c) The implementation timeframe reasonably necessary for AEMO and *B2B Parties* to implement systems or other changes required to be compliant with any change to existing *B2B Procedures*.

B2B Party

Distribution Network Service Providers, retailers, Local Retailers, Metering Coordinators, Metering Providers, Metering Data Providers, Embedded Network Managers and other *Third Party B2B Participants*.

B2B Principles

The following principles:

- (a) *B2B Procedures* should provide a uniform approach to *B2B Communications* in *participating jurisdictions*;
- (b) *B2B Procedures* should detail operational and procedural matters and technical requirements that result in efficient, effective and reliable *B2B Communications*;
- (c) *B2B Procedures* should avoid unreasonable discrimination between *B2B Parties*; and
- (d) *B2B Procedures* should protect the confidentiality of commercially sensitive information.

B2B Procedures

The *B2B Procedures* made under Part H with the content required under clause 7.17.3.

B2B Procedures Change Pack

A document consisting of:

- (a) a *B2B Proposal*;
- (b) a report setting out an overview of the likely impact of the *B2B Proposal* on AEMO and *B2B Parties*;

- (c) draft *B2B Procedures* (incorporating proposed changes in mark up, where appropriate); and
- (d) an issues paper explaining why the *B2B Proposal* is being presented.

B2B Proposal

A proposal for *B2B Procedures*, or a change to the *B2B Procedures*, which is the subject of consultation by the *Information Exchange Committee*.

bank bill rate

On any *day*, the rate determined by *AEMO* (having regard to such market indicators as *AEMO* in its discretion selects) to be the market rate as at 10.00 am on that *day* (or if not a *business day*, on the previous *business day*) for Australian dollar denominated bank accepted bills of exchange having a tenor of 30 *days*.

basic connection service

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1.

basic micro EG connection service

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1.

bid and offer validation data

Data submitted by *Scheduled Generators*, *Semi-Scheduled Generators* and *Market Participants* to *AEMO* in relation to their *scheduled loads*, *scheduled generating units*, *semi-scheduled generating units* and *scheduled market network services* in accordance with schedule 3.1.

billed but unpaid charges

For a *Distribution Network Service Provider*, *network charges* that have been billed to a *failed retailer* by the *Distribution Network Service Provider*, but that the *failed retailer* has not yet paid (whether before or after the relevant due date for payment).

billing period

The period of 7 *days* commencing at the start of the *trading interval* ending 12.30 am Sunday.

black start capability

A capability that allows a *generating unit*, following its *disconnection* from the *power system*, to be able to deliver electricity to either:

- (a) its *connection point*; or
- (b) a suitable point in the *network* from which *supply* can be made available to other *generating units*,

without taking *supply* from any part of the *power system* following *disconnection*.

black system

The absence of *voltage* on all or a significant part of the *transmission system* or within a *region* during a *major supply disruption* affecting a significant number of customers.

breaker fail

In relation to a *protection system*, that part of the *protection system* that protects a *Market Participant's facilities* against the non-operation of a circuit breaker that is required to open.

breaker fail protection system

A *protection system* that protects a *facility* against the non-operation of a circuit breaker that is required to open to clear a fault.

building block determination

The component of a distribution determination relevant to the regulation of *standard control services* (See rule 6.3).

building block proposal

For a *Distribution Network Service Provider*, the part of the provider's *regulatory proposal* relevant to the regulation of *standard control services* (See clause 6.3.1).

busbar

A common *connection point* in a *power station switchyard* or a *transmission network substation*.

business day

A day that is not:

- (a) a Saturday or Sunday; or
- (b) observed as a public holiday on the same day in each of the *participating jurisdictions* (except the Commonwealth).

calculated metering data

The *trading interval* data corresponding to the calculation of consumed *energy* for a type 7 *metering installation* in accordance with the *metrology procedure*. *Calculated metering data* is held in the *metering data services database* and the *metering database*.

call amount

The amount determined pursuant to the formula in clause 3.3.11 for the purposes of a *call notice* where the *outstandings* of a *Market Participant* exceed its *trading limit*.

call notice

A notice issued by AEMO pursuant to clause 3.3.11 where the *outstandings* of a *Market Participant* exceed its *trading limit*.

capacitor bank

Electrical equipment used to generate *reactive power* and therefore support *voltage* levels on *distribution* and *transmission lines* in periods of high *load*.

capacity reserve

At any time, the amount of surplus or unused generating capacity indicated by the relevant *Generators* as being available in the relevant timeframe minus the capacity

requirement to meet the current forecast *load* demand, taking into account the known or historical levels of demand management.

capital expenditure criteria

For a *Transmission Network Service Provider* – the matters listed in clause 6A.6.7(c)(1)–(3).

For a *Distribution Network Service Provider* – the matters listed in clause 6.5.7(c)(1)–(3).

capital expenditure factors

For a *Transmission Network Service Provider* - the factors listed in clause 6A.6.7(e)(1)–(14).

For a *Distribution Network Service Provider* - the factors listed in clause 6.5.7(e)(1)–(12).

Capital Expenditure Incentive Guidelines

Guidelines made by the *AER* under clause 6.4A(b) or clause 6A.5A(b), as the case may be.

capital expenditure incentive objective

Has the meaning given to it by clause 6.4A(a) or clause 6A.5A(a), as the case may be.

capital expenditure objectives

For a *Transmission Network Service Provider* – the objectives set out in clause 6A.6.7(a).

For a *Distribution Network Service Provider* – the objectives set out in clause 6.5.7(a).

capital expenditure sharing scheme

A scheme developed and *published* by the *AER* in accordance with clause 6.5.8A or clause 6A.6.5A, as the case may be.

capital expenditure sharing scheme principles

Has the meaning given to it by clause 6.5.8A(c) or clause 6A.6.5(c), as the case may be.

capitalisation requirement

The requirement set out in clause S6.2.2A(e) or clause S6A.2.2A(e), as the case may be.

carbon dioxide equivalent intensity index

The index published by *AEMO* in accordance with clause 3.13.14(f).

carbon dioxide equivalent intensity index procedures

The procedures published by *AEMO* in accordance with clause 3.13.14(a).

cascading outage

The occurrence of an uncontrollable succession of *outages*, each of which is initiated by conditions (e.g. instability or overloading) arising or made worse as a result of the event preceding it.

categories of prescribed transmission services

For the purposes of pricing for *prescribed transmission services*:

- (a) *prescribed entry services*;
- (b) *prescribed exit services*;
- (c) *prescribed common transmission services*; and
- (d) *prescribed TUOS services*.

central dispatch

The process managed by AEMO for the *dispatch* of *scheduled generating units*, *semi-scheduled generating units*, *scheduled loads*, *scheduled network services* and *market ancillary services* in accordance with rule 3.8.

change

Includes amendment, alteration, addition or deletion.

changeover date

Has the meaning given in the *National Electricity Law*.

charging parameters

The constituent elements of a tariff.

check meter

An additional *meter* used as a source of *check metering data* for Type 1 and Type 2 *metering installations* as specified in schedule 7.4.

check metering data

The *energy data*, once collected from a *check metering installation*, is *check metering data*. *Check metering data* is held in a *metering data services database* and the *metering database*.

check metering installation

A *metering installation* that includes a *check meter* which is used as the source of *check metering data* for validation in the *settlements* process.

child connection point

The agreed point of *supply* between an *embedded network* and an electrical installation, *generating unit* or other *embedded network* connected to that *embedded network* ~~and served by that embedded network, for which a Market Participant is, or proposes to be, financially responsible.~~

Note

A connection point for an embedded network within another embedded network will be both a child connection point and a parent connection point.

clause 4.8.9 instruction

Has the meaning given in clause 4.8.9(a1)(2).

commercial arbitrator

A dispute resolution panel (within the meaning of section 2 of the *National Electricity Law*) established pursuant to clause 6A.30.2(b).

commitment

The commencement of the process of starting up and *synchronising* a *generating unit* to the *power system*.

communications interface

The modem and other devices and processes that facilitate the connection between the *metering installation* and the *telecommunications network* for the purpose of the *remote acquisition* of *energy data*.

compensation recovery amount

Has the meaning given in clause 3.15.8(a).

confidential information

In relation to a *Registered Participant* or *AEMO*, information which is or has been provided to that *Registered Participant* or *AEMO* under or in connection with the *Rules* and which is stated under the *Rules*, or by *AEMO*, the *AER* or the *AEMC*, to be *confidential information* or is otherwise confidential or commercially sensitive. It also includes any information which is derived from such information.

Note:

In the context of Chapter 5A, the above definition has been displaced by a definition specifically applicable to that Chapter. See clause 5A.A.1.

congestion information resource

The information resource developed, *published* and amended from time to time by *AEMO* in accordance with rule 3.7A.

congestion information resource guidelines

Guidelines developed and *published* by *AEMO* in accordance with rules 3.7A(k) to (m).

congestion information resource objective

The objective of the *congestion information resource* which is set out in rule 3.7A(a).

connect, connected, connection

To form a physical link to or through a *transmission network* (including to a *network connection asset* or a *dedicated connection asset* that is physically linked to that *transmission network*) or *distribution network*.

Note:

In the context of Chapter 5A, the above definition has been displaced by a definition specifically applicable to that Chapter. See clause 5A.A.1.

connection agreement

An agreement between a *Network Service Provider* and a *Registered Participant* or other person by which the *Registered Participant* or other person is *connected* to the *Network Service Provider's transmission or distribution network* and/or receives *transmission services* or *distribution services*. In some *participating jurisdictions*, the *Registered Participant* or other person may have one *connection agreement* with a *Network Service Provider* for *connection services* and another agreement with a different *Network Service Provider* for *network services* provided by the *transmission network*.

connection alteration

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1.

Connection Applicant

A person who wants to establish or modify *connection* to a *transmission network* or *distribution network* and/or who wishes to receive *network services* and who makes a *connection enquiry* as described in clause 5.3.2 or clause 5.3A.5.

In respect of establishing or modifying a *connection* to a *transmission network* of a *Primary Transmission Network Service Provider*, a *Connection Applicant* includes:

- (a) a person seeking to *connect* its *facilities* to a *dedicated connection asset* that is or will be *connected* to the *transmission network* of that *Primary Transmission Network Service Provider*; and
- (b) a person seeking to negotiate a *network operating agreement* for a *third party IUSA*.

Note

A person seeking access to *large DCA services* from a *third party DCA* under an *access policy* may also need to negotiate with the *Primary Transmission Network Service Provider*.

In the context of Chapter 5A, the above definition has been displaced by a definition specifically applicable to that Chapter. See clause 5A.A.1.

connection application

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1.

connection assets

For the *declared transmission system* of an *adoptive jurisdiction*, and a *distribution system*, those components of a *transmission or distribution system* which are used to provide *connection services*.

For other *transmission systems*, *dedicated connection assets* and *network connection assets*.

Note

A *third party DCA* is a *connection asset* but for the purpose of registration under Chapter 2 also constitutes a *transmission system*.

connection charge

Has the meaning given in clause 5A.A.1.

connection charge guidelines

Has the meaning given in clause 5A.E.3.

connection charge principles

Has the meaning given in clause 5A.E.1.

connection contract

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1.

connection offer

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1.

connection point

In relation to a *declared shared network* and a *distribution network* (other than an *embedded network*), the agreed point of ~~supply supply~~ established between *Network Service Provider(s)* and another *Registered Participant, Non-Registered Customer*, ~~or franchise customer or retail customer and includes a parent connection point.~~

In relation to other *transmission networks*, the point at which power flows to or from the person or *identified user group* connected to the *transmission network* can be isolated from the *transmission network*. If there is more than one such point, the *Network Service Provider* and that person or *identified user group* will agree which point is the *connection point* in their *connection agreement*.

In relation to the connection of an embedded network to a transmission or distribution system, the parent connection point.

In relation to a connection to an *embedded network*, the *child connection point*, unless otherwise specified.

connection policy

Has the meaning given in clause 5A.A.1.

connection service

An *entry service* (being a service provided to serve a *Generator* or a group of *Generators*, or a *Network Service Provider* or a group of *Network Service Providers*, at a single *connection point*) or an *exit service* (being a service provided to serve a *Transmission Customer* or *Distribution Customer* or a group of *Transmission Customers* or *Distribution Customers*, or a *Network Service Provider* or a group of *Network Service Providers*, at a single *connection point*).

Note:

In the context of Chapter 5A and Part DA of Chapter 6, the above definition has been displaced by a definition specifically applicable to that Chapter. See clause 5A.A.1.

considered project

- (a) In respect of a *transmission network augmentation*, a project that meets the following criteria:
 - (1) the *Network Service Provider* has acquired the necessary land and easements;
 - (2) the *Network Service Provider* has obtained all necessary planning and development approvals;
 - (3) as applicable:

- (i) the *augmentation* project has passed the *regulatory investment test for transmission*;
 - (ii) the *augmentation* has passed the *regulatory investment test for distribution*;
 - (iii) in respect of a *transmission investment* which has not been subject to a *regulatory investment test for transmission* or the *regulatory investment test for distribution*, an intention to proceed with the project has been published in the *Network Service Provider's Transmission Annual Planning Report* or *Distribution Annual Planning Report* (as the case may be); or
- (4) construction has either commenced or the *Network Service Provider* has set a firm date for it to commence.
- (b) In respect of a *distribution network augmentation*, a project that meets the following criteria:
 - (1) the *Network Service Provider* has acquired the necessary land and easements;
 - (2) the *Network Service Provider* has obtained all necessary planning and development approvals; and
 - (3) construction has either commenced or the *Network Service Provider* has set a firm date for it to commence.

constrained off

In respect of a *generating unit*, the state where, due to a *constraint* on a *network*, the output of that *generating unit* is limited below the level to which it would otherwise have been *dispatched* by AEMO on the basis of its *dispatch offer*.

constrained on

In respect of a *generating unit*, the state where, due to a *constraint* on a *network* or in order to provide *inertia network services* under an *inertia services agreement* or *system strength services* under a *system strength services agreement*, the output of that *generating unit* is limited above the level to which it would otherwise have been *dispatched* by AEMO on the basis of its *dispatch offer*.

constraint, constrained

A limitation on the capability of a *network*, *load* or a *generating unit* such that it is unacceptable to either transfer, consume or generate the level of electrical power that would occur if the limitation was removed.

consulting party

The person who is required to comply with the *Rules consultation procedures*.

Consumer Member

A person appointed by AEMO as a *Member* to represent *small customers* in accordance with the *Rules* (including clause 7.17.10(b)).

contestable

- (a) In relation to *transmission services* a service which is permitted by the laws of the relevant *participating jurisdiction* to be provided by more than one

Transmission Network Service Provider as a contestable service or on a competitive basis.

- (b) In relation to *distribution services*, a service which is permitted by the laws of the relevant *participating jurisdiction* to be provided by more than one *Distribution Network Service Provider* as a contestable service or on a competitive basis.

Note:

In the context of Chapter 5A, the above definition has been displaced by a definition specifically applicable to that Chapter. See clause 5A.A.1.

contestable IUSA components

Those components of the *identified user shared asset* that satisfy the criteria set out in clause 5.2A.4(c).

contingency capacity reserve

Actual *active* and *reactive energy* capacity, *interruptible load* arrangements and other arrangements organised to be available to be utilised on the actual occurrence of one or more *contingency events* to allow the restoration and maintenance of *power system security*.

contingency capacity reserve standards

The standards set out in the *power system security standards* to be used by AEMO to determine the levels of *contingency capacity reserves* necessary for *power system security*.

contingency event

An event described in clause 4.2.3(a).

contingent project

In relation to a distribution determination, a *proposed contingent project* that is determined by the AER, in accordance with clause 6.6A.1(b), to be a *contingent project* for the purposes of that distribution determination.

In relation to a *revenue determination*, a *proposed contingent project* that is determined by the AER, in accordance with clause 6A.8.1(b), to be a *contingent project* for the purposes of that *revenue determination*.

continuous uninterrupted operation

In respect of a *generating system* or operating *generating unit* operating immediately prior to a *power system* disturbance, not *disconnecting* from the *power system* except under its *performance standards* established under clauses S5.2.5.8 and S5.2.5.9 and, after clearance of any electrical fault that caused the disturbance, only substantially varying its *active power* and *reactive power* required by its *performance standards* established under clauses S5.2.5.11, S5.2.5.13 and S5.2.5.14, with all essential auxiliary and *reactive plant* remaining in service, and responding so as to not exacerbate or prolong the disturbance or cause a subsequent disturbance for other *connected plant*.

control centre

The *facilities* used by AEMO for managing *power system security* and administering the *market*.

control system

Means of monitoring and controlling the operation of the *power system* or equipment including *generating units connected to a transmission or distribution network*.

cooling off period

Has the same meaning as in rule 47(2) of the *NERR*.

Co-ordinated Universal Time (UTC)

The time as determined by the International Bureau of Weights and Measures and maintained under section 8AA of the *National Measurement Act*.

Co-ordinating Network Service Provider

A *Network Service Provider* appointed by multiple *Transmission Network Service Providers* to allocate *AARR* in accordance with rule 6A.29.

Cost Allocation Guidelines

For a *Transmission Network Service Provider* – the guidelines referred to in clause 6A.19.3.

For a *Distribution Network Service Provider* – the guidelines referred to in clause 6.15.3.

Cost Allocation Method

For a *Distribution Network Service Provider*, the *Cost Allocation Method* approved by the *AER* for that *Distribution Network Service Provider* under clause 6.15.4(c) and (d) as amended from time to time in accordance with clause 6.15.4(f) and (g).

Cost Allocation Methodology

For a *Transmission Network Service Provider*, the *Cost Allocation Methodology* approved or taken to be approved by the *AER* for that *Transmission Network Service Provider* under clauses 6A.19.4(c) and (d) as amended from time to time in accordance with clauses 6A.19.4(f) and (g).

Cost Allocation Principles

For a *Transmission Network Service Provider* – the principles set out in clause 6A.19.2.

For a *Distribution Network Service Provider* – the principles set out in clause 6.15.2.

cost reflective network pricing methodology or CRNP methodology

The cost allocation methodology set out in clause S6A.3.2.

CPI

As at a particular time, the Consumer Price Index: All Groups Index Number, weighted average of eight capital cities published by the Australian Bureau of Statistics for the most recent quarter that precedes that particular time and for which the index referred to has been published by the Australian Bureau of Statistics as at that time. If that index ceases to be published or is substantially changed, *CPI* will be such other index as is determined by the *AER* as a suitable benchmark for recording general movements in prices.

credible contingency event

An event described in clause 4.2.3(b), certain examples of which are set out in schedule 5.1.

credit support

For the purposes of Chapter 3—an obligation owed to *AEMO* by a third party supporting the obligations of a *Market Participant* and having the characteristics required by clause 3.3.2.

For the purposes of Chapter 6B—a security supporting the obligations of a *retailer* to a *Distribution Network Service Provider* under Chapter 6B.

credit support provider

The issuing party that assumes obligations to *AEMO* pursuant to a *credit support*.

cumulative price threshold

The threshold for imposition of an *administered price cap* as defined in clause 3.14.1.

current rating

The maximum current that may be permitted to flow (under defined conditions) through a *transmission line* or *distribution line* or other item of equipment that forms part of a *power system*.

current transformer (CT)

A *transformer* for use with *meters* and/or protection devices in which the current in the secondary winding is, within prescribed error limits, proportional to and in phase with the current in the primary winding.

Customer

A person who:

1. engages in the activity of purchasing electricity *supplied* through a *transmission or distribution system* to a *connection point*; and
2. is registered by *AEMO* as a *Customer* under Chapter 2.

customer authorised representative

A person authorised by a *retail customer* to request and receive information under Chapter 7 on the *retail customer's* behalf.

customer connection service

Has (in the context of Chapter 6B) the meaning given in clause 6B.A1.2.

Customer transmission use of system, Customer transmission use of system service

A service provided to a *Transmission Network User* for use of the *transmission network* for the conveyance of electricity that can be reasonably allocated to a *Transmission Network User* on a locational basis, but does not include *Generator transmission use of system services*.

date of issue

Has (in the context of Chapter 6B) the meaning given in clause 6B.A1.2.

day

Unless otherwise specified, the 24 hour period beginning and ending at midnight *Eastern Standard Time (EST)*.

declared NEM project

A project determined to be a declared NEM project under clause 2.11.1(ba) or 2.11.1(bd), for which there is special treatment in the timing of cost recovery.

declared network functions

Has the meaning given in the *National Electricity Law*.

declared shared network

Has the meaning given in the *National Electricity Law*.

declared transmission system

Has the meaning given in the *National Electricity Law*.

declared transmission system operator

Has the meaning given in the *National Electricity Law*.

decommission, decommit

In respect of a *generating unit*, ceasing to generate and *disconnecting* from a *network*.

dedicated connection asset

The apparatus, equipment, plant and buildings that:

- (a) are used for the purpose of *connecting* an *identified user group* to an existing *transmission network*;
- (b) are used exclusively by the *identified user group*;
- (c) can be electrically isolated from the *transmission network* without affecting the provision of *shared transmission services* to persons who are not members of the *identified user group*; and
- (d) are not:
 - (1) *network connection assets*;
 - (2) part of a *generating system*;
 - (3) part of a *distribution system*;
 - (4) part of a *transmission system* for which a *Market Network Service Provider* is registered under Chapter 2;
 - (5) part of a *Transmission Customer's facility* that utilises electrical *energy*; or
 - (6) part of the *declared transmission system* of an *adoptive jurisdiction*.

Note

Where a *Primary Transmission Network Service Provider* is registered in respect of a *dedicated connection asset* operating at *distribution voltage*, it will not be a *distribution system* and will constitute part of its *transmission system* for which it is registered. See definitions of *distribution system* and *transmission system*.

Dedicated Connection Asset Service Provider

A *Transmission Network Service Provider* to the extent that its *transmission system* or any part of it is classified as a *dedicated connection asset* in accordance with Chapter 2.

default dispatch bid

A *dispatch bid* made pursuant to clause 3.8.9.

default dispatch offer

A *dispatch offer* made pursuant to clause 3.8.9.

default event

An event defined as such in clause 3.15.21(a).

default notice

A notice issued by *AEMO* pursuant to clause 3.15.21(b)(1).

default rate

Has (in the context of Chapter 6B) the meaning given in clause 6B.A1.2.

defaulting Market Participant

A *Market Participant* in relation to which a *default event* has occurred.

delayed lower service

The service of providing, in accordance with the *market ancillary service specification*, the capability of controlling the level of *generation* or *load* associated with a particular *facility* in response to a change in the *frequency* of the *power system* beyond a threshold or in accordance with electronic signals from *AEMO* in order to lower that *frequency* to within the *normal operating frequency band*.

delayed raise service

The service of providing, in accordance with the *market ancillary service specification*, the capability of controlling the level of *generation* or *load* associated with a particular *facility* in response to a change in the *frequency* of the *power system* beyond a threshold or in accordance with electronic signals from *AEMO* in order to raise that *frequency* to within the *normal operating frequency band*.

delayed response capacity reserve

That part of the *contingency capacity reserve* capable of realisation within 5 minutes of a major *frequency* decline in the *power system* as described further in the *power system security standards*.

delayed service

A *delayed raise service* or a *delayed lower service*.

demand based price

A price expressed in dollars per kilowatt per time period or dollars per kilovolt ampere per time period.

demand management incentive scheme

A scheme developed and *published* by the *AER* under clause 6.6.3.

demand management incentive scheme objective

Has the meaning given to it by clause 6.6.3(b).

demand management innovation allowance mechanism

A mechanism developed and *published* by the AER under clause 6.6.3A.

demand management innovation allowance objective

Has the meaning given to it by clause 6.6.3A(b).

deprival value

A value ascribed to assets which is the lower of economic value or optimised depreciated replacement value.

designated pricing proposal charges

Any of the following:

- (a) charges for *designated pricing proposal services*;
- (b) *avoided Customer TUOS charges*;
- (c) charges for *distribution services* provided by another *Distribution Network Service Provider*, but only to the extent those charges comprise:
 - (1) charges incurred by that *Distribution Network Service Provider* for *designated pricing proposal services*; or
 - (2) charges for *standard control services*;
- (d) charges or payments specified in rule 11.39.

designated pricing proposal services

Any of the following services:

- (a) *prescribed exit services*;
- (b) *prescribed common transmission services*; and
- (c) *prescribed TUOS services*.

de-synchronising/de-synchronisation

The act of *disconnection* of a *generating unit* from the *connection point* with the *power system*, normally under controlled circumstances.

direct control service

A *distribution service* that is a direct control network service within the meaning of section 2B of the Law.

Directed Participant

A *Scheduled Generator*, *Semi-Scheduled Generator*, *Market Generator*, *Market Ancillary Service Provider*, *Scheduled Network Service Provider* or *Market Customer* the subject of a *direction*.

direction

Has the meaning given in clause 4.8.9(a1)(1).

directional interconnector

Has the meaning given in clause 3.18.1(c).

Disclosee

In relation to a *Registered Participant*, a person to whom that *Registered Participant* discloses *confidential information*.

disconnect, disconnected, disconnection

The operation of switching equipment or other action so as to prevent the flow of electricity at a *connection point*.

Discretionary Member

A person appointed as a *Member* by *AEMO* to represent a class or classes of persons who have an interest in the *B2B Procedures* in accordance with the *Rules* (including clause 7.17.10(d)).

dispatch

The act of initiating or enabling all or part of the response specified in a *dispatch bid*, *dispatch offer* or *market ancillary service offer* in respect of a *scheduled generating unit*, *semi-scheduled generating unit*, a *scheduled load*, a *scheduled network service*, an *ancillary service generating unit* or an *ancillary service load* in accordance with rule 3.8, or a *direction* or operation of capacity the subject of a *reserve contract* or an instruction under an *ancillary services agreement* or to enable an *inertia network service* or *system strength service* as appropriate.

dispatch algorithm

The algorithm used to determine *central dispatch* developed by *AEMO* in accordance with clause 3.8.1(d).

dispatch bid

A notice submitted by a *Market Participant* to *AEMO* relating to the *dispatch* of a *scheduled load* in accordance with clause 3.8.7.

dispatch inflexibility profile

Data which may be provided to *AEMO* by *Market Participants*, in accordance with clause 3.8.19, to specify *dispatch inflexibilities* in respect of *scheduled loads* or *scheduled generating units* which are not *slow start generating units*.

dispatch instruction

An instruction given to a *Registered Participant* under clauses 4.9.2, 4.9.2A, 4.9.3, 4.9.3A, or to an *NMAS provider* under clause 4.9.3A.

dispatch interval

A period defined in clause 3.8.21(a1) in which the *dispatch algorithm* is run in accordance with clause 3.8.21(b).

dispatch level

Means:

- (1) for a *semi-dispatch interval*, the amount of electricity specified in a *dispatch instruction* as the *semi-scheduled generating unit's* maximum permissible

active power at the end of the *dispatch interval* specified in the *dispatch instruction*; and

- (2) for a *non semi-dispatch interval*, an estimate of the *active power* at the end of the *dispatch interval* specified in the *dispatch instruction*.

dispatch offer

A *generation dispatch offer* or a *network dispatch offer*.

dispatch offer price

The price submitted by a *Scheduled Generator*, *Semi-Scheduled Generator* or a *Scheduled Network Service Provider* for a *price band* and a *trading interval* in a *dispatch offer*.

dispatch price

The price determined for each *regional reference node* by the *dispatch algorithm* each time it is run by *AEMO*.

dispatchable unit identifier

An unique reference label allocated by *AEMO* for each *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled load*, and *scheduled network service*.

dispatched generating unit

A *scheduled generating unit* which has received instructions from *AEMO* in accordance with a *dispatch schedule*.

dispatched generation

The *generation* which has been *dispatched* as part of *central dispatch*.

dispatched Generator

A *Generator* who has received a *dispatch instruction* from *AEMO*.

dispatched load

The *load* which has been *dispatched* as part of *central dispatch*.

dispute management system

The dispute management system which each *Registered Participant* and *AEMO* must adopt in accordance with clause 8.2.3.

dispute resolution panel

A dispute resolution panel established pursuant to clause 8.2.6A.

distribution

Activities pertaining to a *distribution system* including the conveyance of electricity through that *distribution system*.

Distribution Annual Planning Report

A report prepared by a *Distribution Network Service Provider* under clause 5.13.2.

Distribution Confidentiality Guidelines

Guidelines made by the *AER* under clause 6.14A.

distribution connection assets

Those components of the *distribution system* which are used to provide *connection services* to a *Distribution Network User* or a group of *Distribution Network Users* or a *Network Service Provider* or a group of *Network Service Providers*.

distribution consultation procedures

The procedures set out in Part G of Chapter 6.

Distribution Customer

A *Customer*, *Distribution Network Service Provider*, *Non-Registered Customer*, *franchise customer*, or *retail customer* having a *connection point* with a *distribution network*.

distribution line

A power line, including underground cables, that is part of a *distribution network*.

distribution loss factor

An *average loss factor* calculated according to clause 3.6.3.

distribution losses

Electrical energy losses incurred in distributing electricity over a *distribution network*.

distribution network

A *network* which is not a *transmission network*.

distribution network connection point

A *connection point* on a *distribution network*.

Distribution Network Service Provider

A person who engages in the activity of owning, controlling, or operating a *distribution system*.

In this Chapter 10, for the purposes of clause 2.5.4(g), a reference to a *Distribution Network Service Provider* includes a reference to an *Embedded Network Service Provider*.

Distribution Network Service Provider Member

A person nominated and elected as a *Member* by regulated distribution system operators (as defined in the *National Electricity Law*)~~*Distribution Network Service Providers*~~ to represent ~~*Distribution Network Service Providers*~~regulated distribution system operators in accordance with the *Rules* (including clause 7.17.10(e)) and *Information Exchange Committee Election Procedures*.

Distribution Network User

A *Distribution Customer* or an *Embedded Generator*.

distribution network user access

The *power transfer capability* of the *distribution network* in respect of:

- (a) *generating units* or a group of *generating units*; and
- (b) *network elements*,

at a *connection point* which has been negotiated in accordance with rule 5.5.

Distribution Reliability Measures Guidelines

Guidelines made by the AER under clause 6.28.

Distribution Ring-Fencing Guidelines

The guidelines developed by the AER under clause 6.17.2.

distribution service

A service provided by means of, or in connection with, a *distribution system*.

distribution services access dispute

A dispute referred to in clause 6.22.1.

Distribution Service Classification Guidelines

Guidelines developed, maintained and *published* by the AER under clause 6.2.3A.

distribution standard control service revenue

Has the meaning given in rule 6.26(b)(2).

distribution system

A *distribution network*, together with the *connection assets* associated with the *distribution network*, which is *connected* to another *transmission or distribution system*.

Connection assets on their own, and *dedicated connection assets* in respect of which a *Primary Transmission Network Services Provider* is registered, do not constitute a *distribution system*.

The following do not constitute a *distribution system*:

- (a) a network forming part of a metering installation, but not including incoming sub-mains or outgoing service wiring;
- (b) a network forming part of a facility for broadcasting television or radio signals;
- (c) a network forming part of, or used in conjunction with, or ancillary to, or that is primarily used to facilitate the functioning of, infrastructure for the provision of telecommunications services, data centre services or other services provided by means of communications technology, including infrastructure for the provision of internet, telephone, mobile phone, fibre optic, hybrid fibre cable, television, radio or wi-fi services;
- (d) a network within a construction site or on a site adjacent to the construction site, but only where and for so long as the network is used to provide a temporary supply during the construction and commissioning phases of new facilities on the site; and
- (e) a network forming part of plug-in or rack mounted equipment when in use in any premises including National Broadband Network equipment in any premises with an input current rating not exceeding 3 amps AC.

Distribution System Operator

A person who is responsible, under the *Rules* or otherwise, for controlling or operating any portion of a *distribution system* (including being responsible for directing its operations during *power system* emergencies) and who is registered by AEMO as a *Distribution System Operator* under Chapter 2.

distribution use of system, distribution use of system service

A service provided to a *Distribution Network User* for use of the *distribution network* for the conveyance of electricity that can be reasonably allocated on a locational and/or *voltage* basis.

DMS

A *dispute management system*.

DMS Contact

A person appointed by a *Registered Participant* or AEMO pursuant to its *DMS* to be the first point of contact for the notification of disputes under clause 8.2.

DMS referral notice

A notice served on a *DMS Contact* pursuant to clause 8.2.4(a).

DRP

A *dispute resolution panel*.

dual function asset

Means any part of a *network* owned, operated or controlled by a *Distribution Network Service Provider* which operates between 66 kV and 220 kV and which operates in parallel, and provides support, to the higher voltage *transmission network* which is deemed by clause 6.24.2(a) to be a *dual function asset*. For the avoidance of doubt:

- (a) a *dual function asset* can only be an asset which forms part of a *network* that is predominantly a *distribution network*; and
- (b) an asset which forms part of a *network* which is predominantly a *transmission network* cannot be characterised as a *dual function asset*,

through the operation of clause 6.24.2(a).

due date for payment

Has (in the context of Chapter 6B) the meaning given in clause 6B.A1.2.

dynamic performance

The response and behaviour of *networks* and *facilities* which are *connected* to the *networks* when the *satisfactory operating state* of the *power system* is disturbed.

EAAP guidelines

The guidelines *published* by AEMO in accordance with clause 3.7C(k) that AEMO must comply with in preparing the *EAAP*.

EAAP principles

The principles referred to in clause 3.7C(b) that AEMO must comply with in preparing the *EAAP* and the *EAAP guidelines*.

Eastern Standard Time (EST)

The time which is set at 10 hours in advance of *Co-ordinated Universal Time*.

EFCS settings schedule

The schedules developed by *AEMO* for each *participating jurisdiction* in accordance with clause 4.3.2(h)(2) specifying the settings for *emergency frequency control schemes* affecting *regions* in the *participating jurisdiction*.

efficiency benefit sharing scheme

For a *Transmission Network Service Provider* – a scheme developed and *published* by the *AER* under clause 6A.5.

For a *Distribution Network Service Provider* – a scheme developed and *published* by the *AER* under clause 6.5.8.

efficiency benefit sharing scheme parameters

For an *efficiency benefit sharing scheme*, those parameters that are *published* by the *AER* in respect of that scheme pursuant to clause 6A.6.5(c).

electrical energy loss

Energy loss incurred in the production, transportation and/or use of electricity.

electrical sub-network

A part of the *national grid* determined by *AEMO* in accordance with clause 3.11.8.

Electricity Procedures

Procedures made under these *Rules* including:

- (a) *Retail Market Procedures*; and
- (b) procedures governing the operation of the *National Electricity Market*; and
- (c) *RoLR procedures* for electricity; and
- (d) procedures dealing with any other subject on which these *Rules* empower the making of procedures.

electronic communication system

Includes the electronic communication and the *electronic data transfer* system provided to *Registered Participants* by *AEMO*.

electronic data transfer

The transfer of data by electronic means from one location to another.

eligible pass through amount

In respect of a *positive change event* for a *Transmission Network Service Provider*, the increase in costs in the provision of *prescribed transmission services* that, as a result of that *positive change event*, the *Transmission Network Service Provider* has incurred and is likely to incur (as opposed to the revenue impact of that event) until:

- (a) unless paragraph(b) applies – the end of the *regulatory control period* in which the *positive change event* occurred; or
- (b) if the *transmission determination* for the *regulatory control period* following that in which the *positive change event* occurred does not make any

allowance for the recovery of that increase in costs (whether or not in the forecast operating expenditure or forecast capital expenditure accepted or substituted by the AER for that *regulatory control period*) – the end of the *regulatory control period* following that in which the *positive change event* occurred.

In respect of a *positive change event* for a *Distribution Network Service Provider*, the increase in costs in the provision of *direct control services* that, as a result of that *positive change event*, the *Distribution Network Service Provider* has incurred and is likely to incur (as opposed to the revenue impact of that event) until:

- (a) unless paragraph(b) applies – the end of the *regulatory control period* in which the *positive change event* occurred; or
- (b) if the distribution determination for the *regulatory control period* following that in which the *positive change event* occurred does not make any allowance for the recovery of that increase in costs (whether or not in the forecast operating expenditure or forecast capital expenditure accepted or substituted by the AER for that *regulatory control period*) – the end of the *regulatory control period* following that in which the *positive change event* occurred.

eligible person

Has the meaning given in clause 3.18.2(b).

embedded generating unit

A *generating unit connected* within a *distribution network* and not having direct access to the *transmission network*.

Embedded Generator

A *Generator* who owns, operates or controls an *embedded generating unit*.

Note:

In the context of Chapter 5A, the above definition has been displaced by the definition "embedded generator" specifically applicable to that Chapter. See clause 5A.A.1.

embedded network

A *distribution system* which:

- (a) has been classified in accordance with Chapter 2 as an *embedded network*; or
- (b) is an *exempt embedded network*, ~~connected at a parent connection point to either a distribution system or transmission system that forms part of the national grid, and which is owned, controlled or operated by a person who is not a Network Service Provider.~~

embedded network area

The geographical area, site or premises served by an *embedded network*. In relation to an *embedded network*, the *embedded network area* registered with AEMO under clause 2.5.4.

embedded network management services

Services that involve carrying out the roles, discharging the responsibilities and complying with the obligations of an *Embedded Network Manager* under the *Rules* and procedures authorised under the *Rules*.

Embedded Network Manager

A person:

- (a) who meets the requirements listed in schedule 7.7 and has been accredited and registered by *AEMO* as an *Embedded Network Manager*; and
- (b) who has not been deregistered by *AEMO* as an *Embedded Network Manager* under clause 7.4.4(d).

Embedded Network Service Provider

A *Network Service Provider* who has classified its *distribution system* as an *embedded network* in accordance with Chapter 2 and who is registered by *AEMO* as an *Embedded Network Service Provider* under Chapter 2.

emergency frequency control scheme

Facilities for initiating automatic *load shedding* or automatic *generation shedding* to prevent or arrest uncontrolled increases or decreases in *frequency* (alone or in combination) leading to *cascading outages* or *major supply disruptions*.

emergency priority procedures

The procedures developed and *published* by *AEMO* in accordance with clause 7.8.5(b).

emission factor

The factor representing the amount of greenhouse gas emissions per unit of electricity (t CO₂-e/MWh) of energy produced by each *power station*.

enabled, enable

A *market ancillary service* is enabled when *AEMO* has selected the relevant *generating unit* or *load* for the provision of the *market ancillary service* and has notified the relevant *Market Participant* accordingly.

An *inertia network service* is enabled when *AEMO* has selected the relevant *inertia network service* and the service is providing *inertia* to an *inertia sub-network*.

An activity approved by *AEMO* under clause 5.20B.5(a) is enabled when *AEMO* has selected the relevant activity and the activity is performing and available in accordance with any conditions of that approval.

A *system strength service* is enabled when *AEMO* has selected the relevant *system strength service* and the service is contributing to the *three phase fault level* at the relevant *fault level node*.

enablement limit

In relation to any *market ancillary service offer*, the level of associated *generation* or *load* (in MW) above or below which no response is specified as being available.

enabling price

Has the meaning given in clause 3.8.7A(d).

energise/energisation

The act of operation of switching equipment or the start-up of a *generating unit*, which results in there being a non-zero *voltage* beyond a *connection point* or part of the *transmission* or *distribution network*.

energy

Active energy and/or *reactive energy*.

energy adequacy assessment projection (EAAP)

A projection of AEMO's assessment of *energy* availability that accounts for *energy constraints* for each month over a 24 month period, which is prepared and *published* in accordance with rule 3.7C and is measured as *unserved energy* for each *region*.

energy based price

A price expressed in cents per kilowatt hour of *energy*.

energy constrained scheduled generating unit

A *scheduled generating unit* in respect of which the amount of electricity it is capable of *supplying* on a *trading day* is less than the amount of electricity it would *supply* on that *trading day* if it were *dispatched* to its full nominated availability for the whole *trading day*.

energy constrained scheduled load

A *scheduled load* in respect of which the amount of electricity it can take in a *trading day*, if *normally off*, or it can *off-load*, if *normally on*, is *constrained*.

energy constraint

A limitation on the ability of a *generating unit* or group of *generating units* to generate *active power* due to the restrictions in the availability of fuel or other necessary expendable resources such as, but not limited to, gas, coal, or water for operating turbines or for cooling.

energy conversion model

The model that defines how the *intermittent* input energy source (such as wind) is converted by the *semi-scheduled generating unit* into electrical output. That model must contain the information set out in the guidelines *published* by AEMO in accordance with clause 2.2.7(d).

energy data

Interval energy data or *accumulated energy data*.

energy laws

Has the meaning given in section 2(1) of the *NERL*

energy ombudsman

Has the same meaning as in the *NERL*.

energy support arrangement

A contractual arrangement between a *Generator* or *Network Service Provider* on the one hand, and a customer or *participating jurisdiction* on the other, under which

facilities not subject to an ancillary services agreement for the provision of system restart ancillary services are used to assist supply to a customer during a major supply disruption affecting that customer, or customers generally in the participating jurisdictions, as the case may be.

ENM conditions

An *Exempt Embedded Network Service Provider* must:

- (a) act as the *Embedded Network Manager* for the relevant *embedded network*; or
- (b) engage an *Embedded Network Manager* to provide *embedded network management services* for the relevant *embedded network*; and
- (c) enter into an agreement with an *Embedded Network Manager* for the provision of *embedded network management services* where that person has engaged an *Embedded Network Manager* under paragraph (b).

ENM conditions trigger

In relation to an embedded network, when:

- (a) a small customer connected to the embedded network, when the small customer enters into a market retail contract for the sale of energy at the relevant child connection point and the cooling off period in relation to that contract has expired; or -
- (b) In relation to a large customer connected to the embedded network, when the large customer has entered a contract for the sale of energy at the relevant child connection point.

ENM service level procedures

The procedures established by AEMO in accordance with clause 7.16.6A.

enquiry

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1

entry charge

The charge payable by an *Embedded Generator* to a *Distribution Network Service Provider* for an *entry service* at a *distribution network connection point*.

entry cost

For each *distribution network connection point*, the amount of the *aggregate annual revenue requirement* for all individual assets classified as *entry service* assets which provide *entry service* for the *connection point*.

entry service

A service provided to serve a *Generator* or a group of *Generators*, or a *Network Service Provider* or a group of *Network Service Providers*, at a single *connection point*.

EN wiring information

Panel layouts and wiring diagrams relevant to an *embedded network*.

estimated metering data

The estimated values of *accumulated metering data*, *interval metering data* or *calculated metering data* that have been prepared in accordance with the *metrology procedure*. *Estimated metering data* is held in a *metering data services database* and the *metering database*.

excitation control system

In relation to a *generating unit*, the automatic *control system* that provides the field excitation for the generator of the *generating unit* (including excitation limiting devices and any *power system stabiliser*).

exempt embedded network

A distribution system owned, controlled or operated by an Exempt Embedded Network Service Provider.

Exempt Embedded Network Service Provider

An Exempt Network Operator ~~person~~ who engages in the activity of owning, controlling or operating ~~a distribution system~~ ~~an exempt embedded network under an exemption granted or deemed to be granted by the AER under section 13 of the National Electricity Law and clause 2.5.1(d).~~

Exempt Network Operator

A person who engages in the activity of owning, controlling or operating a transmission system or distribution system under a network exemption.

exempt seller

Has the same meaning as in the NERL.

exemption application

Has the meaning given in clause 6.4B.2(a).

exit charge

The charge payable by a *Distribution Customer* to a *Distribution Network Service Provider* for *exit service* at a *distribution network connection point*.

exit cost

For each *distribution network connection point*, the amount of the *aggregate annual revenue requirement* for all individual assets classified as *exit service* assets which provide *exit service* for the *connection point*.

exit service

A service provided to serve a *Transmission Customer* or *Distribution Customer* or a group of *Transmission Customers* or *Distribution Customers*, or a *Network Service Provider* or a group of *Network Service Providers*, at a single *connection point*.

expenditure for a restricted asset

Capital expenditure for a *restricted asset*, excluding capital expenditure for the refurbishment of that asset.

Expenditure Forecast Assessment Guidelines

Guidelines made by the AER under clause 6.4.5(a) or clause 6A.5.6(a), as the case may be.

extension

An *augmentation* that requires the *connection* of a power line or *facility* outside the present boundaries of the *transmission* or *distribution network* owned, controlled or operated by a *Network Service Provider*.

external administration default event

A *default event* of a type referred to in subparagraphs 3.15.21(a)(10) or (11).

extreme frequency excursion tolerance limits

In relation to the *frequency* of the *power system*, means the limits so described and specified in the *power system security standards*.

facilities

A generic term associated with the apparatus, equipment, buildings and necessary associated supporting resources provided at, typically:

- (a) a *power station* or *generating unit*;
- (b) a *substation* or *power station switchyard*;
- (c) a *control centre* (being a *AEMO control centre*, or a *distribution* or *transmission network control centre*);
- (d) facilities providing an *exit service*.

failed retailer

Has the meaning given in the *National Energy Retail Law*.

fast lower service

The service of providing, in accordance with the requirements of the *market ancillary service specification*, the capability of rapidly controlling the level of *generation* or *load* associated with a particular *facility* in response to the locally sensed *frequency* of the *power system* in order to arrest a rise in that *frequency*.

fast raise service

The service of providing, in accordance with the requirements of the *market ancillary service specification*, the capability of rapidly controlling the level of *generation* or *load* associated with a particular *facility* in response to the locally sensed *frequency* of the *power system* in order to arrest a fall in that *frequency*.

fault clearance time

In respect of a *fault type*, the time within which the *protection system* is designed, operated and maintained to clear a *short circuit fault* of that *fault type* within its protection zone.

fault level node

A location on a *transmission network* that AEMO determines is a *fault level node* in its determination of *system strength requirements* under clause 5.20C.1(a).

fault level shortfall

A shortfall in the *three phase fault level* typically provided at a *fault level node* in a *region* (having regard to typical patterns of *dispatched generation in central dispatch*) compared to the minimum *three phase fault level* most recently determined by AEMO for the *fault level node*.

fault level shortfall event

A *Transmission Network Service Provider* is required to make *system strength services* available under clause 5.20C.3 as a consequence of an assessment by AEMO under clause 5.20C.2(c) that there is a *fault level shortfall* at a *fault level node* in a *region* for which the *Transmission Network Service Provider* is the *System Strength Service Provider* or to cease making *system strength services* available under clause 5.20C.3 as a consequence of an assessment by AEMO under clause 5.20C.2(d) that a *fault level shortfall* at a *fault level node* has ceased and:

- (a) the *Transmission Network Service Provider* is required to provide, or cease providing, *system strength services* during the course of a *regulatory control period*; and
- (b) making *system strength services* available or ceasing to make *system strength services* available *materially* increases or *materially* decreases the *Transmission Network Service Provider's* costs of providing *prescribed transmission services*.

fault type

One of the following types of electrical fault:

- (a) three phase to ground fault;
- (b) three phase fault;
- (c) two phase to ground fault;
- (d) phase to phase fault; and
- (e) one phase to ground fault.

final statement

A statement issued by AEMO under clause 3.15.15 to a *Market Participant*.

financial year

A period commencing on 1 July in one calendar year and terminating on 30 June in the following calendar year.

financially responsible

In relation to any *market connection point*, a term which is used to describe the *Market Participant* which has either:

- 1. classified the *connection point* as one of its *market loads*;
- 2. classified the *generating unit connected* at that *connection point* as a *market generating unit*; or
- 3. classified the *network services* at that *connection point* as a *market network service*.

First-Tier Customer

A *Customer* which has classified any *load* as a *first-tier load* in accordance with Chapter 2.

first-tier load

Electricity purchased at a *connection point* directly and in its entirety from the *Local Retailer* and which is classified as a *first-tier load* in accordance with Chapter 2.

former Chapter 6A

Chapter 6A of the *Rules* as in force immediately prior to the commencement of Schedules 1, 2, 4, 5 and 6 of the *National Electricity Amendment (Transmission Connection and Planning Arrangements) Rule 2017 No.4* and which is applicable for a *declared transmission system* of an *adoptive jurisdiction* under clause 11.98.8, as amended from time to time.

framework and approach paper

A document prepared and issued as a framework and approach paper under clause 6.8.1.

franchise customer

A person who does not meet its local jurisdiction requirements to make it eligible to be registered by *AEMO* as a *Customer* for a *load*.

frequency

For alternating current electricity, the number of cycles occurring in each second. The term Hertz (Hz) corresponds to cycles per second.

frequency operating standard

The standards which specify the *frequency* levels for the operation of the *power system* set out in the *power system security standards*.

frequency response mode

The mode of operation of a *generating unit* which allows automatic changes to the generated power when the *frequency* of the *power system* changes.

fully co-optimised network constraint formulation

A *network constraint* equation formulation that allows *AEMO*, through direct physical representation, to control all the variables within the equation that can be determined through the *central dispatch* process. Some variables may not be included in accordance with clause 3.8.10(c) of the *Rules* if control of such variables would not materially enhance the security of the *power system* due to the small size of their coefficients.

funded augmentation

A *transmission network augmentation* for which the *Transmission Network Service Provider* is not entitled to receive a charge pursuant to Chapter 6A.

GELF parameters

Variable parameters specific to a *Generator Energy Limitation Framework (GELF)* which are defined in the *EAAP guidelines* and supplement the *GELF*, and are

submitted by a *Scheduled Generator* and updated in accordance with rule 3.7C for the purpose of the *EAAP*.

general regulatory information order

Has the meaning given in the *National Electricity Law*.

generated

In relation to a *generating unit*, the amount of electricity produced by the *generating unit* as measured at its terminals.

generating plant

In relation to a *connection point*, includes all equipment involved in generating electrical *energy*.

generating system

- (a) Subject to paragraph (b), for the purposes of the *Rules*, a system comprising one or more *generating units*.
- (b) For the purposes of clause 2.2.1(e)(3), clause 4.9.2, Chapter 5 and a *jurisdictional derogation* from Chapter 5, a system comprising one or more *generating units* and includes auxiliary or *reactive plant* that is located on the *Generator's* side of the *connection point* and is necessary for the *generating system* to meet its *performance standards*.

generating unit

The plant used in the production of electricity and all related equipment essential to its functioning as a single entity.

generating unit minimum ramp rate requirement

- (a) in relation to a *generating unit* that has not been aggregated in accordance with clause 3.8.3, the lower of 3MW/minute or 3% of the maximum *generation* provided in accordance with clause 3.13.3(b); or
- (b) in relation to a *generating unit* that has been aggregated in accordance with clause 3.8.3, the lower of 3 MW/minute or 3% of the maximum *generation* provided in accordance with clause 3.13.3(b1),
expressed as MW/minute rounded down to the nearest whole number except where this would result in the nearest whole number being zero, in which case the generating unit minimum ramp rate requirement is 1 MW/minute.

generation

The production of electrical power by converting another form of energy in a *generating unit*.

generation centre

A geographically concentrated area containing a *generating unit* or *generating units* with significant combined generating capability.

generation dispatch offer

A notice submitted by a *Scheduled Generator* or *Semi-Scheduled Generator* to AEMO relating to the *dispatch* of a *scheduled generating unit* or a *semi-scheduled generating unit* in accordance with clause 3.8.6.

generation shedding

Disconnecting, or reducing the transfer of active power to the power system from, one or more generating systems or generating units.

Generator

A person who engages in the activity of owning, controlling or operating a *generating system* that is *connected* to, or who otherwise *supplies* electricity to, a *transmission* or *distribution system* and who is registered by AEMO as a *Generator* under Chapter 2.

For the purposes of Chapter 5, the term includes a person who is required or intends to register in that capacity or is a non-registered embedded generator (as defined in clause 5A.A.1) who has made an election under clause 5A.A.2(c).

Generator Energy Limitation Framework (GELF)

A description of the *energy constraints* that affect the ability of a *scheduled generating unit* to generate electricity prepared in accordance with the *EAAP guidelines*.

Generator transmission use of system, Generator transmission use of system service

A service provided to a *Generator* for:

- (a) **[Deleted]**
- (b) use of a *transmission investment* for the conveyance of electricity that can be reasonably allocated to a *Generator* on a locational basis.

global market ancillary service requirement

Has the meaning given to it by clause 3.8.1(e2).

good electricity industry practice

The exercise of that degree of skill, diligence, prudence and foresight that reasonably would be expected from a significant proportion of operators of *facilities* forming part of the *power system* for the *generation, transmission* or *supply* of electricity under conditions comparable to those applicable to the relevant *facility* consistent with *applicable regulatory instruments, reliability, safety* and environmental protection. The determination of comparable conditions is to take into account factors such as the relative size, duty, age and technological status of the relevant *facility* and the *applicable regulatory instruments*.

high voltage (HV)

A *voltage* greater than 1 kV.

identified need

The objective a *Network Service Provider* (or in the case of a need identified through joint planning under clause 5.14.1(d)(3) or clause 5.14.2(a), or clause 5.14.3(a), a group of *Network Service Providers*) seeks to achieve by investing in the *network*.

identified user group

One or more persons (other than a *Network Service Provider* who is not a *Market Network Service Provider*) who, from time to time, are *connected* to a *transmission network* at the same single *connection point*.

identified user shared asset

The apparatus, equipment, plant and buildings that:

- (a) are used for the purpose of *connecting* one or more *identified user groups* to an existing *transmission network*;
- (b) are not used exclusively by the relevant *identified user groups*;
- (c) under normal operating conditions, cannot be electrically isolated from the *transmission network* without affecting the provision of *shared transmission services* to persons who are not members of the relevant *identified user groups*; and
- (d) are not part of the *declared transmission system* of an *adoptive jurisdiction*.

Incoming Retailer

A *retailer* that:

- (a) has a contract with a customer at a *connection point*; and
- (b) has initiated the customer transfer process in accordance with the *Market Settlement and Transfer Solution Procedures*,

but which is not yet designated the *financially responsible Market Participant* ([within the meaning of Chapter 7](#)) for that *connection point*.

Independent Engineer

A person appointed under rule 5.4.

independent person

A person who:

- (a) is not a member, employee or member of staff of the *AER* or the *AEMC*;
- (b) is not a director or employee of *AEMO*;
- (c) is not a director or employee of, or partner in, a *Registered Participant*;
- (d) does not have a direct or indirect financial interest (whether as shareholder, partner or other equity participant) in any *Registered Participant* or a *related body corporate* of any *Registered Participant*, other than an interest of less than 0.1% of the net shareholders funds of that entity (as determined at the date the relevant person is appointed to carry out a function under the *Rules*); or
- (e) is not a director or employee of a *related body corporate* of any *Registered Participant*.

independently controllable two-terminal link

A *two-terminal link* through which the *power transfer* can be independently controlled within a range determined by the *power transfer capability* of the *two-terminal link* and the conditions prevailing in the rest of the *power system*.

indexed amount

As at any time and in relation to a dollar value that is expressly set out in Part C of Chapter 6 or Part C of Chapter 6A, that dollar value multiplied by CPI_a/CPI_b

where:

CPI_a is the *CPI* as at that time; and

CPI_b is the Consumer Price Index: All Groups Index Number, weighted average of eight capital cities published by the Australian Bureau of Statistics for the quarter ending 30 June 2006.

indicative pricing schedule

For a *Distribution Network Service Provider*, means the schedule of indicative price levels as referred to in paragraph 6.18.1A(e).

inertia

Contribution to the capability of the *power system* to resist changes in *frequency* by means of an inertial response from a *generating unit*, *network element* or other equipment that is electro-magnetically coupled with the *power system* and *synchronised* to the *frequency* of the *power system*.

inertia generating unit

A *generating unit* registered with AEMO under clause 5.20B.6(b).

inertia network service

A service for the provision of *inertia* to a *transmission system*.

inertia requirements

The *minimum threshold level of inertia* and the *secure operating level of inertia* for an *inertia sub-network* determined by AEMO under clause 5.20B.2(a).

inertia requirements methodology

The process AEMO uses to determine the *inertia requirements* for each *inertia sub-network*, published by AEMO under clause 5.20.1(a)(3).

inertia service payment

A payment by a *Transmission Network Service Provider* made under an *inertia services agreement* where:

- (a) the payment is made for *inertia network services* or *inertia support activities* to be made available or provided as a service to the *Transmission Network Service Provider* in its capacity as an *Inertia Service Provider* to (in the case of *inertia network services*) satisfy an obligation under clause 5.20B.4 or (in the case of *inertia support activities*) resulting in an adjustment to the *minimum threshold level of inertia* or the *secure operating level of inertia*; and
- (b) the *inertia network services* are made available or provided, or the *inertia support activity* is undertaken, in accordance with:
 - (1) applicable technical specifications and performance standards approved by AEMO; and
 - (2) in the case of an *inertia support activity*, any conditions of AEMO's approval under clause 5.20B.5(a).

Inertia Service Provider

The *Inertia Service Provider* for an *inertia sub-network* as specified under clause 5.20B.4(a).

inertia services agreement

An agreement under which a person agrees to provide one or more *inertia network services* to an *Inertia Service Provider* or to undertake an *inertia support activity*.

inertia shortfall

A shortfall in the level of *inertia* typically provided in an *inertia sub-network* (having regard to typical patterns of *dispatched generation* in *central dispatch*) compared to the *secure operating level of inertia* most recently determined by AEMO for the *inertia sub-network*.

inertia shortfall event

A *Transmission Network Service Provider* is required to make *inertia network services* available under clause 5.20B.4 as a consequence of an assessment by AEMO under clause 5.20B.3(c) that there is an *inertia shortfall* in an *inertia sub-network* for which the *Transmission Network Service Provider* is the *Inertia Service Provider* or to cease making *inertia network services* available under clause 5.20B.4 as a consequence of an assessment by AEMO under clause 5.20B.3(d) that an *inertia shortfall* in the *inertia sub-network* has ceased and:

- (a) the *Transmission Network Service Provider* is required to provide, or cease providing, *inertia network services* during the course of a *regulatory control period*; and
- (b) making *inertia network services* available or ceasing to make *inertia network services* available *materially* increases or *materially* decreases the *Transmission Network Service Provider's* costs of providing *prescribed transmission services*.

inertia sub-network

A part of the *national grid* determined by AEMO in accordance with clause 5.20B.1.

inertia support activity

An activity approved by AEMO under clause 5.20B.5(a).

inflexible, inflexibility

In respect of a *scheduled generating unit*, *scheduled load* or *scheduled network service* for a *trading interval* means that the *scheduled generating unit*, *scheduled load* or *scheduled network service* is only able to be *dispatched* in the *trading interval* at a fixed *loading level* specified in accordance with clause 3.8.19(a).

Information Exchange Committee

The committee established under clause 7.17.6(a).

Information Exchange Committee Annual Report

The annual report prepared by the *Information Exchange Committee* in accordance with the *Information Exchange Committee Operating Manual* and the *Rules*.

Information Exchange Committee Election Procedures

The procedures of that title which set out the process for election of *Members*.

Information Exchange Committee Operating Manual

The manual of that title prepared by the *Information Exchange Committee* which sets out the processes pursuant to which the *Information Exchange Committee* operates.

Information Exchange Committee Recommendation

- (a) For the purposes of Chapter 8 and any applicable definitions, a decision made by the *Information Exchange Committee* under clauses 7.17.4(n)(1) or 7.17.4(n)(2).
- (b) Otherwise, a decision made by the *Information Exchange Committee* under clause 7.17.4(n)(2).

Information Exchange Committee Working Groups

The groups established by the *Information Exchange Committee* to assist with the *Information Exchange Committee Works Programme*.

Information Exchange Committee Works Programme

The work programme prepared by the *Information Exchange Committee* in respect of the development, implementation and operation of the *B2B Procedures* and other matters which are incidental to effective and efficient *B2B Communications*.

information guidelines

Guidelines made by the *AER* for the purpose of guiding a *Transmission Network Service Provider* in the submission of certified annual statements and other related information in accordance with clause 6A.17.2.

insolvency official

A receiver, receiver and manager, administrator, provisional liquidator, liquidator, trustee in bankruptcy or person having a similar or analogous function.

instrument transformer

Either a *current transformer (CT)* or a *voltage transformer (VT)*.

insurance event

An event for which the risk of its occurrence is the subject of insurance taken out by or for a *Transmission Network Service Provider*, for which an allowance is provided in the *total revenue cap* for the *Transmission Network Service Provider* and in respect of which:

- (a) the cost of the premium paid or required to be paid by the *Transmission Network Service Provider* in the *regulatory year* in which the cost of the premium changes is higher or lower than the premium that is provided for in the *maximum allowed revenue* for the provider for that *regulatory year* by an amount of more than 1% of the *maximum allowed revenue* for the provider for that *regulatory year*;
- (b) the risk eventuates and, as a consequence, the *Transmission Network Service Provider* incurs or will incur all or part of a deductible where the amount so incurred or to be so incurred in a *regulatory year* is higher or lower than the allowance for the deductible (if any) that is provided for in the *maximum allowed revenue* for the provider for that *regulatory year* by an amount of

more than 1% of the *maximum allowed revenue* for the provider for that *regulatory year*;

- (c) insurance becomes unavailable to the *Transmission Network Service Provider*; or
- (d) insurance becomes available to the *Transmission Network Service Provider* on terms materially different to those existing as at the time the *revenue determination* was made (other than as a result of any act or omission of the provider which is inconsistent with good electricity industry practice).

intending load

A proposed purchase of electricity at a *connection point* (the location of which may be undefined) which is classified as an *intending load* in accordance with Chapter 2.

Intending Participant

A person who is registered by AEMO as an *Intending Participant* under Chapter 2.

interconnection, interconnector, interconnect, interconnected

A *transmission line* or group of *transmission lines* that *connects* the *transmission networks* in adjacent regions.

interconnector flow

The quantity of electricity in MW being transmitted by an *interconnector*.

interested party

- (a) In Chapter 5, a person including an end user or its *representative* who, in AEMO's opinion, has or identifies itself to AEMO as having an interest in relation to the *network* planning and development activities covered under Part B of Chapter 5 or in the determination of *plant standards* covered under clause 5.3.3(b2).
- (b) Despite the definition in (a) above, in clauses 5.16.4, 5.16.5, 5.17.4 and 5.17.5, the meaning given to it in clause 5.15.1.
- (c) In Chapter 6 or Chapter 6A, a person (not being a *Registered Participant* or AEMO) that has, in the AER's opinion, or identifies itself to the AER as having, an interest in the *Transmission Ring-Fencing Guidelines* or the *Distribution Ring-Fencing Guidelines*.
- (d) In Chapter 2, a person including an end user or its *representative* who, in AEMO's opinion, has or identifies itself to AEMO as having an interest in relation to the structure of *Participant fees*.
- (e) In Chapter 7, a person that has, in AEMO's opinion, or identifies itself to AEMO as having, an interest in the relevant procedure in Chapter 7.

interim statement

Has the meaning given in clause 3.3.11(a)(1).

intermediary

A person who is registered by AEMO as a *Generator* or a *Network Service Provider* instead of another person who, in the absence of an exemption under clause 2.9.3, would be required to be registered as such under the *Rules*.

intermittent

A description of a *generating unit* whose output is not readily predictable, including, without limitation, solar generators, wave turbine generators, wind turbine generators and hydro-generators without any material storage capability.

inter-network test

A test conducted for the purpose of verifying the magnitude of the *power transfer capability* of more than one *transmission network* in accordance with clause 5.7.7.

inter-network testing constraint

A *constraint* on a *transmission network* as contemplated by clause 5.7.7.

inter-regional

Between *regions*.

inter-regional loss factor

A *marginal loss factor* determined according to clause 3.6.1.

inter-regional losses

Has the meaning given to it by clause 3.6.1(a).

interruptible load

A *load* which is able to be *disconnected*, either manually or automatically initiated, which is provided for the restoration or control of the *power system frequency* by AEMO to cater for *contingency events* or shortages of *supply*.

interval energy data

The data that results from the measurement of the flow of electricity in a power conductor where the data is prepared and recorded by the *metering installation* in intervals which correspond to a *trading interval* or are submultiples of a *trading interval*. *Interval energy data* is held in the *metering installation*.

interval metering data

The *interval energy data*, once collected from a *metering installation*, is *interval metering data*. *Interval metering data* is held in a *metering data services database* and the *metering database*.

intervention price dispatch interval

A *dispatch interval* declared by AEMO to be an *intervention price dispatch interval* in accordance with clause 3.9.3.

intervention price trading interval

A *trading interval* in which AEMO has declared an *intervention price dispatch interval* in accordance with clause 3.9.3.

intervention settlement timetable

Has the meaning given in clause 3.12.1(b).

intra-regional

Within a *region*.

intra-regional loss factor

A *marginal loss factor* determined according to clause 3.6.2.

intra-regional losses

Has the meaning given to it by clause 3.6.2(a).

invoiced amount

The aggregate of the *settlement statements*, *interim*, *preliminary* or *final*, which at the time of issue of a *call notice* are unpaid by the *Market Participant*, notwithstanding that the usual time for issue or payment of those *settlement statements* has not been reached.

islanded, islanding

In relation to an *inertia sub-network* or a combination of two or more *inertia sub-networks*, temporary loss of synchronous *connection* to all adjacent parts of the *national grid*.

isolation

Electrical isolation of one part of a communication system from another but where the passage of *electronic data transfer* is not prevented.

jurisdictional derogation

Has the meaning given in the *National Electricity Law*. The jurisdictional derogations are included in Chapter 9.

jurisdictional electricity legislation

Has the meaning given to that term in the *National Electricity Law*.

jurisdictional metrology material

Jurisdictional metrology matters that are to be included in the *metrology procedure* for one or more of the *participating jurisdictions* and which is submitted by the *Ministers of the MCE* to *AEMO* under clause 7.16.4.

Jurisdictional NMI Standing Data schedule

The schedules described in clause 3.13.12(a), as amended from time to time in accordance with clause 3.13.12(b).

Jurisdictional NMI Standing Data suppliers

Registered Participants which are required by the relevant *participating jurisdiction's* legislation or licensing requirements to supply *NMI Standing Data* in respect of *connection points* in that *participating jurisdiction* to *AEMO*.

jurisdictional planning body

The entity nominated by the relevant *Minister of a participating jurisdiction* as having *transmission system* planning responsibility in that *participating jurisdiction*.

jurisdictional planning representative

The *representative* from the *jurisdictional planning body* for a *participating jurisdiction* nominated by that *jurisdictional planning body* as the *jurisdictional planning representative* for that *participating jurisdiction*.

Jurisdictional Regulator

The person authorised by a *participating jurisdiction* to regulate *distribution service* prices in that jurisdiction.

jurisdictional scheme

Has the meaning given in clause 6.18.7A(d).

jurisdictional scheme amounts

In respect of a *jurisdictional scheme*, the amounts a *Distribution Network Service Provider* is required under the *jurisdictional scheme obligations* to:

- (a) pay to a person;
- (b) pay into a fund established under an Act of a *participating jurisdiction*;
- (c) credit against charges payable by a person; or
- (d) reimburse a person,

less any amounts recovered by the *Distribution Network Service Provider* from any person in respect of those amounts other than under these *Rules*.

jurisdictional scheme eligibility criteria

The criteria specified in clause 6.18.7A(x)

jurisdictional scheme obligations

Obligations imposed on a *Distribution Network Service Provider* under:

- (a) an Act of a *participating jurisdiction* or an instrument, direction or order made under an Act of a *participating jurisdiction* (other than the *National Electricity Law* and these *Rules*); or
- (b) a condition of a distribution licence or authority held by a *Distribution Network Service Provider* in a *participating jurisdiction*.

Jurisdictional System Security Coordinator

A person appointed by the *Minister* of a *participating jurisdiction* in accordance with section 110 of the *National Electricity Law*.

lack of reserve (LOR)

A condition declared by *AEMO* under clause 4.8.4(b).

large corporate entity

A 'large proprietary company' as defined under clause 45A(3) of the *Corporations Act 2001* of the Commonwealth or, if not a reporting entity under that Act, includes a public company as defined in section 9 of the Act, or an unlisted company, trust, or other legal entity which otherwise fulfils any two of the financial and/or staffing criteria specified in clause 45A(3) of that Act.

large customer

- (a) In a *participating jurisdiction* where the *National Energy Retail Law* applies as a law of that *participating jurisdiction*, has the meaning given in the *National Energy Retail Law*.

- (b) Otherwise, has the meaning given in *jurisdictional electricity legislation*, or a *retail customer* that is not a *small customer*.

large DCA service

A service provided by means of a *large dedicated connection asset*.

large DCA services access dispute

A dispute between a *Dedicated Connection Asset Service Provider* and a person seeking access to *large DCA services* as referred to in clause 5.5.1(c), that is for determination by a *commercial arbitrator* under rule 5.5.

large dedicated connection asset

A *dedicated connection asset* where the total route length for any power lines forming part of the *dedicated connection asset* is 30 kilometres or longer.

last jurisdictional scheme approval date

For an *approved jurisdictional scheme* of a *Distribution Network Service Provider*, means the later of:

- (a) if the *approved jurisdictional scheme* is a *jurisdictional scheme* referred to in clause 6.18.7A(e), 1 July 2010;
- (b) if the *approved jurisdictional scheme* is not a *jurisdictional scheme* referred to in paragraph (a), the date on which the *AER* determined under clause 6.18.7A(l) that the scheme was a *jurisdictional scheme*;
- (c) if the *approved jurisdictional scheme* is a *jurisdictional scheme* in respect of which:
 - (i) a request has been made under clause 6.18.7A(o) or an assessment initiated under clause 6.18.7A(r); and
 - (ii) the *AER* has determined under clause 6.18.7A(u) that the scheme should not cease to be a *jurisdictional scheme*,the date of that determination; or
- (d) if in a previous *pricing proposal* the *Distribution Network Service Provider* provided information in respect of that *approved jurisdictional scheme* to the *AER* under clause 6.18.2(b)(6B), the date that such a *pricing proposal* was submitted.

last resort planning power

The *AEMC's* power to direct a *Registered Participant* under rule 5.22(c).

last resort planning power guidelines

The guidelines made by the *AEMC* relating to the exercise of the *last resort planning power* and referred to in rule 5.22(n) to (q).

late rebidding period

In respect of a *trading interval*, the period beginning 15 minutes before the commencement of the *trading interval*.

load

A *connection point* or defined set of *connection points* at which electrical power is delivered to a person or to another *network* or the amount of electrical power delivered at a defined instant at a *connection point*, or aggregated over a defined set of *connection points*.

load centre

A geographically concentrated area containing *load* or *loads* with a significant combined consumption capability.

load shedding

Reducing or *disconnecting load* from the *power system*.

load shedding procedures

The procedures developed by *AEMO* for each *participating jurisdiction* in accordance with clause 4.3.2(h)(1) for the implementation of the *load shedding* priority and *sensitive load* priority advised by that *Jurisdictional System Security Coordinator* under clauses 4.3.2(f)(1) and (2).

loading level

The level of output, consumption or power flow (in MW) of a *generating unit*, *load* or *scheduled network service*.

loading price

The price specified for a *price band* and a *trading interval* in a *dispatch offer*, in accordance with clause 3.8.6, for the *dispatch* of a *scheduled generating unit* at a level above its *self-dispatch level*.

local area/local

The geographical area allocated to a *Network Service Provider* by the authority responsible for administering the *jurisdictional electricity legislation* in the relevant *participating jurisdiction*.

local black system procedures

The procedures, described in clause 4.8.12, applicable to a *local area* as approved by *AEMO* from time to time.

local embedded network retailer

For an *embedded network*, the *retailer* identified in the register published by *AEMO* under rule 2.5.4(h) as the *local embedded network retailer* for the *embedded network*.

local market ancillary service requirement

Has the meaning given to it by clause 3.8.1(e2).

Local Network Service Provider

Within a *local area*, a *Network Service Provider* to which that geographical area has been allocated by the authority responsible for administering the *jurisdictional electricity legislation* in the relevant *participating jurisdiction*.

Local Retailer

In relation to a *local area*, the *Customer* who is:

1. a business unit or *related body corporate* of the relevant *Local Network Service Provider*; or
2. responsible under the laws of the relevant *participating jurisdiction* for the supply of electricity to *franchise customers* in that *local area*; or
3. if neither 1 or 2 is applicable, such other *Customer* as AEMO may determine.

local spot price

A price determined according to clause 3.9.1(c).

long run marginal cost

For the purposes of clause 6.18.5, the cost of an incremental change in demand for *direct control services* provided by a *Distribution Network Service Provider* over a period of time in which all factors of production required to provide those *direct control services* can be varied.

loss factor

A multiplier used to describe the *electrical energy loss* for electricity used or transmitted.

low reserve

The conditions described in clause 4.8.4(a).

major supply disruption

The unplanned absence of *voltage* on a part of the *transmission system* affecting one or more *power stations* and which leads to a loss of *supply* to one or more *loads*.

mandatory restrictions

Restrictions imposed by a *participating jurisdiction* by a relevant law, other than the *Rules*, on the use of electricity in a *region*.

mandatory restriction period

The period of *mandatory restrictions*.

mandatory restriction schedule

A schedule prepared in accordance with clause 3.12A.2.

margin requirement

The requirement set out in clause S6.2.2A(d) or clause S6A.2.2A(d), as the case may be.

marginal electrical energy loss

The *electrical energy loss* associated with an infinitesimal increment in electricity produced, transported and/or used.

marginal loss factor

A multiplier used to describe the *marginal electrical energy loss* for electricity used or transmitted.

market

Any of the markets or exchanges described in the *Rules*, for so long as the market or exchange is conducted by *AEMO*.

market ancillary service

A service identified in clause 3.11.2(a).

market ancillary service offer

A notice submitted by an *Ancillary Service Provider* to *AEMO* in respect of a *market ancillary service* in accordance with clause 3.8.7A.

Market Ancillary Service Provider

A person who offers and provides *load* as a *market ancillary service* under Chapter 2 and who is registered by *AEMO* as a *Market Ancillary Service Provider* under Chapter 2. The relevant person does not need to be the *Market Customer* for the relevant *load*.

market ancillary service specification

Has the meaning given in clause 3.11.2(b).

market auditor

A person appointed by *AEMO* to carry out a *review* under clause 3.13.10(a).

market commencement

The date declared as such by *AEMO*, on which trading in the *market* commences.

market connection point

A *connection point* where any *load* is classified in accordance with Chapter 2 as a *market load* or which *connects* any *market generating unit* to the *national grid*, or where the *network service connected* at that *connection point* is a *market network service*.

Market Customer

A *Customer* who has classified any of its *loads* as a *market load* and who is also registered by *AEMO* as a *Market Customer* under Chapter 2.

market customer's additional claim

Has the meaning given in clause 3.12.2(g)(4).

market floor price

A price floor on *regional reference prices* as described in clause 3.9.6.

market generating unit

A *generating unit* whose *sent out generation* is not purchased in its entirety by the *Local Retailer* or by a *Customer* located at the same *connection point* and which has been classified as such in accordance with Chapter 2.

Market Generator

A *Generator* who has classified at least one *generating unit* as a *market generating unit* in accordance with Chapter 2 and who is also registered by *AEMO* as a *Market Generator* under Chapter 2.

market information

Information, other than *confidential information*, concerning the operation of the *spot market* or relating to the operation of, inputs to, or outputs from the *central dispatch* process.

market information bulletin board

A facility established by AEMO on the *electronic communication system* for the posting of information which may then be available to *Registered Participants*.

market load

A *load* at a *connection point* classified by the person *connected* at that *connection point* or, with the consent of that person, by some other person, as a *market load* in accordance with Chapter 2. There can be more than one *market load* at any one *connection point*.

market management systems

AEMO's *market information* systems and associated communications networks used to support the electronic communication by *Registered Participants* and others connected to or making use of the systems and networks in the operation of the *market*.

Market Management Systems Access Procedures

The procedures to be followed by *Registered Participants*, *Metering Providers* and *Metering Data Providers* in connecting to and making use of the *market management systems* from time to time *published* by AEMO under rule 3.19.

market network service

A *network service* which is classified as a *market network service* in accordance with clause 2.5.2.

Market Network Service Provider

A *Network Service Provider* who has classified any of its *network services* as a *market network service* in accordance with Chapter 2 and who is also registered by AEMO as a *Market Network Service Provider* under Chapter 2.

Market Participant

A person who is registered by AEMO as a *Market Generator*, *Market Customer*, *Market Small Generation Aggregator*, *Market Ancillary Service Provider* or *Market Network Service Provider* under Chapter 2.

Market Participant registered data

The data kept on the register in accordance with schedule 5.5.

market price cap

A price cap on *regional reference prices* as described in clause 3.9.4.

market retail contract

Has the same meaning as in the *NERL*.

Market Settlement and Transfer Solution Procedures

The procedures from time to time *published* by AEMO under clause 7.16.2 which include those governing the recording of financial responsibility for *energy flows* at a *connection point*, the transfer of that responsibility between *Market Participants* and the recording of *energy flows* at a *connection point*.

Market Small Generation Aggregator

A person who:

- (a) has classified one or more *small generating units* as a *market generating unit*; and
- (b) is registered by AEMO as a *Market Small Generation Aggregator* under Chapter 2.

market suspension

Suspension of the *spot market* by AEMO in accordance with clause 3.14.3.

material inter-network impact

A material impact on another *Transmission Network Service Provider's network*, which impact may include (without limitation):

- (a) the imposition of *power transfer constraints* within another *Transmission Network Service Provider's network*; or
- (b) an adverse impact on the quality of *supply* in another *Transmission Network Service Provider's network*.

materially

For the purposes of the application of clause 6.6.1, an event results in a *Distribution Network Service Provider* incurring materially higher or materially lower costs if the change in costs (as opposed to the revenue impact) that the *Distribution Network Service Provider* has incurred and is likely to incur in any *regulatory year* of a *regulatory control period*, as a result of that event, exceeds 1% of the *annual revenue requirement* for the *Distribution Network Service Provider* for that *regulatory year*.

For the purposes of the application of clause 6A.7.3, an event (other than a *network support event*) results in a *Transmission Network Service Provider* incurring materially higher or materially lower costs if the change in costs (as opposed to the revenue impact) that the *Transmission Network Service Provider* has incurred and is likely to incur in any *regulatory year* of a *regulatory control period*, as a result of that event, exceeds 1% of the *maximum allowed revenue* for the *Transmission Network Service Provider* for that *regulatory year*.

In other contexts, the word has its ordinary meaning.

maximum allowed revenue

For a *Transmission Network Service Provider*: the amount calculated as such for a *regulatory year* of a *regulatory control period* in accordance with rule 6A.3.

For AEMO: the amount calculated as such for a *regulatory year* of a *regulatory control period* in accordance with clause S6A.4.2(c)(4).

maximum credit allowance

Has (in the context of Chapter 6B) the meaning given in clause 6B.B1.2.

maximum demand

The highest amount of electrical power delivered, or forecast to be delivered, over a defined period (*day*, week, month, season or year) either at a *connection point*, or simultaneously at a defined set of *connection points*.

maximum power input (MPI)

The largest single *supply* input to a particular location or *region*, typically the output of the largest single *generating unit* or group of *generating units* or the highest *power transfer* of a single *transmission line* or *interconnection*.

maximum ramp rate

The *maximum ramp rate* that an item of equipment is capable of achieving in normal circumstances. This may be:

- (a) as specified by the manufacturer; or
- (b) as independently certified from time to time to reflect changes in the physical capabilities of the equipment.

maximum total payment

The amount determined in accordance with clause 3.15.22.

measurement element

An energy measuring component which converts the flow of electricity in a power conductor into an electronic signal and / or a mechanically recorded electrical measurement.

medium term PASA

The *PASA* in respect of the period described in clause 3.7.2(a), as described under clause 3.7.2.

medium term PASA inputs

The inputs to be prepared in accordance with clauses 3.7.2(c) and (d).

Member

A person appointed or elected (as the case may be) to the *Information Exchange Committee* pursuant to the *Information Exchange Committee Election Procedures* and *Rules*, and includes all membership categories, unless a contrary intention appears.

meter

A device complying with *Australian Standards* which measures and records the production or consumption of electrical *energy*.

meter churn procedures

The procedures established by *AEMO* under clause 7.8.9(f).

metering

Recording the production or consumption of electrical *energy*.

Metering Coordinator

A person who is registered by AEMO as a *Metering Coordinator* under Chapter 2.

Metering Coordinator default event

In relation to a *Metering Coordinator*, means any of the following events or circumstances:

- (a) the *Metering Coordinator* ceases to be registered by AEMO as a *Metering Coordinator* under Chapter 2;
- (b) an *insolvency official* is appointed in respect of the *Metering Coordinator* or any property of the *Metering Coordinator*; or
- (c) an order is made for the winding up of the *Metering Coordinator* or a resolution is passed for the winding up of *Metering Coordinator*; or
- (d) a breach of the *Rules* or applicable procedures made under the *Rules* in relation to which AEMO has issued a *Metering Coordinator default notice* under clause 7.7.3(c)(3).

Metering Coordinator default notice

A notice issued by AEMO under clause 7.7.3(c)(3).

metering data

Accumulated metering data, interval metering data, calculated metering data, substituted metering data, estimated metering data and check metering data.

Metering Data Provider

A person who meets the requirements listed in schedule 7.3 and has been accredited and registered by AEMO as a *Metering Data Provider*.

metering data services

The services that involve the collection, processing, storage and delivery of *metering data* and the management of relevant *NMI Standing Data* in accordance with the *Rules*.

metering data provision procedures

Procedures for the provision of *metering data* requested under rule 7.14, developed and *published* by AEMO.

metering data services database

The database established and maintained by the *Metering Data Provider* that holds *metering data* and relevant *NMI Standing Data* relating to each *metering installation* for which the *Metering Coordinator* or the *financially responsible Market Participant*, *off-market retailer* or AEMO (as the case may be) has engaged the *Metering Data Provider* to provide *metering data services*.

metering database

A database of *metering data* and *settlements ready data* maintained and administered by AEMO in accordance with clause 7.11.

metering installation

The assembly of components including the *instrument transformer*, if any, measurement element(s) and processes, if any, recording and display equipment, *communications interface*, if any, that are controlled for the purpose of metrology and which lie between the *metering point(s)* and the point at or near the *metering point(s)* where the *energy data* is made available for collection.

Note:

- (1) The assembly of components may include the combination of several *metering points* to derive the *metering data* for a *connection point*.
- (2) The *metering installation* must be classified as being for revenue purposes and/or as a *check metering installation*.

metering installation malfunction

The full or partial failure of the *metering installation* in which the *metering installation* does not:

- (a) meet the requirements of schedule 7.4; or
- (b) record, or incorrectly records, *energy data*; or
- (c) allow, or provides for, collection of *energy data*; or
- (d) in the case of a *small customer metering installation*, meet the requirements of schedule 7.5.

Metering Member

A person nominated and elected as a *Member* by *Metering Member Voters* to represent *Metering Member Voters* in accordance with the *Rules* (including clause 7.17.10(g)) and the *Information Exchange Committee Election Procedures*.

Metering Member Voters

Metering Coordinators, Metering Providers and Metering Data Providers.

metering point

The point of physical connection of the device measuring the current in the power conductor.

Metering Provider

A person who meets the requirements listed in schedule 7.2 and has been accredited by and registered by *AEMO* as a *Metering Provider*.

metering register

A register of information associated with a *metering installation* as required by schedule 7.1.

metering system

The collection of all components and arrangements installed or existing between each *metering point* and the *metering database*.

metrology procedure

The procedure developed and *published* by *AEMO* in accordance with rule 7.16.

micro EG connection

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1

micro embedded generator

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1

minimum access standard

In relation to a technical requirement of access, a standard of performance, identified in a schedule of Chapter 5 as a minimum access standard for that technical requirement, such that a *plant* that does not meet that standard will be denied access because of that technical requirement.

minimum services specification

The requirements in respect of a *metering installation* set out in Schedule 7.5.

minimum threshold level of inertia

For an *inertia sub-network*, the *minimum threshold level of inertia* determined by AEMO and referred to in clause 5.20B.2(b)(1).

Minister

A Minister that is a “Minister” under the *National Electricity Law*.

Minister of (a, that, another, or other, etc) participating jurisdiction

Has the same meaning as Minister of a participating jurisdiction has in the *National Electricity Law*.

Ministers of the MCE

Ministers of the participating jurisdictions acting as the MCE where MCE has the same meaning as in the *National Electricity Law*.

mis-pricing

For a particular *network node* within a nominated *region*, the difference between:

- (a) the *regional reference price* for the *region*; and
- (b) an estimate of the marginal value of *supply* at the *network node*, which marginal value is determined as the price of meeting an incremental change in *load* at that *network node*.

MLEC CRNP Methodology

For the purposes of calculating the *modified load export charges*, the *CRNP Methodology* (and for the avoidance of doubt, not the *modified CRNP Methodology*) provided that each of the following is satisfied:

- (a) for the purposes of clause S6A.3.2(1), network ‘costs’ are attributed to all *transmission systems* assets of the relevant *Transmission Network Service Provider*; and
- (b) for the purposes of clause S6A.3.2(3):
 - (1) every *trading interval* of the previous *regulatory year* in order to determine the range of actual operating conditions from the previous *regulatory year*; and

- (2) the peak usage of each *transmission system* asset by each *load* is used to determine the allocation of dispatched *generation* to loads from the previous *regulatory year*.

model standing offer

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1.

modified CRNP methodology

The cost allocation methodology set out in clause S6A.3.3.

modified load export charges

Charges received by or payable to the *Co-ordinating Network Service Provider* in a *region* by or to a *Co-ordinating Network Service Provider* in an *interconnected region* calculated under rule 6A.29A.2.

monitoring equipment

The testing instruments and devices used to record the performance of *plant* for comparison with expected performance.

month

Unless otherwise specified, the period beginning at 4.30 am on the relevant commencement date and ending at 4.30 am on the date in the next calendar month corresponding to the commencement date of the period.

nameplate rating

The maximum continuous output or consumption in MW of an item of equipment as specified by the manufacturer, or as subsequently modified.

NATA

National Association of Testing Authorities.

National Electricity Law

The National Electricity Law set out in the schedule to the *National Electricity (South Australia) Act 1996* (SA) and applied in each of the *participating jurisdictions*.

National Electricity Market

Has the same meaning as in the *National Electricity Law*.

national electricity objective

The objective stated in section 7 of the Law.

National Energy Retail Law

Means the *National Energy Retail Law* set out in the Schedule to the *National Energy Retail Law (South Australia) Act 2012* of South Australia.

National Energy Retail Rules

Has the same meaning as in the *National Energy Retail Law*.

national grid

The sum of all *connected transmission systems* and *distribution systems* within the *participating jurisdictions*.

National Measurement Act

The *National Measurement Act 1960* of the Commonwealth as amended from time to time.

national transmission flow path

That portion of a *transmission network* or *transmission networks* used to transport significant amounts of electricity between *generation centres* and *load centres*.

national transmission grid

Has the meaning given in the *National Electricity Law*.

negative change event

For a *Distribution Network Service Provider*, a *pass through event* which entails the *Distribution Network Service Provider* incurring *materially* lower costs in providing *direct control services* than it would have incurred but for that event.

For a *Transmission Network Service Provider*, a *pass through event* which entails the *Transmission Network Service Provider* incurring *materially* lower costs in providing *prescribed transmission services* than it would have incurred but for that event.

negative network support event

A *network support event* which entails a *Transmission Network Service Provider* making lower *network support payments* in the preceding *regulatory year* than the amount of the *network support payment allowance* (if any) for that provider for that preceding *regulatory year*.

negative pass through amount

In respect of a *negative change event* for a *Transmission Network Service Provider*, an amount that is not greater than a *required pass through amount* as determined by the AER under clause 6A.7.3(g).

In respect of a *negative change event* for a *Distribution Network Service Provider*, an amount that is not greater than a *required pass through amount* as determined by the AER under clause 6.6.1(g).

negotiable service

- (a) In relation to *transmission services* means *negotiated transmission services*.
- (b) In relation to *distribution services* means *negotiated distribution services*.

negotiated access standard

In relation to a technical requirement of access for a particular *plant*, an agreed standard of performance determined in accordance with clause 5.3.4A and identified as a negotiated access standard for that technical requirement in a *connection agreement*.

negotiated distribution service

A *distribution service* that is a negotiated network service within the meaning of section 2C of the Law;

Negotiated Distribution Service Criteria

The criteria specified in a distribution determination in accordance with clause 6.7.4.

Negotiated Distribution Service Principles

The principles set out in clause 6.7.1.

negotiated transmission service

Any of the following services:

- (a) a *shared transmission service* that:
 - (1) exceeds the *network* performance requirements (whether as to quality or quantity) (if any) as that *shared transmission service* is required to meet under any *jurisdictional electricity legislation*; or
 - (2) except to the extent that the *network* performance requirements which that *shared transmission service* is required to meet are prescribed under any *jurisdictional electricity legislation*, exceeds or does not meet the *network* performance requirements (whether as to quality or quantity) as are set out in schedule 5.1a or 5.1;
- (b) *connection services* that are provided to serve a *Transmission Network User*, or group of *Transmission Network Users*, at a *single transmission network connection point*, other than *connection services* that are provided by one *Network Service Provider* to another *Network Service Provider* to *connect* their *networks* where neither of the *Network Service Providers* is a *Market Network Service Provider*;
- (c) services specified to be *negotiated transmission services* under rule 5.2A.4; or
- (d) undertaking *system strength connection works*,

but does not include an *above-standard system shared transmission service* or a *market network service*.

negotiated use of system charges

The charges described in clause 5.3AA(f)(3).

negotiated use of system service

A *use of system service* in respect of which:

- (a) an *Embedded Generator* may negotiate with a *Distribution Network Service Provider*; or
- (b) a *Market Network Service Provider* may negotiate with a *Distribution Network Service Provider*,

in accordance with clause 5.3AA(f)(3).

negotiating framework

For a *Distribution Network Service Provider*, a negotiating framework as approved or substituted by the *AER* in its final decision under clause 6.12.1(15).

negotiating principles

Those negotiating principles set out in schedule 5.11.

NEM

The *National Electricity Market*.

NEMMCO

Has the meaning given in the *National Electricity Law*.

NERL

National Energy Retail Law.

NERR

National Energy Retail Rules.

network

The apparatus, equipment, plant and buildings used to convey, and control the conveyance of, electricity to customers (whether wholesale or retail) excluding any *connection assets*. In relation to a *Network Service Provider*, a *network* owned, operated or controlled by that *Network Service Provider*.

network agreement

has the meaning given in the *National Electricity Law*.

network capability

The capability of the *network* or part of the *network* to transfer electricity from one location to another.

network charges

Has (in the context of Chapter 6B) the meaning given in clause 6B.A1.2.

network connection

The formation of a physical link between the *facilities* of two *Registered Participants* or a *Registered Participant* and a customer being a *connection* to a *transmission* or *distribution network* via *connection assets*.

network connection asset

Those components of a *transmission system* which are used to provide *connection services* between *Network Service Providers* (excluding a *Market Network Service Provider*).

network constraint

A *constraint* on a *transmission network* or *distribution network*.

network coupling point

The point at which *connection assets* join a *distribution network*, used to identify the *distribution service* price payable by a *Customer*.

network device

Apparatus or equipment that:

- (a) enables a *Local Network Service Provider* to monitor, operate or control the *network* for the purposes of providing *network services*, which may include switching devices, measurement equipment and control equipment;
- (b) is located at or adjacent to a *metering installation* at the *connection point* of a *retail customer*; and
- (c) does not have the capability to generate electricity.

network dispatch offer

An notice submitted by a *Scheduled Network Service Provider* to AEMO relating to the *dispatch* of a *scheduled network service* in accordance with clause 3.8.6A.

network element

A single identifiable major component of a *transmission system* or *distribution system* involving:

- (a) an individual *transmission* or *distribution* circuit or a phase of that circuit; or
- (b) a major item of apparatus or equipment associated with the function or operation of a *transmission line*, *distribution line* or an associated *substation* or *switchyard* which may include *transformers*, circuit breakers, *synchronous condensers*, *reactive plant* and *monitoring equipment* and control equipment.

network exemption

A network exemption as defined in the *National Electricity Law*.

network loop

A set of *network elements* that are *connected* together in the form of a closed path, that is in such a way that by progressing from each element to the next it is possible to return to the starting point.

network losses

Energy losses incurred in the transfer of electricity over a *transmission network* or *distribution network*.

network operating agreement

An agreement described in clause 5.2A.7.

network option

A means by which an *identified need* can be fully or partly addressed by expenditure on a transmission asset or a distribution asset which is undertaken by a *Network Service Provider*.

For the purposes of this definition, **transmission asset** and **distribution asset** has the same meaning as in clause 5.10.2.

network pricing objective

The network pricing objective set out in paragraph 6.18.5(a).

network service

Transmission service or *distribution service* associated with the conveyance, and controlling the conveyance, of electricity through the *network*.

Network Service Provider

A person who engages in the activity of owning, controlling or operating a *transmission or distribution system* and who is registered by AEMO as a *Network Service Provider* under Chapter 2.

In this Chapter 10, for the purposes of clause 2.5.4(g), a reference to a *Network Service Provider* includes a reference to an *Embedded Network Service Provider*.

network service provider performance report

A report prepared by the AER under section 28V of the Law.

network support agreement

An agreement under which a person agrees to provide one or more *network support and control ancillary services* to a *Network Service Provider*, including *network support services* to improve *network capability* by providing a non-*network* alternative to a *network augmentation*.

***network support and control ancillary service* or NSCAS**

A service (excluding an *inertia network service* or *system strength service*) with the capability to control the *active power* or *reactive power* flow into or out of a *transmission network* to address an *NSCAS need*.

network support event

- (a) If, at the end of a *regulatory year* of a *regulatory control period*, the amount of *network support payments* made by a *Transmission Network Service Provider* for that previous *regulatory year* is higher or lower than the amount of the *network support payment allowance* (if any) for the *Transmission Network Service Provider* for that previous *regulatory year*, this constitutes a *network support event*.
- (b) In calculating the amount for the purposes of a *network support event* referred to in paragraph (a), the amount of *network support payments* made by a *Transmission Network Service Provider* must not include an amount of *network support payments* that are a substitute for a *network augmentation* where an allowance for capital expenditure in relation to that *network augmentation* has been provided for in the *revenue determination* or an *approved pass through amount* arising from an *inertia shortfall event* or a *fault level shortfall event*.

network support pass through amount

The amount that should be passed through to *Transmission Network Users* in the *regulatory year* following the preceding *regulatory year*, in respect of a *network support event* for a *Transmission Network Service Provider*.

network support payment

Any of the following payments:

- (a) a payment made by a *Transmission Network Service Provider* to:
 - (1) any *Generator* providing *network support services* in accordance with rule 5.3A.12; or

- (2) any other person providing a *network* support service that is an alternative to *network augmentation*;
- (b) an *inertia service payment*; and
- (c) a *system strength service payment*.

network support payment allowance

The amount of *network support payments* (if any) that is provided for a *Transmission Network Service Provider* for a *regulatory year* in:

- (a) the *annual building block revenue requirement* for the *Transmission Network Service Provider* for that *regulatory year*; or
- (b) any *approved pass through amount* for the *Transmission Network Service Provider* for that *regulatory year* arising from an *inertia shortfall event* or a *fault level shortfall event*,

less the amount (expressed as a positive) of avoided *network support payments* (if any) that is provided for in any *required pass through amount* for the *Transmission Network Service Provider* for that *regulatory year* arising from an *inertia shortfall event* or a *fault level shortfall event*.

Network User

A *Generator*, a *Transmission Customer*, a *Distribution Customer* or a *Market Network Service Provider*.

new connection

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1

NMAS provider

A person who agrees to provide one or more *non-market ancillary services* to AEMO under an *ancillary services agreement*.

NMI

A National Metering Identifier as described in clause 7.8.2(c).

NMI Standing Data

The following data in respect of a *connection point*:

- (a) the *NMI* of the *connection point* and the street address of the relevant *connection point* to which that *NMI* is referable;
- (b) the *NMI* checksum for the *connection point*;
- (c) the identity of the *Local Network Service Provider* or, if the *connection point* is a *child connection point*, the identity of the Embedded Network Service Provider or the Embedded Network Manager and the *Exempt Embedded Network Service Provider*;
- (d) the code (known as a TNI) identifying the relevant *transmission node* which identifies the *transmission loss factor* and/or *transmission use of system charge* for the *connection point* and, if the *connection point* is a *child connection point*, the *NMI* of the *parent connection point* on that *embedded network*;
- (e) the relevant *distribution loss factor* applicable to the *connection point*;

- (f) the Network Tariff (identified by a code) applicable in respect of the *connection point*;
- (g) the *NMI* classification code (as set out in the *Market Settlement and Transfer Solution Procedures*) of the *connection point*;
- (h) the read cycle date, or date of next scheduled read or date in a relevant code representing the read cycle date or date of next scheduled read, for that *connection point*;
- (i) the profile type applicable to the *connection point*; and
- (j) such other categories of data as may be referred to in the *Market Settlement and Transfer Solution Procedures* as forming *NMI Standing Data*,

and, for the avoidance of doubt, does not include any *metering data* or other details of an end-user's consumption at that *connection point*.

nomenclature standards

The standards approved by *AEMO* in conjunction with the *Network Service Providers* relating to numbering, terminology and abbreviations used for information transfer between *Registered Participants* as provided for in clause 4.12.

nominal voltage

The design *voltage* level, nominated for a particular location on the *power system*, such that power lines and circuits that are electrically connected other than through *transformers* have the same *nominal voltage* regardless of operating *voltage* and *normal voltage*.

nominated pass through event considerations

The *nominated pass through event considerations* are:

- (a) whether the event proposed is an event covered by a category of *pass through event* specified in clause 6.6.1(a1)(1) to(4) (in the case of a distribution determination) or clause 6A.7.3(a1)(1) to(4) (in the case of a *transmission determination*);
- (b) whether the nature or type of event can be clearly identified at the time the determination is made for the service provider;
- (c) whether a prudent service provider could reasonably prevent an event of that nature or type from occurring or substantially mitigate the cost impact of such an event;
- (d) whether the relevant service provider could insure against the event, having regard to:
 - (1) the availability (including the extent of availability in terms of liability limits) of insurance against the event on reasonable commercial terms; or
 - (2) whether the event can be self-insured on the basis that:
 - (i) it is possible to calculate the self-insurance premium; and

- (ii) the potential cost to the relevant service provider would not have a significant impact on the service provider's ability to provide *network services*; and.
- (e) any other matter the *AER* considers relevant and which the *AER* has notified *Network Service Providers* is a nominated pass through event consideration.

non-contestable IUSA components

Those components of the *identified user shared asset* that do not satisfy the criteria set out in clause 5.2A.4(c).

non-credible contingency event

An event described in clause 4.2.3(e).

Non-market ancillary service or NMAS

Any of the following services:

- (a) *network support and control ancillary services* and other services acquired by *Transmission Network Service Providers* under *connection agreements* or *network support agreements* to meet the service standards linked to the technical requirements of schedule 5.1 or in *applicable regulatory instruments* (but to avoid doubt, excluding *inertia network services* and *system strength services*); and
- (b) *system restart ancillary services* and *network support and control ancillary services* acquired by *AEMO* under *ancillary services agreements*.

non-market generating unit

A *generating unit* whose *sent out generation* is purchased in its entirety by the *Local Retailer* or by a *Customer* located at the same *connection point* and which has been classified as such in accordance with Chapter 2.

Non-Market Generator

A *Generator* who has classified a *generating unit* as a *non-market generating unit* in accordance with Chapter 2.

non-network option

A means by which an *identified need* can be fully or partly addressed other than by a *network option*.

Non-Registered Customer

A person who:

- 1. purchases electricity through a *connection point* with the *national grid* other than from the *spot market*; and
- 2. is eligible to be registered by *AEMO* as a *Customer* and to classify the *load* described in (1) as a *first-tier load* or a *second-tier load*, but is not so registered.

non-registered embedded generator

In the context of clause 6.7A, has the meaning given in chapter 5A.

non-regulated transmission services

A *transmission service* that is neither a *prescribed transmission service* nor a *negotiated transmission service*.

non-scheduled generating unit

A *generating unit* so classified in accordance with Chapter 2.

non-scheduled generating system

A *generating system* comprising *non-scheduled generating units*.

Non-Scheduled Generator

A *Generator* in respect of which any *generating unit* is classified as a *non-scheduled generating unit* in accordance with Chapter 2.

non-scheduled load

A *market load* which is not a *scheduled load*.

non semi-dispatch interval

For a *semi-scheduled generating unit*, a *dispatch interval* other than a *semi-dispatch interval*.

non-suspension decision

A decision made by AEMO under clause 3.15.21(c1)(2) or (3) not to suspend some or all of the activities of a *defaulting Market Participant* following an *external administration default event*.

normal operating frequency band

In relation to the *frequency* of the *power system*, means the range 49.9Hz to 50.1Hz or such other range so specified in the *power system security standards*.

normal operating frequency excursion band

In relation to the *frequency* of the *power system*, means the range specified as being acceptable for infrequent and momentary excursions of *frequency* outside the *normal operating frequency band*, being the range of 49.75 Hz to 50.25 Hz or such other range so specified in the *power system security standards*.

normal voltage

In respect of a *connection point*, its *nominal voltage* or such other *voltage* up to 10% higher or lower than *nominal voltage*, as approved by AEMO, for that *connection point* at the request of the *Network Service Provider* who provides *connection* to the *power system*.

normally off

Describes a *scheduled load* which, unless *dispatched* in accordance with its *dispatch bid*, and in accordance with clause 3.8.7(j), should be considered as being switched off.

normally on

Describes a *scheduled load* which, unless *dispatched* in accordance with its *dispatch bid*, and in accordance with clause 3.8.7(i), should be considered as being switched on.

NSCAS gap

Any *NSCAS need* that *AEMO* forecasts will arise at any time within a planning horizon of at least 5 years from the beginning of the year in which the most recent *NTNDP* applies.

NSCAS need

- (a) Subject to paragraphs (b) and (c), *network support and control ancillary service* required to:
 - (1) maintain *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*; and
 - (2) maintain or increase the *power transfer capability* of that *transmission network* so as to maximise the present value of net economic benefit to all those who produce, consume or transport electricity in the *market*.
- (b) Any requirement for a service that satisfies paragraph (a) and is also capable of being made available as an *inertia network service* to address an *inertia shortfall* through the arrangements in rule 5.20B must be treated as an *inertia shortfall* and is not an *NSCAS need*.
- (c) Any requirement for a service that satisfies paragraph (a) and is also capable of being made available as a *system strength service* to address a *fault level shortfall* through the arrangements in rule 5.20C must be treated as a *fault level shortfall* and is not an *NSCAS need*.

NSCAS preferred tenderers

Persons that submitted tenders for *NSCAS* that are deemed to be non-competitive as selected by *AEMO* in accordance with clause 3.11.5(g).

NSCAS Provider

A person who agrees to provide one or more *network support and control ancillary services* to *AEMO* under an *ancillary services agreement*.

NTNDP

The National Transmission Network Development Plan as defined in the *National Electricity Law*.

NTNDP database

The database that *AEMO* is required to establish and maintain under clause 5.20.4.

NTNDP inputs

Has the meaning given in clause 5.20.4.

NTP functions

Has the meaning given in the *National Electricity Law*.

off-loading price

The price specified for a *price band* and a *trading interval* in a *dispatch offer*, in accordance with clause 3.8.6, for the *off-loading* of a *scheduled generating unit* below its *self-dispatch level*.

off-loading price band

A price band submitted for off-loading below a self-dispatch level for a trading interval in a dispatch offer.

off-loading, off-load

The reduction in electricity output or consumption.

off-market connection point

A child connection point for which electricity is sold by an off-market retailer or exempt seller.

off-market retailer

A retailer registered as an off-market retailer under Chapter 2 and (in relation to a particular child connection point) any other retailer when selling electricity to a retail customer for premises connected at the child connection point that the retailer has not purchased directly from the spot market.

on-market child connection point

A child connection point that is not an off-market connection point.

operating expenditure criteria

For a *Transmission Network Service Provider* – the matters listed in clause 6A.6.6(c)(1)–(3).

For a *Distribution Network Service Provider* – the matters listed in clause 6.5.6(c)(1)–(3).

operating expenditure factors

For a *Transmission Network Service Provider* - the factors listed in clause 6A.6.6(e)(1)–(14).

For a *Distribution Network Service Provider* - the factors listed in clause 6.5.6(e)(1)–(12).

operating expenditure objectives

For a *Transmission Network Service Provider* – the objectives set out in clause 6A.6.6(a).

For a *Distribution Network Service Provider* – the objectives set out in clause 6.5.6(a).

operational communication

A communication concerning the arrangements for, or actual operation of, the power system in accordance with the *Rules*.

operational frequency tolerance band

The range of frequency within which the power system is to be operated to cater for the occurrence of a contingency event as specified in the power system security standards.

ordinary majority

At least 60% of the number of *Members*.

outage

Any full or partial unavailability of equipment or *facility*.

outstandings

In relation to a *Market Participant*, the dollar amount determined by the formula in clause 3.3.9.

over frequency scheme

An *emergency frequency control scheme* with capability to respond when frequency is above or climbing above the *normal operating frequency band*.

over-recovery amount

Any amount by which the revenue earned from the provision of *prescribed transmission services* in previous *regulatory years* exceeds the sum of the *AARR* in those *regulatory years*.

overspending requirement

The requirement set out in clause S6.2.2A(c) or clause S6A.2.2A(c), as the case may be.

parent connection point

The agreed point of supply ~~connection point~~ between an *embedded network* and a *transmission or distribution system that is serving that embedded network* ~~*Network Service Provider's network*~~.

Participant compensation fund

The fund of that name referred to in clause 3.16.

participant derogation

Has the meaning given in the *National Electricity Law*. The participant derogations are included in Chapter 8A.

Participant fees

The fees payable by *Registered Participants* described in clause 2.11.

participating jurisdiction

A jurisdiction that is a “participating jurisdiction” under the *National Electricity Law*.

PASA availability

The *physical plant capability* (taking ambient weather conditions into account in the manner described in the procedure prepared under clause 3.7.2(g)) of a *scheduled generating unit*, *scheduled load* or *scheduled network service* available in a particular period, including any *physical plant capability* that can be made available during that period, on 24 hours’ notice.

pass through event

For a *distribution determination* - the events specified in clause 6.6.1(a1)

For a *transmission determination* – the events specified in clause 6A.7.3(a1).

payment date

The 20th *business day* after the end of a *billing period*.

peak load

Maximum *load*.

performance incentive scheme parameters

For a *service target performance incentive scheme*, those parameters that are *published* by the AER in respect of that scheme pursuant to clause 6A.7.4(c).

performance standard

A standard of performance that:

- (a) is established as a result of it being taken to be an applicable performance standard in accordance with clause 5.3.4A(i); or
- (b) is included in the register of *performance standards* established and maintained by AEMO under rule 4.14(n),

as the case may be.

performance standards commencement date

For:

- (a) *Generators, Customers and Network Service Providers* who plan, own, operate or control a *facility* located in a *participating jurisdiction* (other than Tasmania), the *performance standards commencement date* is, in relation to that *facility*, 16 November 2003; and
- (b) *Generators, Customers and Network Service Providers* who plan, own, operate or control a *facility* located in Tasmania, the *performance standards commencement date* is, in relation to that *facility*, the date that Tasmania becomes a *participating jurisdiction*.

physical plant capability

The maximum MW output or consumption which an item of electrical equipment is capable of achieving for a given period.

planned network event

An event which has been planned by a *Transmission Network Service Provider*, AEMO or a *Market Participant* that is likely to materially affect *network constraints* in relation to a *transmission system*, including but not limited to:

- (a) a *network outage*;
- (b) the *connection* or *disconnection* of *generating units* or *load*;
- (c) the commissioning or decommissioning of a *network* asset or the provision of new or modified *network support and control ancillary services*; and
- (d) the provision of *network support and control ancillary services* under a *network support agreement*.

plant

- (a) In relation to a *connection point*, includes all equipment involved in generating, utilising or transmitting electrical energy.

- (b) In relation to *dispatch bids* and *offers*, controllable generating equipment and controllable *loads*.
- (c) In relation to the *statement of opportunities* prepared by AEMO, individually controllable generating facilities registered or capable of being registered with AEMO.
- (d) In relation to the *regulatory investment test for transmission*, any of the definitions of *plant* in paragraphs (a) to (c) relevant to the application of the *regulatory investment test for transmission* to a RIT-T project.
- (e) In relation to the *regulatory investment test for distribution*, any of any of the definitions of *plant* in paragraphs (a) to (c) relevant to the application of the *regulatory investment test for distribution* to a RIT-D project.
- (f) In relation to a *system strength remediation scheme*, includes all equipment involved in the implementation of the scheme.

plant availability

The *active power capability* of a *generating unit* (in MW), based on the availability of its electrical power conversion process and assuming no fuel supply limitations on the *energy* available for input to that electrical power conversion process.

plant standard

An Australian or international standard or a part thereof that:

- (a) the *Reliability Panel* determines to be an acceptable alternative to a particular *minimum access standard* or *automatic access standard* for a particular class of *plant*, or
- (b) a schedule in Chapter 5 establishes as an acceptable alternative to a particular *minimum access standard* or *automatic access standard* for a particular class of *plant*.

positive change event

For a *Distribution Network Service Provider*:

- (a) a *pass through event*, other than a *retailer insolvency event*, which entails the *Distribution Network Service Provider* incurring *materially* higher costs in providing *direct control services* than it would have incurred but for that event, but does not include a *contingent project* or an associated *trigger event*; or
- (b) a *retailer insolvency event*.

For a *Transmission Network Service Provider*, a *pass through event* which entails the *Transmission Network Service Provider* incurring *materially* higher costs in providing *prescribed transmission services* than it would have incurred but for that event, but does not include a *contingent project* or an associated *trigger event*.

positive network support event

A *network support event* which entails a *Transmission Network Service Provider* making higher *network support payments* in the preceding *regulatory year* than the amount of the *network support payment allowance* (if any) for that provider for that preceding *regulatory year*.

positive pass through amount

For a *Transmission Network Service Provider*, an amount (not exceeding the *eligible pass through amount*) proposed by the provider under clause 6A.7.3(c).

For a *Distribution Network Service Provider*, an amount (not exceeding the *eligible pass through amount*) proposed by the provider under clause 6.6.1(c).

postage-stamp basis

A system of charging *Network Users* for *transmission service* or *distribution service* in which the price per unit is the same regardless of how much *energy* is used by the *Network User* or the location in the *transmission network* or *distribution network* of the *Network User*.

post-tax revenue model

For a *Transmission Network Service Provider*, the model prepared and *published* by the AER in accordance with clause 6A.5.2.

For a *Distribution Network Service Provider*, the model prepared and *published* by the AER in accordance with clause 6.4.1.

potential value

In relation to a *transaction* for a *Market Participant*, the dollar amount determined by the procedure in clause 3.3.14.

power factor

The ratio of the *active power* to the *apparent power* at a *metering point*.

power station

In relation to a *Generator*, a *facility* in which any of that *Generator's* *generating units* are located.

power system

The electricity power system of the *national grid* including associated *generation* and *transmission* and *distribution networks* for the *supply* of electricity, operated as an integrated arrangement.

power system damping

The rate at which disturbances to the *satisfactory operating state* reduce in magnitude.

power system demand

The total *load* (in MW) supplied by the *power system*.

Power System Design Data Sheet

The data sheet *published* by AEMO under clause S5.5.7(a)(1).

Power System Model Guidelines

The guidelines *published* by AEMO under clause S5.5.7(a)(3).

Power System Setting Data Sheet

The data sheet *published* by AEMO under clause S5.5.7(a)(2).

power system frequency risk review

A review described in clause 5.20A.1(c).

power system operating procedures

The procedures to be followed by *Registered Participants* in carrying out operations and/or maintenance activities on or in relation to primary and *secondary equipment connected* to or forming part of the *power system* or *connection points*, as described in clause 4.10.1.

power system reserve constraint

A *constraint* in the *central dispatch* due to the need to provide or maintain a specified type and level of *scheduled reserve*.

power system security

The safe scheduling, operation and control of the *power system* on a continuous basis in accordance with the principles set out in clause 4.2.6.

power system security standards

The standards (other than the *reliability standard* and the *system restart standard*) governing *power system security* and *reliability* of the *power system* to be approved by the *Reliability Panel* on the advice of *AEMO*, but which may include but are not limited to standards for the *frequency* of the *power system* in operation and *contingency capacity reserves* (including guidelines for assessing requirements).

power transfer

The instantaneous rate at which *active energy* is transferred between *connection points*.

power transfer capability

The maximum permitted *power transfer* through a *transmission* or *distribution network* or part thereof.

pre-adjusted locational component

Has the meaning given to it in clause 6A.23.3(a).

pre-adjusted non-locational component

Has the meaning given to it in clause 6A.23.3(a).

pre-dispatch

Forecast of *dispatch* performed one *day* before the *trading day* on which *dispatch* is scheduled to occur.

pre-dispatch schedule

A schedule prepared in accordance with clause 3.8.20(a).

preliminary program

The program to be prepared by a *Network Service Provider* showing proposed milestones for *connection* and access activities as specified in clause 5.3.3(b)(6).

preliminary statement

Has the meaning given in clause 3.15.14(a).

premises connection assets

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1

prescribed common transmission services

Prescribed transmission services that provide equivalent benefits to

- (a) all *Transmission Customers* who have a *connection point* with the relevant *transmission network* without any differentiation based on their location within the *transmission system*; and
- (b) *Transmission Network Service Providers* in *interconnected regions*, without any differentiation based on the location of their direct or indirect *connection* or *interconnection* with the relevant *transmission system*.

prescribed connection services

Services that are either *prescribed entry services* or *prescribed exit services*.

prescribed entry services

Entry services that are *prescribed transmission services* by virtue of the operation of clause 11.6.11.

prescribed exit services

Exit services that are *prescribed transmission services* by virtue of the operation of clause 11.6.11 and *exit services* provided to *Distribution Network Service Providers*.

prescribed shared transmission services

Shared transmission services that are *prescribed TUOS services* or *prescribed common transmission services*.

prescribed transmission service

Any of the following services:

- (a) a *shared transmission service* that:
 - (1) does not exceed such *network* performance requirements (whether as to quality or quantity) as that *shared transmission service* is required to meet under any *jurisdictional electricity legislation*;
 - (2) except to the extent that the *network* performance requirements which that *shared transmission service* is required to meet are prescribed under any *jurisdictional electricity legislation*, does not exceed such *network* performance requirements (whether as to quality or quantity) as are set out in schedule 5.1a or 5.1; or
 - (3) is an *above-standard system shared transmission service*;
- (b) services that are required to be provided by a *Transmission Network Service Provider* under the *Rules*, or in accordance with *jurisdictional electricity legislation*, to the extent such services relate to the provision of the services referred to in paragraph (a), including such of those services as are:
 - (1) required by *AEMO* to be provided under the *Rules*, but excluding those acquired by *AEMO* under rule 3.11; and

- (2) necessary to ensure the integrity of a *transmission network*, including through the maintenance of *power system security* and assisting in the planning of the *power system*; or
- (c) *connection services* that are provided by a *Transmission Network Service Provider* to another *Network Service Provider* to connect their *networks* where neither of the *Network Service Providers* is a *Market Network Service Provider*,

but does not include a *negotiated transmission service* or a *market network service*.

prescribed TUOS services or prescribed transmission use of system services;

Prescribed transmission services that are not *prescribed common transmission services*, *prescribed entry services* or *prescribed exit services*, and that provide specific benefits to:

- (a) *Transmission Customers* who have a *connection point* with the relevant *transmission network*, based on the location of that *connection point* within the *transmission system*; and
- (b) *Transmission Network Service Providers* who have a direct or indirect *connection* or an *interconnection* with the relevant *transmission network*, based on the location of that *connection* or *interconnection* within the relevant *transmission system*.

price band

A MW quantity specified in a *dispatch bid*, *dispatch offer* or *market ancillary service offer* as being available for *dispatch* at a specified price.

pricing methodology

For a *Transmission Network Service Provider*, means the pricing methodology approved by the AER for that *Transmission Network Service Provider* and included in a *transmission determination* as referred to in rule 6A.24.

pricing methodology guidelines

Guidelines made by the AER under rule 6A.25 that contain the matters set out in clause 6A.25.2.

pricing principles for direct control services

The requirements set out in clause 6.18.5.

Pricing Principles for Prescribed Transmission Services

The principles set out in rule 6A.23.

pricing proposal

A pricing proposal under Part I of Chapter 6.

pricing zone

A geographic area within which *Network Users* are charged a specific set of *distribution service prices*.

Primary Transmission Network Service Provider

The *Transmission Network Service Provider* who operates the largest *transmission network* in each *participating jurisdiction* but does not include a *Transmission Network Service Provider* for a *declared transmission system*.

profile

Metering data or costs for a period longer than a *trading interval* allocated into *trading intervals*.

projected assessment of system adequacy process (“PASA”)

The medium term and short term processes described in clause 3.7 to be administered by AEMO.

Proponent

In respect of clause 5.7.7 has the meaning given in clause 5.7.7(a).

proposed contingent capital expenditure

For a *Distribution Network Service Provider*, the total forecast capital expenditure for the relevant *proposed contingent project*, as included in the *regulatory proposal* for that project.

For a *Transmission Network Service Provider*, the total forecast capital expenditure for the relevant *proposed contingent project*, as included in the *Revenue Proposal* for that project.

proposed contingent project

A proposal by a *Distribution Network Service Provider* as part of a *regulatory proposal* for a project to be determined by the AER as a *contingent project* for the purposes of a distribution determination accordance with clause 6.6A.1(b)(1).

A proposal by a *Transmission Network Service Provider* as part of a *Revenue Proposal* for a project to be determined by the AER as a *contingent project* for the purposes of a *revenue determination* in accordance with clause 6A.8.1(b)(1).

prospective reallocation

A *reallocation transaction* that occurs in a *trading interval* that takes place at a time after the *reallocation request* is made.

protected event

Has the meaning given in clause 4.2.3(f).

protected event EFCS standard

For an *emergency frequency control scheme* means the standard for the scheme determined by the *Reliability Panel* under clause 8.8.4 setting out:

- (a) a general description of the scheme including how it is proposed to operate and the new, existing or modified *facilities* likely to comprise the scheme; and
- (b) the *target capabilities* applicable to the scheme.

protected information

Has the meaning given in the *National Electricity Law*.

protection system

A system, which includes equipment, used to protect a *Registered Participant's facilities* from damage due to an electrical or mechanical fault or due to certain conditions of the *power system*.

prudential requirements

The requirements which must be satisfied as a condition of eligibility to remain a *Market Participant* in accordance with clause 3.3.

Public Register of Exempt Network Operators

Has the meaning given in the *National Electricity Law*.

publish/publication

A document is published by the *AER* if it is:

- (a) published on the *AER's* website; and
- (b) made available for public inspection at the *AER's* public offices; and
- (c) in the case of a document inviting submissions from members of the public – published in a newspaper circulating generally throughout Australia.

In Part B of Chapter 5, a document is published by the *Distribution Network Service Provider* if it is published on the *Distribution Network Service Provider's* website.

Otherwise, a document is published by someone else if it is made available to *Registered Participants* electronically.

ramp rate

The rate of change of *active power* (expressed as MW/minute) required for *dispatch*.

Rate of Return Guidelines

Guidelines made by the *AER* under clause 6.5.2(m) or clause 6A.6.2(m), as the case may be.

rated active power

- (1) In relation to a *generating unit*, the maximum amount of *active power* that the *generating unit* can continuously deliver at the *connection point* when operating at its *nameplate rating*.
- (2) In relation to a *generating system*, the combined maximum amount of *active power* that its in-service *generating units* can deliver at the *connection point*, when its in-service *generating units* are operating at their *nameplate ratings*.

reactive energy

A measure, in varhour (varh), of the alternating exchange of stored energy in inductors and capacitors, which is the time-integral of the product of *voltage* and the out-of-phase component of current flow across a *connection point*.

reactive plant

Plant which is normally specifically provided to be capable of providing or absorbing *reactive power* and includes the *plant* identified in clause 4.5.1(g).

reactive power

The rate at which *reactive energy* is transferred.

Reactive power is a necessary component of alternating current electricity which is separate from *active power* and is predominantly consumed in the creation of magnetic fields in motors and *transformers* and produced by *plant* such as:

- (a) alternating current generators;
- (b) capacitors, including the capacitive effect of parallel *transmission* wires; and
- (c) *synchronous condensers*.

reactive power capability

The maximum rate at which *reactive energy* may be transferred from a *generating unit* to a *connection point* as specified or proposed to be specified in a *connection agreement* (as the case may be).

reactive power reserve

Unutilised sources of *reactive power* arranged to be available to cater for the possibility of the unavailability of another source of *reactive power* or increased requirements for *reactive power*.

reactive power support/reactive support

The provision of *reactive power*.

reactor

A device, similar to a *transformer*, specifically arranged to be *connected* into the *transmission system* during periods of low *load* demand or low *reactive power* demand to counteract the natural capacitive effects of long *transmission lines* in generating excess *reactive power* and so correct any *transmission voltage* effects during these periods.

real estate developer

Has the meaning given in clause 5A.A.1

real estate development

Has the meaning given in clause 5A.A.1

reallocation

A process under which two *Market Participants* request *AEMO* to make matching debits and credits to the position of those *Market Participants* with *AEMO*.

reallocation amount

In respect of a *Market Participant*, the positive or negative dollar amount in respect of a *reallocation transaction* being an amount payable to or by the *Market Participant*.

reallocation procedures

The procedures *published* by *AEMO* under clause 3.15.11A.

reallocation request

A request to *AEMO* for a *reallocation*, pursuant to clause 3.15.11(c).

reallocation transaction

A *transaction* which occurs when the applicable *trading interval* specified in a *reallocation request* occurs and the *reallocation request* has been registered and not deregistered before the expiration of the *trading interval*.

Reallocator

A person registered as a Reallocator by AEMO in accordance with rule 2.5B.

rebid

A variation to a bid or offer made in accordance with clause 3.8.22(b).

reconnect, reconnected, reconnection

The operation of switching equipment or other action so as to enable the flow of electricity at a *connection point* following a *disconnection*.

Referred Affected Participant

An *Affected Participant* who has a claim referred to an independent expert pursuant to clauses 3.12.2(l) or 3.12.2(m).

Referred Directed Participant

A *Directed Participant* who has a claim referred to an independent expert pursuant to clauses 3.15.7B(c) or 3.15.7B(d).

Referred Market Customer

A *Market Customer* who has a claim referred to an independent expert pursuant to clauses 3.12.2(l) or 3.12.2(m).

region, regional

An area determined by the AEMC in accordance with Chapter 2A, being an area served by a particular part of the *transmission network* containing one or more major *load centres* or *generation centres* or both.

regional benefit directions procedures

Has the meaning given in clause 3.15.8(b2).

regional reference node

A location on a *transmission* or *distribution network* to be determined for each *region* by the AEMC in accordance with Chapter 2A.

regional reference price

Spot price at the *regional reference node*.

regional specific power system operating procedures

The procedures described in clause 4.10.1(a)(3).

Regions Publication

The document *published* by AEMO under clause 2A.1.3 that provides a list of all *regions*, *regional reference nodes* and the *region* to which each *market connection point* is assigned.

Registered Participant

A person who is registered by *AEMO* in any one or more of the categories listed in rules 2.2 to 2.7. However:

- (a) in the case of a person who is registered by *AEMO* as a *Trader*, such a person is only a *Registered Participant* for the purposes referred to in rule 2.5A;
- (b) in the case of a person who is registered by *AEMO* as a *Metering Coordinator*, such a person is only a *Registered Participant* for the purposes referred to in clause 2.4A.1(d);
- (c) as set out in rule 2.11.1A, for the purposes of rule 2.11 only, *Third Party B2B Participants* (other than *Third Party B2B Participants* who are also *Embedded Network Managers*) are also deemed to be *Registered Participants*;
- (d) as set out in clause 8.2.1(a1) and 8.2A.2(b), for the purposes of some provisions of rule 8.2 only, *AEMO*, *Connection Applicants*, *Metering Providers*, *Metering Data Providers*, *Third Party B2B Participants* and *B2B Change Parties* who are not otherwise *Registered Participants* are also deemed to be *Registered Participants*;
- (e) as set out in clause 8.6.1A, for the purposes of Part C of Chapter 8 only, *Metering Providers*, *Metering Data Providers* and *Third Party B2B Participants* who are not otherwise *Registered Participants* are also deemed to be *Registered Participants*; ~~and~~
- (f) as set out in clause 4.8.12(a3), for the purposes of Part C of Chapter 8 only, *Jurisdictional System Security Coordinators* are also deemed to be *Registered Participants*; and
- (g) in the case of a person who is registered by *AEMO* as an off-market retailer, such a person is only a *Registered Participant* for the purposes referred to in rule 2.4B.

Registered Participant Agent

An agent of a *Registered Participant* appointed under clause 4.11.5.

registration category

Has the meaning given in clause 3.15.21(c1)(1).

regulated interconnector

An *interconnector* which is referred to in clause 11.8.2 of the *Rules* and is subject to *transmission service* regulation and pricing arrangements in Chapter 6A.

regulating capability

The capability to perform *regulating duty*.

regulating capability constraints

Constraints on the formulation of a realisable *dispatch* or *predispatch schedule* due to the need to provide for *regulating capability*.

regulating duty

In relation to a *generating unit*, the duty to have its *generated* output adjusted frequently so that any *power system frequency* variations can be corrected.

regulating lower service

The service of controlling the level of *generation* or *load* associated with a particular *facility*, in accordance with the requirements of the *market ancillary service specification*, in accordance with electronic signals from AEMO in order to lower the *frequency* of the *power system*.

regulating raise service

The service of controlling the level of *generation* or *load* associated with a particular *facility*, in accordance with the requirements of the *market ancillary service specification*, in accordance with electronic signals from AEMO in order to raise the *frequency* of the *power system*.

regulation services

The *regulating raise service* and *regulating lower service*.

regulatory change event

A change in a *regulatory obligation or requirement* that:

- (a) falls within no other category of *pass through event*; and
- (b) occurs during the course of a *regulatory control period*; and
- (c) substantially affects the manner in which the *Transmission Network Service Provider* provides *prescribed transmission services* or the *Distribution Network Service Provider* provides *direct control services* (as the case requires); and
- (d) *materially* increases or *materially* decreases the costs of providing those services.

regulatory control period

- (a) In respect of a *Transmission Network Service Provider*, a period of not less than 5 *regulatory years* in which a *total revenue cap* applies to that provider by virtue of a *revenue determination*.
- (b) In respect of a *Distribution Network Service Provider*, a period of not less than 5 *regulatory years* for which the provider is subject to a control mechanism imposed by a distribution determination.

regulatory information instrument

Has the meaning given in the *National Electricity Law*.

regulatory investment test for distribution

The test developed and *published* by the AER in accordance with clauses 5.17.1 and 5.17.2, as in force from time to time, and includes amendments made in accordance with clause 5.17.2.

regulatory investment test for transmission

The test developed and *published* by the AER in accordance with clauses 5.16.1 and 5.16.2, as in force from time to time, and includes amendments made in accordance with clause 5.16.2.

regulatory obligation or requirement

Has the meaning assigned in the *Law*.

regulatory proposal

A proposal (by a *Distribution Network Service Provider*) under rule 6.8.

regulatory year

Each consecutive period of 12 calendar months in a *regulatory control period*, the first such 12 month period commencing at the beginning of the *regulatory control period* and the final 12 month period ending at the end of the *regulatory control period*. For AEMO, each *financial year* is a *regulatory year*.

related body corporate

In relation to a body corporate, a body corporate that is related to the first-mentioned body by virtue of the *Corporations Act 2001* (Cth).

releasable user guide

A document associated with a functional block diagram and model source code provided under clause S5.2.4(b) (combined, forming the **model**), that contains sufficient information to enable a *Registered Participant* to use model source code provided under clause 3.13.3(l) to carry out *power system* studies for planning and operational purposes. The information in a releasable user guide must include, but is not limited to:

- (1) the **model** parameters and their values;
- (2) information about how the **model** parameter values vary with the operating state or output level of the *plant* or with the operating state or output level of any associated *plant*;
- (3) instructions relevant to the use and operation of the model source code provided under clause 3.13.3(l);
- (4) settings of *protection systems* that are relevant to load flow or dynamic simulation studies;
- (5) information provided in accordance with Schedule 5.5 only to the extent that the information is not a part of the **model** or the **model** parameters and that is reasonably necessary to allow modelling of the *generating unit*, *generating system* or related *plant* in *power system* load flow or dynamic simulation studies;
- (6) *connection point* details including its parameters and values, location, network augmentations or modifications and other relevant connection information;
- (7) in regards to any relevant *generating unit* or *generating system*, the date on which any of the following has occurred or is expected to occur:
 - (i) *an application to connect* is made under clause 5.3.4(a);
 - (ii) *a connection agreement* is entered into under clause 5.3.7;
 - (iii) the *Generator* submits a proposal to alter a *connected generating system* or a *generating system*, for which *performance standards* have previously been accepted by AEMO, under clause 5.3.9;

- (iv) the *Generator* is notified that the *Network Service Provider* and *AEMO* are satisfied with the proposed alterations to the *generating plant* under clause 5.3.10;
 - (v) *connection*;
 - (vi) commencement of commissioning; and
 - (vii) conclusion of commissioning; and
- (8) the date this document was prepared or updated.

relevant AEMO intervention event

A *AEMO intervention event* that involves the exercise of the *reliability and emergency reserve trader* in accordance with rule 3.20 as referred to in paragraph (b) of the definition of *AEMO intervention event*.

relevant tax

Any tax payable by a *Transmission Network Service Provider* or a *Distribution Network Service Provider* other than:

- (a) income tax and capital gains tax;
- (b) stamp duty, financial institutions duty and bank accounts debits tax;
- (c) penalties, charges, fees and interest on late payments, or deficiencies in payments, relating to any tax; or
- (d) any tax that replaces or is the equivalent of or similar to any of the taxes referred to in paragraphs (a) to (b) (including any State equivalent tax).

Relevant Transmission Network Service Provider, Relevant TNSP

In respect of clause 5.7.7 has the meaning given in clause 5.7.7(a).

reliability

The probability of a system, device, *plant* or equipment performing its function adequately for the period of time intended, under the operating conditions encountered.

reliability and emergency reserve trader (RERT)

The actions taken by *AEMO* as referred to in clause 3.20.2, in accordance with rule 3.20, to ensure reliability of *supply*.

reliability augmentation

A *transmission network augmentation* that is necessitated principally by inability to meet the minimum *network* performance requirements set out in schedule 5.1 or in relevant legislation, regulations or any statutory instrument of a *participating jurisdiction*.

Reliability Panel

The panel established by the *AEMC* under section 38 of the *National Electricity Law*.

reliability settings

The following market settings:

- (a) the *market price cap*;
- (b) the *cumulative price threshold*;
- (c) the *market floor price*; and
- (d) the *administered price cap*.

reliability standard

The standard specified in clause 3.9.3C.

reliability standard and settings guidelines

The guidelines developed under clause 3.9.3A(a).

reliability standard and settings review

A review of the *reliability standard* and the *reliability settings*, including the manner of indexing the *market price cap* and the *cumulative price threshold*, conducted in accordance with clause 3.9.3A.

reliability standard implementation guidelines

The guidelines developed under clause 3.9.3D.

reliable

The expression of a recognised degree of confidence in the certainty of an event or action occurring when expected.

reliable operating state

In relation to the *power system*, has the meaning set out in clause 4.2.7.

remote acquisition

The acquisition of *interval metering data* from a *telecommunications network* connected to a *metering installation* that:

- (a) does not, at any time, require the presence of a person at, or near, the *interval metering installation* for the purposes of data collection or data verification (whether this occurs manually as a walk-by reading or through the use of a vehicle as a close proximity drive-by reading); and
- (b) includes but is not limited to methods that transmit data via:
 - (1) fixed-line telephone ('direct dial-up');
 - (2) satellite;
 - (3) the internet;
 - (4) wireless or radio, including mobile telephone networks;
 - (5) power line carrier; or
 - (6) any other equivalent technology.

Note:

For the requirements of clause 7.8.9(b) *remote acquisition* may collect data other than *interval metering data*.

remote control equipment

Equipment used to control the operation of elements of a *power station* or *substation* from a *control centre*.

remote monitoring equipment

Equipment installed to enable monitoring of a *facility* from a *control centre*.

representative

In relation to a person, any employee, agent or professional adviser of:

- (a) that person; or
- (b) a *related body corporate* of that person; or
- (c) a third party contractor to that person.

required pass through amount

In respect of a *negative change event* for a *Transmission Network Service Provider*, the costs in the provision of *prescribed transmission services* that, as a result of that *negative change event*, the *Transmission Network Service Provider* has saved and is likely to save (as opposed to the revenue impact of that event) until:

- (a) unless paragraph(b) applies – the end of the *regulatory control period* in which the *negative change event* occurred; or
- (b) if the *transmission determination* for the *regulatory control period* following that in which the *negative change event* occurred does not make any allowance for the pass through of the saved costs (whether or not in the forecast operating expenditure or forecast capital expenditure accepted or substituted by the *AER* for that *regulatory control period*) – the end of the *regulatory control period* following that in which the *negative change event* occurred.

In respect of a *negative change event* for a *Distribution Network Service Provider*, the costs in the provision of *direct control services* that, as a result of the *negative change event*, the *Distribution Network Service Provider* has saved and is likely to save (as opposed to the revenue impact of that event) until:

- (a) unless paragraph(b) applies – the end of the *regulatory control period* in which the *negative change event* occurred; or
- (b) if the distribution determination for the *regulatory control period* following that in which the *negative change event* occurred does not make any allowance for the pass through of the saved costs (whether or not in the forecast operating expenditure or forecast capital expenditure accepted or substituted by the *AER* for that *regulatory control period*) – the end of the *regulatory control period* following that in which the *negative change event* occurred.

RERT guidelines

The guidelines developed and *published* by the *Reliability Panel* under clause 3.20.8.

RERT principles

The principles referred to in clause 3.20.2(b).

reserve

Scheduled reserve or unscheduled reserve.

reserve contract

A scheduled reserve contract or an unscheduled reserve contract.

reserve level declaration guidelines

The guidelines *published by AEMO* under clause 4.8.4A(a).

response breakpoint

- (a) In relation to a *market ancillary service offer* to raise the *frequency* of the *power system*, the level of associated *generation* or *load* (in MW) above which the amount of response specified in the *offer* reduces with increased *generation* or *load* level; and
- (b) in relation to a *market ancillary service offer* to lower the *frequency* of the *power system*, the level of associated *generation* or *load* (in MW) below which the amount of response specified in the *offer* reduces with decreased *generation* or *load* level.

response capability

- (a) In relation to a *market ancillary service offer* to raise the *frequency* of the *power system*, the amount of the response in (MW) which is specified in the *offer* for every level of associated *generation* or *load* below the associated *response breakpoint*; and
- (b) in relation to a *market ancillary service offer* to lower the *frequency* of the *power system*, the amount of the response in (MW) which is specified in the *offer* for every level of associated *generation* or *load* above the associated *response breakpoint*.

responsible person

For the purposes of the *National Energy Retail Law*, the *Metering Coordinator*.

Note:

References to 'responsible person' in the *Rules* or a document produced under the *Rules* are deemed to be references to the *Metering Coordinator* under clause 11.86.4.

restricted asset

An item of equipment that is electrically connected to a *retail customer's connection point* at a location that is on the same side of that *connection point* as the *metering point*, but excludes:

- (a) such an item of equipment where that *retail customer* is a *Distribution Network Service Provider* and that *Distribution Network Service Provider* is the *Local Network Service Provider* for that *connection point*; or
- (b) a *network device*.

restriction demand reduction

The reduction in a *Market Customer's* demand due to the imposition of *mandatory restrictions* as reasonably determined by an independent expert in accordance with clause 3.12A.7. For the avoidance of doubt, the reduction of a *Market Customer's* demand due to the imposition of *mandatory restrictions* should exclude any

reduction in its demand which the *Market Customer* claims was due to the operation of *generation* and as reasonably verified by the independent expert in a similar manner to that used by the independent expert to determine restrictions due to demand management.

restriction offer

An offer by a *Scheduled Generator* or a *Scheduled Network Service Provider* to provide capacity to AEMO for all or part of a *mandatory restriction period* made in accordance with the *restriction offer procedures*.

restriction offer procedures

The procedures developed by AEMO in accordance with clause 3.12A.1.

restriction shortfall amount

The amount determined in accordance with clause 3.12A.7(b).

retail billing period

Has (in the context of Chapter 6B) the meaning given in clause 6B.A1.2.

retail customer

A *small customer* or a *large customer*.

Note:

In the context of Chapter 5A, the above definition has been supplemented by a definition specifically applicable to that Chapter, See clause 5A.A.1.

Retail Market Procedures

Procedures made under these *Rules* for or in *connection* with the sale and *supply* of electricity to *retail customers* or the operation of retail electricity *markets* including:

- (a) *B2B procedures*; and
- (b) the *Market Settlement and Transfer Solution Procedures*; and
- (c) the *metrology procedures*; and
- (d) other procedures dealing with, or incidental to, the retail sale or *supply* of electricity or related services.

retailer

Has the same meaning as in the *National Electricity Law*.

Otherwise, a *Customer* who engages in the activity of selling electricity to end users.

retailer insolvency costs

For a *Distribution Network Service Provider*:

- (a) *billed but unpaid charges*;
- (b) the actual amount of unbilled *network charges* accrued by a *failed retailer*; and
- (c) other costs that the *Distribution Network Service Provider* has incurred or is likely to incur as a result of a *retailer insolvency event*.

retailer insolvency event

The failure of a *retailer* during a *regulatory control period*, to pay a *Distribution Network Service Provider* an amount to which the service provider is entitled for the provision of *direct control services*, if:

- (a) an *insolvency official* has been appointed in respect of that *retailer*; and
- (b) the *Distribution Network Service Provider* is not entitled to payment of that amount in full under the terms of any *credit support* provided in respect of that *retailer*.

Retailer Member

A person nominated and elected as a *Member* by *Retailer Member Voters* to represent *Retailer Member Voters* in accordance with the *Rules* (including clause 7.17.10(f)) and *Information Exchange Committee Election Procedures*.

Retailer Member Voters

Retailers and *Local Retailers*.

retailer planned interruption

- (a) In a *participating jurisdiction* where the *National Energy Retail Rules* apply as a law of that *participating jurisdiction*, has the meaning given in the *National Energy Retail Rules*.
- (b) Otherwise, if defined in *jurisdictional electricity legislation*, has the meaning given in *jurisdictional electricity legislation*.

revenue determination

A determination referred to in clause 6A.2.2(1) and rule 6A.4 as substituted (if at all) pursuant to clause 6A.7.1 or rule 6A.15 or as amended pursuant to clause 6A.8.2.

Revenue Proposal

For a *Transmission Network Service Provider*, a proposal submitted or resubmitted by the *Transmission Network Service Provider* to the *AER* pursuant to clause 6A.10.1(a), clause 6A.11.2 or clause 6A.12.3(a) (as the context requires).

review

An examination of the specified matters conducted to the standard specified for a "review" in Auditing Standard AUS106: "Explanatory Framework for standards on Audit and Audit Related Services" prepared by the Auditing Standards Board, as varied from time to time.

revised statement

A statement issued by *AEMO* under clause 3.15.19 following the resolution of a dispute regarding a *final statement*.

RMS phase voltage

The *voltage* of *supply* measured as the average of the root mean square of the *voltages* between each pair of phases.

roll forward model

According to context:

- (a) the model developed and published by the *AER* for the roll forward of the regulatory asset base for *transmission systems* in accordance with clause 6A.6.1;
- (b) the model developed and published by the *AER* for the roll forward of the regulatory asset base for *distribution systems* in accordance with clause 6.5.1.

RoLR cost recovery scheme distributor payment determination

Has the same meaning as in the *National Energy Retail Law*.

RoLR Procedures

Has the same meaning as in the *National Energy Retail Law*.

RoLR

Has the same meaning as in the *National Energy Retail Law*.

routine revised statement

A *settlement statement* issued by *AEMO* under clause 3.15.19(b).

Rule fund

A fund referred to in clause 1.11(a).

Rules

The rules called the National Electricity Rules made under Part 7 of the *National Electricity Law* as amended from time to time in accordance with that Part.

Rules bodies

Any person or body, other than *AEMO*, the *AER*, the *AEMC*, or the *ACCC*, that is appointed or constituted by the *Rules* to perform functions under the *Rules*.

Rules consultation procedures

The procedures for consultation with *Registered Participants* or other persons as set out in clause 8.9.

satisfactory operating state

In relation to the *power system*, has the meaning given in clause 4.2.2.

scheduled generating unit

- (a) A *generating unit* so classified in accordance with Chapter 2.
- (b) For the purposes of Chapter 3 (except clause 3.8.3A(b)(1)(iv)) and rule 4.9, two or more *generating units* referred to in paragraph (a) that have been aggregated in accordance with clause 3.8.3.

scheduled generating system

A *generating system* comprising *scheduled generating units*.

Scheduled Generator

A *Generator* in respect of which any *generating unit* is classified as a *scheduled generating unit* in accordance with Chapter 2.

scheduled high price

The dollar amount per MWh or MW, as the case may be, determined as such by AEMO pursuant to clause 3.3.17.

scheduled load

- (a) A *market load* which has been classified by AEMO in accordance with Chapter 2 as a *scheduled load* at the *Market Customer's* request. Under Chapter 3, a *Market Customer* may submit *dispatch bids* in relation to *scheduled loads*.
- (b) For the purposes of Chapter 3 (except clause 3.8.3A(b)(1)(ii)) and rule 4.9, two or more *scheduled loads* referred to in paragraph (a) that have been aggregated in accordance with clause 3.8.3.

scheduled low price

The dollar amount per MWh or MW, as the case may be, determined as such by AEMO pursuant to clause 3.3.17.

scheduled network service

- (a) A *network service* which is classified as a *scheduled network service* in accordance with Chapter 2.
- (b) For the purposes of Chapter 3 (except clause 3.8.3A(b)(1)(ii)) and rule 4.9, two or more *scheduled network services* referred to in paragraph (a) that have been aggregated in accordance with clause 3.8.3.

Scheduled Network Service Provider

A *Network Service Provider* who has classified any of its *network services* as a *scheduled network service*.

scheduled plant

In respect of a *Registered Participant*, a *scheduled generating unit*, a *semi-scheduled generating unit*, a *scheduled network service* or a *scheduled load* classified by or in respect to that *Registered Participant* in accordance with Chapter 2.

scheduled reserve

The amount of surplus or unused capacity:

- (a) of *scheduled generating units*;
- (b) of *scheduled network services*; or
- (c) arising out of the ability to reduce *scheduled loads*.

scheduled reserve contract

A contract entered into by AEMO for the provision of *scheduled reserve* in accordance with rule 3.20.

scheduling error

Scheduling error means any of the events described in clause 3.8.24(a).

secondary equipment

Those assets of a *Market Participant's facility* which do not carry the *energy* being traded, but which are required for control, protection or operation of assets which carry such *energy*.

Second-Tier Customer

A *Customer* which has classified any *load* as a *second-tier load* in accordance with Chapter 2.

second-tier load

Electricity purchased at a *connection point* in its entirety other than directly from the *Local Retailer* or the *spot market* and which is classified as a *second-tier load* in accordance with Chapter 2.

secure operating level of inertia

For an *inertia sub-network*, the *secure operating level of inertia* determined by AEMO and referred to in clause 5.20B.2(b)(2).

secure operating state

In relation to the *power system* has the meaning given in clause 4.2.4.

self-commitment, self-commit

Commitment, where the decision to *commit* a *generating unit* was made by the relevant *Generator* without instruction or direction from AEMO.

self-decommitment

Decommitment, where the decision to *decommit* a *generating unit* was made by the relevant *Generator* without instruction or direction from AEMO.

semi-dispatch interval

For a *semi-scheduled generating unit*, a *dispatch interval* for which either:

- (a) a *network constraint* would be violated if the *semi-scheduled generating unit's generation* were to exceed the *dispatch level* specified in the related *dispatch instruction* at the end of the *dispatch interval*; or
- (b) the *dispatch level* specified in that *dispatch instruction* is less than the *unconstrained intermittent generation forecast* at the end of the *dispatch interval*,

and which is notified by AEMO in that *dispatch instruction* to be a *semi-dispatch interval*.

self-dispatch level

The level of *generation* in MW, as specified in a *dispatch offer* for a *generating unit* and a *trading interval*, which is the level at which that *generating unit* must be *dispatched* by AEMO in that *trading interval* unless otherwise *dispatched* in accordance with clause 3.8 or unless required to operate under a *direction* issued by AEMO in accordance with clause 4.8.9.

semi-scheduled generating system

A *generating system* comprising *semi-scheduled generating units*.

semi-scheduled generating unit

- (a) A *generating unit* classified in accordance with clause 2.2.7.
- (b) For the purposes of Chapter 3 and rule 4.9, two or more *generating units* referred to in paragraph (a) that have been aggregated in accordance with clause 3.8.3.

Semi-Scheduled Generator

A *Generator* in respect of which any *generating unit* is classified as a *semi-scheduled generating unit* in accordance with Chapter 2.

sensitive loads

Loads defined as sensitive for each *participating jurisdiction* by the *Jurisdictional System Security Coordinator* for that *participating jurisdiction*.

sent out generation

In relation to a *generating unit*, the amount of electricity *supplied* to the *transmission* or *distribution network* at its *connection point*.

Service Applicant

A person who asks a *Distribution Network Service Provider* for access to a *distribution service*.

service level procedures

The procedures established by *AEMO* in accordance with clause 7.16.6.

service standard event

A legislative or administrative act or decision that:

- (a) has the effect of:
 - (i) substantially varying, during the course of a *regulatory control period*, the manner in which a *Transmission Network Service Provider* is required to provide a *prescribed transmission service*, or a *Distribution Network Service Provider* is required to provide a *direct control service*; or
 - (ii) imposing, removing or varying, during the course of a *regulatory control period*, minimum service standards applicable to *prescribed transmission services* or *direct control services*; or
 - (iii) altering, during the course of a *regulatory control period*, the nature or scope of the *prescribed transmission services* or *direct control services*, provided by the service provider; and
- (b) *materially* increases or *materially* decreases the costs to the service provider of providing *prescribed transmission services* or *direct control services*.

service target performance incentive scheme

A For a *Transmission Network Service Provider* – a scheme developed and *published* by the *AER* in accordance with clause 6A.7.4.

For a *Distribution Network Service Provider* – a scheme developed and *published* by the *AER* in accordance with clause 6.6.2.

settlement amount

The amount calculated by *AEMO* pursuant to clause 3.15.12.

settlement statement

Includes an *interim statement*, *preliminary statement* and *final statement*.

settlements

The activity of producing bills and credit notes for *Market Participants*.

settlements ready data

The *metering data* that has undergone a validation and substitution process by *AEMO* for the purpose of *settlements* and is held in the *metering database*.

settlements residue

Any surplus or deficit of funds retained by *AEMO* upon completion of *settlements* to all *Market Participants* in respect of a *trading interval*, being either *inter-regional settlements residue* or *intra-regional settlements residue*.

settlement residue committee

The committee established by *AEMO* in accordance with clause 3.18.5.

settlement residue distribution agreement* or *SRD agreement

Has the meaning given in clause 3.18.1(b).

shadow network charges procedure

The procedure of that name made under clause 6B.A1.3.

Shared Asset Guidelines

Guidelines made by the *AER* under clause 6.4.4(d) or clause 6A.5.5(d), as the case may be.

shared asset principles

Has the meaning given to it by clause 6.4.4(c) or clause 6A.5.5(c), as the case may be.

shared customer

Has (in the context of Chapter 6B) the meaning given in clause 6B.A1.2.

shared distribution service

A service provided to a *Distribution Network User* for use of a *distribution network* for the conveyance of electricity (including a service that ensures the integrity of the related *distribution system*).

shared network capability service

Has the meaning given in the *National Electricity Law*.

shared transmission service

A service provided to a *Transmission Network User* for use of a *transmission network* for the conveyance of electricity (including a service that ensures the integrity of the related *transmission system*).

short circuit fault

A fault having a metallic conducting path between any two or more conductors or between any conductor and ground, including touching conductors and faults through earthing facilities, and excluding faults within equipment at a station.

short term PASA

The *PASA* in respect of the period described in clause 3.7.3(b), as described under clause 3.7.3.

short term PASA inputs

The inputs to be prepared in accordance with clauses 3.7.3(d) and (e).

shunt capacitor

A type of *plant connected* to a *network* to generate *reactive power*.

shunt reactor

A type of *plant connected* to a *network* to absorb *reactive power*.

single contingency

In respect of a *transmission* or *distribution network* and *Network Users*, a sequence of related events which result in the removal from service of one *Network User*, *transmission* or *distribution line*, or *transformer*. The sequence of events may include the application and clearance of a fault of defined severity.

slow lower service

The service of providing, in accordance with the requirements of the *market ancillary service specification*, the capability of controlling the level of *generation* or *load* associated with a particular *facility* in response to the locally sensed *frequency* of the *power system* in order to stabilise a rise in that *frequency*.

slow raise service

The service of providing, in accordance with the requirements of the *market ancillary service specification*, the capability of controlling the level of *generation* or *load* associated with a particular *facility* in response to the locally sensed *frequency* of the *power system* in order to stabilise a fall in that *frequency*.

slow start generating unit

A *generating unit* described in clause 3.8.17(a).

slow start reserve generating unit

A *slow start generating unit* providing *scheduled reserve*.

small customer

- (a) In a *participating jurisdiction* where the *National Energy Retail Law* applies as a law of that *participating jurisdiction*, has the meaning given in the *National Energy Retail Law*.
- (b) Otherwise, has the meaning given in *jurisdictional electricity legislation*.

small customer metering installation

A *metering installation* in respect of the *connection point* of a *small customer* which meets the *minimum services specification* or which is required to meet the

minimum services specification under clause 7.8.3(a), clause 7.8.4(c) or clause 7.8.4(h)(2).

small dedicated connection asset

A *dedicated connection asset* that is not a *large dedicated connection asset*.

small generating unit

A *generating unit*:

- (a) with a *nameplate rating* that is less than 30MW; and
- (b) which is owned, controlled or operated by a person that *AEMO* has exempted from the requirement to register as a *Generator* in respect of that *generating unit* in accordance with clause 2.2.1(c).

Small Generation Aggregator

A person who:

- (a) intends to supply, or supplies, electricity from one or more *small generating units* that are connected to a *transmission or distribution system*; and
- (b) is registered by *AEMO* as a *Small Generation Aggregator* under Chapter 2.

small-scale incentive scheme

A scheme developed and *published* by the *AER* in accordance with clause 6.6.4 or clause 6A.7.5, as the case may be.

Special Participant

A *System Operator* or a *Distribution System Operator*.

special revised statement

A *settlement statement* issued by *AEMO* under clause 3.15.19(a)(3).

spot market

The spot market established and operated by *AEMO* in accordance with clause 3.4.1.

spot market transaction

A transaction as defined pursuant to clause 3.15.6 which occurs in the *spot market*.

spot price

The price for electricity in a *trading interval* at a *regional reference node* or a *connection point* as determined in accordance with clause 3.9.2.

spot price forecast

A forecast of the *spot price*.

SRAS Guideline

The guideline developed and *published* by *AEMO* in accordance with clause 3.11.7(c) as in force from time to time and includes amendments made in accordance with clauses 3.11.7(f) and 3.11.7(g).

SRAS Objective

The objective for *system restart ancillary services* is to minimise the expected costs of a *major supply disruption*, to the extent appropriate having regard to the *national electricity objective*.

SRAS Provider

A person who agrees to provide one or more *system restart ancillary services* to AEMO under an *ancillary services agreement*.

SRAS Procurement Objective

Has the meaning given in clause 3.11.7(a1).

SRD unit

A unit that represents a right for an *eligible person* to receive a portion of the net *settlements residue* under clause 3.6.5 allocated to a *directional interconnector* for the period specified in a *SRD agreement* entered into between that *eligible person* and AEMO in respect of that right.

stand-alone amount

For a *category of prescribed transmission services*, the costs of a *transmission system* asset that would have been incurred had that *transmission system* asset been developed, exclusively to provide that *category of prescribed transmission services*.

standard connection service

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1.

standard control service

A *direct control service* that is subject to a control mechanism based on a *Distribution Network Service Provider's total revenue requirement*.

Standards Australia

The Standards Association of Australia and includes its heirs or successors in business.

statement of charges

Has (in the context of Chapter 6B) the meaning given in clause 6B.A1.2.

statement of opportunities

A statement prepared by AEMO to provide information to assist *Scheduled Generators*, *Semi-Scheduled Generators*, *Transmission Network Service Providers* and *Market Participants* in making an assessment of the future need for electricity generating or demand management capacity or augmentation of the *power system*.

static excitation system

An *excitation control system* in which the power to the rotor of a *synchronous generating unit* is transmitted through high power solid-state electronic devices.

static VAR compensator

A device specifically provided on a *network* to provide the ability to generate and absorb *reactive power* and to respond automatically and rapidly to *voltage*

fluctuations or *voltage* instability arising from a disturbance or disruption on the *network*.

substation

A *facility* at which two or more lines are switched for operational purposes. May include one or more *transformers* so that some *connected* lines operate at different nominal *voltages* to others.

substituted metering data

The substituted values of *accumulated metering data*, *interval metering data* or *calculated metering data* prepared in accordance with the *metrology procedure*. *Substituted metering data* is held in a *metering data services database* and the *metering database*.

super majority

At least 70% of the number of *Members*.

supplementary carbon dioxide equivalent intensity indicator

Any indicators relating to a subset of *scheduled generating units* and *market generating units* published by *AEMO* in accordance with clause 3.13.14(h).

supply

The delivery of electricity.

supply service

Has (in the context of Chapter 5A) the meaning given in clause 5A.A.1

survey period

An agreed sample period used to determine the allocation of costs and prices for use of *transmission network* or *distribution network* assets.

suspended region

A region in which the *spot market* is suspended in accordance with clause 3.14.4.

suspension notice

A notice issued by *AEMO* to a *defaulting Market Participant* pursuant to clause 3.15.21(c) or (c1) under which *AEMO* notifies the *defaulting Market Participant*:

- (a) of the date and time from which it is suspended from specified activities;
- (b) the *registration categories* of the *defaulting Market Participant* to which the suspension relates; and
- (c) in respect of the *registration categories* referred to in paragraph (b), the activities (or subset of activities) of the *Market Participant* that have been suspended.

switchyard

The *connection point* of a *generating unit* into the *network*, generally involving the ability to *connect* the *generating unit* to one or more outgoing *network* circuits.

Sydney time

Eastern Standard Time or *Eastern Daylight Saving Time* as applicable in Sydney.

synchronise

The act of *synchronising* a *generating unit* or a *scheduled network service* to the *power system*.

synchronising, synchronisation

To electrically *connect* a *generating unit* or a *scheduled network service* to the *power system*.

synchronous condensers

Apparatus or equipment similar in construction to a *synchronous generating unit*, which operates at the equivalent speed of the *frequency* of the *power system*.

synchronous generating unit

The alternating current generators of most thermal and hydro (water) driven power turbines which operate at the equivalent speed of the *frequency* of the *power system* in its *satisfactory operating state*.

synchronous generator voltage control

The automatic *voltage control system* of a *generating unit* of the *synchronous generator* category which changes the output *voltage* of the *generating unit* through the adjustment of the generator rotor current and effectively changes the *reactive power* output from that *generating unit*.

System Operator

A person whom *AEMO* has engaged as its agent, or appointed as its delegate, under clause 4.3.3 to carry out some or all of *AEMO*'s rights, functions and obligations under Chapter 4 of the *Rules* and who is registered by *AEMO* as a *System Operator* under Chapter 2.

system restart ancillary service* or *SRAS

A service provided by *facilities* with *black start capability* which allows:

- (a) *energy* to be supplied; and
- (b) a *connection* to be established,

sufficient to restart large *generating units* following a *major supply disruption*.

system restart plan

The plan described in clause 4.8.12(a).

system restart standard

The standard as determined by the *Reliability Panel* in accordance with clause 8.8.3(aa), for the acquisition of *system restart ancillary services*.

system standard

A standard for the performance of the *power system* as set out in schedule 5.1a.

system strength connection works

Investment in a *transmission or distribution system* in order to remedy or avoid an *adverse system strength impact* arising from establishing a *connection* for a *generating system* or *market network service facility* or from any alteration to a *generating system* to which clause 5.3.9 applies.

system strength generating unit

A *generating unit* registered with AEMO under clause 5.20C.4(b).

system strength impact assessment

Power system studies to assess the impact of the *connection* of a new *generating system* or *market network service facility* or of any proposed alteration to a *generating system* to which clause 5.3.9 applies on the ability under different operating conditions of:

- (a) the *power system* to maintain system stability in accordance with clause S5.1a.3; and
- (b) *generating systems* and *market network service facilities* forming part of the *power system* to maintain stable operation including following any *credible contingency event* or *protected event*,

so as to maintain the *power system* in a *secure operating state*.

system strength impact assessment guidelines

The guidelines for conducting *system strength impact assessments* developed by AEMO under clause 4.6.6.

system strength remediation scheme

A scheme agreed or determined under clause 5.3.4B required to be implemented as a condition of a *connection agreement* to remedy or avoid an *adverse system strength impact*.

system strength requirements

The matters determined by AEMO for a *region* under clause 5.20C.1(a).

system strength requirements methodology

The process AEMO uses to determine the *system strength requirements* for each *region* published by AEMO under clause 5.20.1(a)(3).

system strength service

A service for the provision of a contribution to the *three phase fault level* at a *fault level node*.

system strength service payment

A payment by a *Transmission Network Service Provider* made under a *system strength services agreement* where:

- (a) the payment is made for *system strength services* to be made available or provided as a service to the *Transmission Network Service Provider* in its capacity as a *System Strength Service Provider* to satisfy an obligation under clause 5.20C.3; and
- (b) the *system strength services* are made available or provided in accordance with applicable technical specifications and performance standards approved by AEMO.

System Strength Service Provider

The *System Strength Service Provider* for a *region* as specified under clause 5.20C.3(a).

system strength services agreement

An agreement made under which a person agrees to provide one or more *system strength services* to a *System Strength Service Provider*.

system-wide benefits

Benefits that extend beyond a *Transmission Network User*, or group of *Transmission Network Users*, at a single *transmission network connection point* to other *Transmission Network Users*.

take or pay contract

A contract between a buyer and a seller of an asset-based service under which the buyer undertakes to pay regularly to the seller a fixed or minimum sum regardless of the actual level of consumption of the service by the buyer. The contract has the effect of transferring market risk associated with the assets from the seller (as the owner of the assets) to the buyer.

tap-changing transformer

A *transformer* with the capability to allow internal adjustment of output *voltages* which can be automatically or manually initiated and which is used as a major component in the control of the *voltage of transmission and distribution networks* in conjunction with the operation of *reactive plant*. The *connection point* of a *generating unit* may have an associated tap-changing transformer, usually provided by the *Generator*.

target capabilities

For an *emergency frequency control scheme* means the technical parameters required to define the intended (but not guaranteed) service provided by the scheme which may include:

- (a) *power system* conditions within which the scheme is capable of responding;
- (b) the nature of the scheme's response (*load shedding* or *generation shedding* for the purposes of managing *frequency*);
- (c) the speed of the response;
- (d) the amount of *load shedding* or *generation shedding* that may occur when the scheme responds; and
- (e) capability to dynamically sense *power system* conditions.

tariff class

A class of *retail customers* for one or more *direct control services* who are subject to a particular tariff or particular tariffs.

tariff structure statement

For a *Distribution Network Service Provider*, means the *tariff structure statement* referred to in clause 6.18.1A that has been approved by the AER for that *Distribution Network Service Provider*.

tax

Any tax, levy, impost, deduction, charge, rate, rebate, duty, fee or withholding which is levied or imposed by an *Authority*.

tax change event

A tax change event occurs if:

- (a) any of the following occurs during the course of a *regulatory control period* for a *Transmission Network Service Provider* or a *Distribution Network Service Provider*:
 - (i) a change in a *relevant tax*, in the application or official interpretation of a *relevant tax*, in the rate of a *relevant tax*, or in the way a *relevant tax* is calculated;
 - (ii) the removal of a *relevant tax*;
 - (iii) the imposition of a *relevant tax*; and
- (b) in consequence, the costs to the service provider of providing *prescribed transmission services* or *direct control services* are *materially* increased or decreased.

technical envelope

The limits described in clause 4.2.5.

telecommunications network

A telecommunications network that provides access for public use or an alternate telecommunications network that has been approved by *AEMO* for the *remote acquisition of energy data*.

template for generator compliance programs

The template determined and *published* by the *Reliability Panel* under clause 8.8.3 of the *Rules*.

terms and conditions of access

According to context:

- (a) the terms and conditions described in clause 5.5.1(c); or
- (b) the terms and conditions described in clause 6.1.3.

test program

In respect of an *inter-network test*, means the program and co-ordination arrangements for the test including, without limitation:

- (1) test procedures;
- (2) the proposed timing of the test;
- (3) operational procedures to manage *power system security* during the test;
- (4) required *power system* conditions for conducting the test;
- (5) test facilitation services including, as necessary, *ancillary services* required to achieve those *power system* conditions;
- (6) criteria for continuing or concluding a test and the decision-making process relevant to the test; and
- (7) contingency arrangements.

Third Party B2B Participant

A *B2B e-Hub Participant* who is not also a *Distribution Network Service Provider*, *retailer*, *Local Retailer*, *Metering Coordinator*, *Metering Provider* or *Metering Data Provider*.

Third Party B2B Participant Member

A person who is nominated and elected as a *Member* by *Third Party B2B Participants* to represent *Third Party B2B Participants* in accordance with the *Rules* (including clause 7.17.10(h)) and the *Information Exchange Committee Election Procedures*.

third party DCA

A *dedicated connection asset* for which a person other than the *Primary Transmission Network Service Provider* is registered under Chapter 2.

third party IUSA

Those *contestable IUSA components* of an *identified user shared asset* that are not, or will not be, owned or leased by the *Primary Transmission Network Service Provider*.

three phase fault level

Measured in MVA at a location on a *transmission network* or a *distribution network*, the product of the *pre-fault nominal voltage* (measured in kV between a pair of phases), the fault current in each phase for a three phase fault at the location (measured in kA), and the square root of 3.

tie

Identically priced *dispatch bids* or *dispatch offers*.

time

Eastern Standard Time.

time stamp

The means of identifying the *time* and date at which data is transmitted or received.

timetable

The timetable published by *AEMO* under clause 3.4.3 for the operation of the *spot market* and the provision of *market information*.

total revenue cap

For a *Transmission Network Service Provider* for a *regulatory control period*, the sum of the *maximum allowed revenues* for that provider for each *regulatory year* of that *regulatory control period* as calculated in accordance with clause 6A.5.3 and set out in a *revenue determination*.

total revenue requirement

For a *Distribution Network Service Provider*, an amount representing revenue calculated for the whole of a *regulatory control period* in accordance with Part C of Chapter 6.

Trader

A person who is registered by *AEMO* as a *Trader* under Chapter 2.

trading amount

The positive or negative dollar amount resulting from a *transaction*, determined pursuant to clauses 3.15.6, 3.15.6A or 3.15.11.

trading day

The 24 hour period commencing at 4.00 am and finishing at 4.00 am on the following *day*.

trading interval

A 30 minute period ending on the hour (*EST*) or on the half hour and, where identified by a time, means the 30 minute period ending at that time.

trading limit

A dollar amount for a *Market Participant*, determined pursuant to clause 3.3.10.

trading margin

Has the meaning given in clause 3.3.15.

transaction

A *spot market transaction*, *reallocation transaction* or any other transaction either in the *market* or to which *AEMO* is a party.

transformer

A *plant* or device that reduces or increases the *voltage* of alternating current.

transformer tap position

Where a tap changer is fitted to a *transformer*, each tap position represents a change in *voltage* ratio of the *transformer* which can be manually or automatically adjusted to change the *transformer* output *voltage*. The tap position is used as a reference for the output *voltage* of the *transformer*.

transmission

Activities pertaining to a *transmission system* including the conveyance of electricity through that *transmission system*.

Transmission Annual Planning Report

A report prepared by a *Transmission Network Service Provider* under clause 5.12.2.

Transmission Confidentiality Guidelines

Guidelines made by the *AER* under clause 6A.16A.

transmission consultation procedures

The procedures set out in Part H of Chapter 6A that must be followed by:

- (a) the *AER* in making, developing or amending guidelines, models or schemes or in reviewing methodologies; or
- (b) the *AEMC* in developing or amending guidelines.

Transmission Customer

A *Customer*, *Non-Registered Customer* or *Distribution Network Service Provider* having a *connection point* with a *transmission network*.

transmission determination

Has the meaning given in the *National Electricity Law*, and includes a determination by the *AER* as described in rule 6A.2.

transmission element

A single identifiable major component of a *transmission system* involving:

- (a) an individual *transmission circuit* or a phase of that circuit;
- (b) a major item of *transmission plant* necessary for the functioning of a particular *transmission circuit* or *connection point* (such as a *transformer* or a circuit breaker).

transmission investment

Expenditure on assets and services which is undertaken by a *Transmission Network Service Provider* or any other person to address an *identified need* in respect of its *transmission network*.

transmission line

A power line that is part of a *transmission network*.

transmission network

A *network* within any *participating jurisdiction* operating at nominal *voltages* of 220kV and above plus:

- (a) any part of a *network* operating at nominal *voltages* between 66 kV and 220 kV that operates in parallel to and provides support to the higher voltage *transmission network*;
- (b) any part of a *network* operating at nominal *voltages* between 66kV and 220 kV that is not referred to in paragraph (a) but is deemed by the *AER* to be part of the *transmission network*.

For a *participating jurisdiction* other than the State of Victoria, an *identified shared user asset* owned, controlled or operated by a *Primary Transmission Network Service Provider* (including a *third party IUSA* that is the subject of a *network operating agreement*) forms part of that *Primary Transmission Network Service Provider's transmission network*.

transmission network connection point

A *connection point* on a *transmission network*.

Transmission Network Service Provider

A person who engages in the activity of owning, controlling or operating a *transmission system*.

Transmission Network User

In relation to a *transmission network*, a *Transmission Customer* and:

- (a) a *Generator* whose *generating unit*;

- (b) a *Network Service Provider* whose network;
- (c) to the extent that a *Dedicated Connection Asset Service Provider* is not also one of the persons listed above, a *Dedicated Connection Asset Service Provider* whose *dedicated connection asset*,
is connected to the *transmission network*.

transmission or distribution system

A *transmission system* or *distribution system* that:

1. is used to convey, and control the conveyance of, electricity to customers (whether wholesale or retail); and
2. is connected to another such system.

transmission plant

Apparatus or equipment associated with the function or operation of a *transmission line* or an associated *substation* or *switchyard*, which may include *transformers*, circuit breakers, *reactive plant* and *monitoring equipment* and control equipment.

Transmission Ring-Fencing Guidelines

The Guidelines made under rule 6A.21.

transmission service

The services provided by means of, or in connection with, a *transmission system*.

transmission services access dispute

A dispute between a *Transmission Network Service Provider* and a *Connection Applicant* as to *terms and conditions of access* for the provision of *prescribed transmission services* or for the provision of *negotiated transmission services* as referred to in clause 5.5.1(c), that is for determination by a *commercial arbitrator* under rule 5.5.

transmission standard control service

Has the meaning given in rule 6.25(a).

transmission standard control service revenue

Has the meaning given in rule 6.26(b)(1).

transmission system

A *transmission network*, together with the *connection assets* associated with the *transmission network*, which is connected to another *transmission* or *distribution system*.

For a *participating jurisdiction* other than the State of Victoria, a *transmission system* includes for the purposes of Chapter 2, a *third party DCA*, which is not a Notified Existing DCA within the meaning of clause 11.98.1.

Note

An *identified user shared asset* or a *dedicated connection asset* for which the *Primary Transmission Network Service Provider* is registered will form part of that provider's broader *transmission system* (even if the *dedicated connection asset* is operating at a *distribution voltage*) rather than constituting a separate *transmission system* requiring separate registration under Chapter 2. A person owning,

controlling or operating a *third party DCA* is required to be registered under Chapter 2 as a *Transmission Network Service Provider*.

transmission use of system, transmission use of system service

A *Generator transmission use of system service* or a *Customer transmission use of system service*.

trigger event

For a *Distribution Network Service Provider*, in relation to a *proposed contingent project* or a *contingent project*, a specific condition or event described in clause 6.6A.1(c), the occurrence of which, during the relevant *regulatory control period*, may result in the amendment of a distribution determination under clause 6.6A.2.

For a *Transmission Network Service Provider*, in relation to a *proposed contingent project* or a *contingent project*, a specific condition or event described in clause 6A.8.1(c), the occurrence of which, during the relevant *regulatory control period*, may result in the amendment of a *revenue determination* under clause 6A.8.2.

two-terminal link

One or more *network elements* that together enable the transfer of *energy* between two, and only two, *connection points*.

type 5 accumulation boundary

The volume of *energy* for a *connection point* that has a *type 5 metering installation* above which the *metering data* must be collected as *interval metering data* for the purpose of producing *settlements ready data*.

Note:

Below the type 5 accumulation boundary, the metering data may be collected from the metering installation as accumulated metering data for the purpose of producing settlements ready data, in which case the metering installation must be registered with AEMO as a type 6 metering installation. Otherwise, the metering data may be collected as interval metering data for the purpose of producing settlements ready data in which case the metering installation must be registered with AEMO as a type 5 metering installation.

typical accrual

Has the meaning given in clause 3.3.12(a).

uncompleted transaction

Has the meaning given in clause 3.3.16(b).

unconstrained

Free of *constraint*.

unconstrained intermittent generation forecast

The forecast prepared by *AEMO* in accordance with rule 3.7B of the *available capacity* of each *semi-scheduled generating unit*.

under frequency scheme

An *emergency frequency control scheme* with capability to respond when *power system frequency* is below or falling below the *normal operating frequency band*.

under-recovery amount

Any amount by which the sum of the *AARR* in previous *regulatory years* exceeds the revenue earned from the provision of *prescribed transmission services* in those *regulatory years*.

unscheduled reserve

The amount of surplus or unused capacity:

- (a) of *generating units* (other than *scheduled generating units*); or
- (b) arising out of the ability to reduce demand (other than a *scheduled load*).

unscheduled reserve contract

A contract entered into by *AEMO* for the provision of *unscheduled reserve* in accordance with rule 3.20.

unserved energy

The amount of *energy* demanded, but not supplied, in a *region* determined in accordance with clause 3.9.3C(b), expressed as:

- (a) GWh; or
- (b) a percentage of the total *energy* demanded in that *region* over a specific period of time such as a *financial year*.

use of system

Includes *transmission use of system* and *distribution use of system*.

use of system services

Transmission use of system service and *distribution use of system service*.

violation

In relation to *power system security*, a failure to meet the requirements of Chapter 4 or the *power system security standards*.

virtual transmission node

A non-physical node used for the purpose of *market settlements*, having a *transmission loss factor* determined in accordance with clause 3.6.2(b)(3).

voltage

The electronic force or electric potential between two points that gives rise to the flow of electricity.

voltage transformer (VT)

A *transformer* for use with *meters* and/or protection devices in which the *voltage* across the secondary terminals is, within prescribed error limits, proportional to and in phase with the *voltage* across the primary terminals.

Voter Category

Means:

- (a) in respect of the *Distribution Network Service Provider Member*, *Distribution Network Service Providers*;
- (b) in respect of the *Retailer Member*, *Retailer Member Voters*, collectively;

- (c) respect of the *Metering Member, Metering Member Voters*, collectively; and
- (d) in respect of the *Third Party B2B Participant Member, Third Party B2B Participants*.

National Energy Retail Rules

Version 14

Note

This is a modified version of Version 14. This version has been modified by incorporating changes to be made when the following rules commence (other than the transitional rules).

Schedules 1 and 2 of the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017 No. 3 (commencing on 1 February 2019)

Schedule 1 of the National Energy Retail Amendment (Advance notice of price changes) Rule 2018 No. 3 (commencing on 1 February 2019)

Schedule 1 of the National Energy Retail Amendment (Minor Changes 2) Rule 2018 No. 5 (commenced 9 November 2018)

Schedule 1 of the National Energy Retail Amendment (Strengthening protections for customers in hardship) Rule 2018 No. 6 (commenced 15 November 2018)

Schedules 1, 2 and 3 of the National Energy Retail Amendment (Metering installation timeframes) Rule 2018 No. 7 (commencing on 1 February 2019)

Status Information

This is the latest electronically available version of the National Energy Retail Rules as at 4 October 2018.

This consolidated version of the National Energy Retail Rules was last updated on 4 October 2018 as a result of the commencement of the following amendments:

Schedule 2 of the National Energy Retail Amendment (Advance notice of price changes) Rule 2018 No. 3

Application of the National Energy Customer Framework related Rule

On 27 June 2012, the South Australian Minister introduced the National Energy Retail Rules under section 238 of the National Energy Retail Law (NERL) set out in the Schedule to the National Energy Retail Law (South Australia) Act 2011. These Rules commenced operation as a law of Tasmania, the Australian Capital Territory and the Commonwealth on 1 July 2012; South Australia on 1 February 2013, New South Wales on 1 July 2013 and Queensland on 1 July 2015.

These Rules do not apply in Victoria, Western Australia or the Northern Territory until the NERL is implemented as a law in that jurisdiction.

These Rules can also be found on the Australian Energy Market Commission's website under the 'National Energy Retail Rules', 'Rules made by the SA Ministers' tabs.

Provisions in force

All provisions displayed in this consolidated version of the Rules have commenced. As at the date of this consolidation the Australian Energy Market Commission has made the following Rules under the National Energy Retail Law that have not yet commenced:

Schedules 1 and 2 of the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017 No. 3 commence operation on 1 February 2019.

Schedule 2 of the National Energy Retail Amendment (Minor Changes) Rule 2018 No. 1 commences operation on 1 February 2019, immediately after the commencement of Schedule 2 of the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017.

Schedule 1 of the National Energy Retail Amendment (Advance notice of price changes) Rule 2018 No. 3 commences operation on 1 February 2019.

TABLE OF CONTENTS

Part 1	Preliminary	1
Division 1	Introduction and definitions	1
1	Citation	1
2	Commencement	1
3	Definitions.....	1
3A	Savings and Transitional Rules.....	4
Division 2	Consumption threshold matters.....	5
4	Business premises—separate application of upper and lower consumption thresholds	5
5	Business premises—aggregated application of upper consumption thresholds by agreement	5
Division 3	Classification of customers.....	6
6	Classification.....	6
7	Retailer initial classification of customers	6
8	Retailer reclassification of customers	7
9	Distributor initial classification of business customers	7
10	Distributor reclassification of business customers.....	8
11	Distributor classification and reclassification—requirements	8
Part 2	Customer retail contracts.....	10
Division 1	Standard retail contracts—terms and conditions generally	10
12	Model terms and conditions for standard retail contracts	10
13	Application of provisions of these Rules to standard retail contracts.....	10
Division 2	Market retail contracts—terms and conditions generally	10
14	Terms and conditions of market retail contracts.....	10
15	Application of provisions of these Rules to market retail contracts	10
Division 3	Customer retail contracts—pre-contractual procedures	11
16	Pre-contractual duty of retailers.....	11
17	Pre-contractual duty of distributors	11
18	Pre-contractual request to designated retailer for sale of energy (SRC).....	12
19	Responsibilities of designated retailer in response to request for sale of energy (SRC)	13
Division 4	Customer retail contracts—billing.....	14
20	Basis for bills (SRC and MRC)	14
21	Estimation as basis for bills (SRC and MRC)	15

22	Proportionate billing (SRC and MRC)	16
23	Bill smoothing (SRC)	16
24	Frequency of bills (SRC)	17
25	Contents of bills (SRC and MRC)	18
26	Pay-by date (SRC)	19
27	Apportionment (SRC).....	20
28	Historical billing information (SRC and MRC).....	20
29	Billing disputes (SRC and MRC)	21
30	Undercharging (SRC and MRC).....	22
31	Overcharging (SRC and MRC).....	23
32	Payment methods (SRC and MRC)	24
33	Payment difficulties (SRC and MRC)	25
34	Shortened collection cycles (SRC and MRC).....	26
35	Request for final bill (SRC)	28
Division 5	Tariff changes.....	28
36	Obligations on retailers (SRC).....	28
37	Customer request for change of tariff (SRC).....	29
38	Change in use (SRC).....	29
Division 6	Customer retail contracts—security deposits	30
39	Consideration of credit history.....	30
40	Requirement for security deposit (SRC and MRC)	31
41	Payment of security deposit (SRC).....	33
42	Amount of security deposit (SRC).....	34
43	Interest on security deposit (SRC and MRC)	34
44	Use of security deposit (SRC).....	35
45	Obligation to return security deposit (SRC)	36
Division 7	Market retail contracts—particular requirements.....	37
45A	Definitions.....	37
46	Tariffs and charges.....	38
46A	Explicit Informed Consent – Variation of tariffs, charges or benefits to the customer	38
46B	Energy rates – discounting practices.....	39
47	Cooling off period and right of withdrawal—market retail contracts	40
48	Retailer notice of end of fixed term retail contract	41
48A	Retailer notice of benefit change - market retail contracts	42

48B	Benefit change notice guidelines	43
49	Termination of market retail contract	44
49A	Early termination charges	45
50	Small customer complaints and dispute resolution information.....	45
51	Liabilities and immunities.....	46
52	Indemnities.....	46
Division 8	Deemed customer retail arrangements	47
53	Obligations of retailers.....	47
54	Formation of standard retail contract on incomplete request.....	47
Division 9	Other retailer obligations	47
55	Referral to interpreter services.....	47
56	Provision of information to customers.....	48
56A	Energy consumption information - supply of electricity only	48
56B	Historical billing and energy consumption information - supply of electricity only	49
57	Retailer obligations in relation to customer transfer.....	49
57A	Retailer obligations in relation to correction of transfers without consent..	50
58	Notice to small customers on transfer.....	52
59	Notice to small customers where transfer delayed	52
59A	Notice to small customers on deployment of new electricity meters (SRC and MRC).....	52
Division 9A	Retailer interruption to supply - electricity	54
59B	Definitions.....	54
59C	Retailer interruption to supply – electricity (SRC and MRC)	55
Division 10	Energy marketing	56
Subdivision 1	Preliminary.....	56
60	Application of Division.....	56
Subdivision 2	Providing information to small customers	56
61	Overview of this Subdivision.....	56
62	Requirement for and timing of disclosure to small customers	56
63	Form of disclosure to small customers	57
64	Required information	57
Subdivision 3	Energy marketing activities	58
65	No contact lists.....	58
66	No canvassing or advertising signs.....	58
67	Duty of retailer to ensure compliance	58
68	Record keeping	58
Division 11	Miscellaneous.....	59
69	Compliance by small customer who is not owner of premises.....	59

70	Termination of standard retail contract (SRC).....	59
Part 3	Customer hardship	62
71	Obligation of retailer to communicate customer hardship policy.....	62
72	Payment plans	62
73	Waiver of late payment fee for hardship customer	63
74	Payment by Centrepay (SRC and MRC)	63
75	Hardship program indicators.....	63
76	Waiver of debt for hardship customer	64
Part 4	Relationship between distributors and customers.....	65
Division 1	Preliminary.....	65
77	Application of this Part	65
78	Variation or exclusion of provisions of this Part by deemed AER approved standard connection contracts	65
Division 2	Customer connection services.....	65
79	Application for customer connection services	65
80	Provision of information to customers.....	66
Division 3	Deemed standard connection contracts	67
81	Model terms and conditions for deemed standard connection contracts	67
Division 4	Negotiated connection contracts.....	67
82	Small customer complaints and dispute resolution information.....	67
83	Liabilities and immunities.....	68
Division 5	Distributor obligations to customers.....	68
84	Distributor service standards and GSL schemes.....	68
85	Fault reporting and correction.....	68
86A	Provision of information - supply of electricity.....	68
86B	Provision of information - supply of gas	69
87	Referral to interpreter services.....	69
Division 6	Distributor interruption to supply	69
88	Definitions.....	69
89	Distributor's right to interrupt supply	70
90	Distributor planned interruptions.....	70
91	Unplanned interruptions.....	71
91A	Metering coordinator and distributor to assist and cooperate - electricity...	71
Division 7	Miscellaneous.....	72

92	Compliance by small customer who is not owner of premises.....	72
Part 5	Relationship between distributors and retailers— retail support obligations	73
Division 1	Preliminary.....	73
93	Application of this Part	73
Division 2	Assistance and cooperation	73
94	Assistance and cooperation.....	73
Division 3	Information requirements.....	73
95	Information about applicable tariffs, connection related information and other information	73
96	Requirements for information.....	74
97	Distributor and retailer contact details.....	74
98	Contact details for customers.....	74
99	Information on distributor planned interruptions.....	74
99A	Information on retailer planned interruptions – electricity	75
100	Information on unplanned interruptions	76
Division 4	Shared customer enquiries and complaints.....	76
101	Enquiries or complaints relating to the retailer.....	76
102	Enquiries or complaints relating to the distributor	77
Division 5	De-energisation and re-energisation of shared customer’s premises	77
103	De-energisation of premises by the distributor.....	77
104	Notification of de-energisation	78
105	Liability for ongoing charges.....	78
106	Re-energisation - gas.....	78
106A	Re-energisation - electricity	78
Part 6	De-energisation (or disconnection) of premises—small customers	80
Division 1	Preliminary.....	80
107	Application of this Part	80
108	Definitions.....	80
109	Reminder notices—retailers.....	81
110	Disconnection warning notices—retailers and distributors	81
Division 2	Retailer-initiated de-energisation of premises.....	82
111	De-energisation for not paying bill	82

112	De-energisation for not paying security deposit	84
113	De-energisation for denying access to meter	84
114	De-energisation for illegally using energy	85
115	De-energisation for non-notification by move-in or carry-over customers ..	86
116	When retailer must not arrange de-energisation	86
117	Timing of de-energisation where dual fuel market contract	88
118	Request for de-energisation	88
Division 3	Distributor de-energisation of premises	89
119	Grounds for de-energisation	89
120	When distributor must not de-energise premises	90
Division 4	Re-energisation of premises	91
121	Obligation on retailer to arrange re-energisation of premises	91
122	Obligation on distributor to re-energise premises	92
Part 7	Life support equipment	93
123	Application of this Part	93
124	Retailer obligations	93
124A	Registration details kept by retailer	94
125	Distributor obligations	94
126	Registration details kept by distributor	95
Part 8	Prepayment meter systems	97
127	Definitions	97
128	Disclosure requirements at energy marketing stage	97
129	System requirements	98
130	Trial period	99
131	Operating instructions to be provided	100
132	Consumption information to be provided	101
133	Limitation on recovery of debt	101
134	Credit retrieval	102
135	System testing	102
136	Overcharging	103
137	Undercharging	104
138	Illegal energy use	105
139	Life support equipment	105
140	Customer enquiries and complaints	105

141	Payment difficulties and hardship.....	106
142	Payment towards prepayment meter system account	107
143	Tariffs and charges.....	107
144	Billing for other goods and services	108
145	Customer termination of contract or request for removal.....	109
146	Different retailer.....	109
147	Deemed customer retail arrangements.....	110
Part 9	Exempt selling regime	113
Division 1	Preliminary.....	113
148	Definitions.....	113
Division 2	AER power to exempt.....	113
149	Individual exemptions.....	113
150	Deemed exemptions.....	113
151	Registrable exemptions and registered exemptions	113
152	Conditions generally	114
153	Conditions for deemed exemptions and registered exemptions	114
Division 3	AER Exempt Selling Guidelines.....	115
154	AER Exempt Selling Guidelines	115
Division 4	Provisions relating to individual exemptions	116
155	Application for individual exemption or variation of individual exemption.....	116
156	Public notice and submissions	116
157	Deciding application	117
158	Conditions for individual exemptions.....	117
159	Form of energy to be specified	117
160	Notice of decision to grant application	118
161	Deemed refusal	118
162	Issue and public notice of individual exemption	118
163	Notice of refusal.....	119
Division 5	Public Register of Authorised Retailers and Exempt Sellers.....	119
164	Public Register of Authorised Retailers and Exempt Sellers.....	119
Part 10	Retail market performance reports	120
165	Purpose of this Part	120
166	Contents of retail market performance report—retail market overview....	120
167	Contents of retail market performance report—retail market activities report.....	120

Part 11	Customer retail contracts—electricity consumption benchmarks	122
168	Purpose of this Part	122
169	AER administration of electricity consumption benchmarks	122
170	Retailer obligations—electricity consumption benchmarks	123
171	Distributor obligations—electricity consumption information.....	123
Part 12	National energy retail consultation	124
172	Customer Consultative Group.....	124
173	Retail consultation procedure	124
Schedule 1	Model terms and conditions for standard retail contracts.....	126
Schedule 2	Model terms and conditions for deemed standard connection contracts	144
Schedule 3	Savings and Transitional Rules	161
Part 1	Transitional Rules—NSW gas distributors.....	161
Division 1	Application and definitions	161
1	Application.....	161
2	Definitions.....	161
Division 2	Interim deemed standard connection contract	162
3	Required Alterations	162
4	Inconsistency with access arrangements and reference services agreements	162
5	Retailer interface	163
Division 3	Deemed and existing contractual arrangements with customers and NSW gas distributors	163
6	Formation of interim deemed standard connection connect contracts on start date.....	163
7	Existing contracts with large customers	163
Division 4	Transitional arrangements after the expiry date.....	164
8	Deemed standard connection contract to replace interim contract	164
Part 2	Transitional Rules —ACT gas distributor	164
Division 1	Application and definitions	164
1	Application.....	164
2	Definitions.....	164

Division 2	Interim deemed standard connection contract	165
3	Required Alterations	165
4	Retailer interface	165
Division 3	Deemed and existing contractual arrangements with customers and ACT gas distributors.....	166
5	Formation of interim deemed standard connection connect contracts on start date	166
6	Existing contracts with large customers	166
Division 4	Transitional arrangements after the expiry date	166
7	Deemed standard connection contract to replace interim contract	166
Part 3	Billing-related transitional rules.....	166
1	Definitions.....	166
2	Bill smoothing arrangement (Rule 23 NERR).....	167
3	Bill frequency (Rule 24)	167
4	Undercharging (Rule 30)	167
5	Overcharging (Rule 31 NERR).....	168
6	Payment methods (Rule 32 NERR)	168
7	Shortened collection cycles (Rule 34 NERR).....	168
8	Enforcement of payment.....	169
Part 4	Miscellaneous transitional rules—initial NERR.....	169
1	Definitions.....	169
2	Life support arrangements	169
3	Classification of customers	170
4	Existing aggregation arrangements (Rule 5 NERR)	170
5	Energy consumption benchmarks	170
6	Electricity consumption benchmarks not to apply in NSW	170
7	Interim bill benchmarks where legacy billing arrangements	170
8	Application of start and end meter reads on small customer bills	171
Part 5	Rules consequential on the making of National Energy Retail Amendment (Customer access to information about their consumption) Rule 2014	171
1	Definitions.....	171
2	Variation date.....	171
3	Effective date	171
Part 6	Rules consequential on the making of the National Energy Retail Amendment (Expanding competition in metering and related services) Rule 2015.....	172

1	Definitions.....	172
2	Variation Date.....	172
Part 7	Rules consequential on the making of the National Energy Retail Amendment (Improving the accuracy of customer transfers) Rule 2017	172
1	Definitions.....	172
2	Retail Market Procedures.....	172
Part 8	Rules consequential on the making of the National Energy Retail Amendment (Notification of end of fixed benefit period) Rule 2017.....	173
1	Definitions.....	173
2	Benefit change notice guidelines	173
3	Benefit change notice requirements.....	173
Part 9	Rules consequential on the making of the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017	173
1	Definitions.....	173
2	Application of Part 7 of Rules during the transition period.....	175
3	Application of new Part 7 of Rules to existing life support customers	175
4	Variation date.....	177
Part 10	Rules consequential on the making of the National Energy Retail Amendment (Advance notice of price changes) Rule 2018.....	177
1	Definitions.....	177
2	Variation date.....	177

Part 1 Preliminary

Division 1 Introduction and definitions

1 Citation

These Rules may be cited as the *National Energy Retail Rules*.

2 Commencement

These Rules come into operation on [insert date on which the NERL is to commence in the first participating jurisdiction].

3 Definitions

Note—

Words and expressions used in these Rules have the same meanings as they have, from time to time, in *the Law* or relevant provisions of *the Law*, except so far as the contrary intention appears in these Rules. See clause 13 of Schedule 2 to the NGL (as applied by section 8 of *the Law*).

In these Rules—

acceptable identification, in relation to:

- (a) a residential customer—includes any one of the following:
 - (i) a driver licence (or driver's licence) issued under *the law* of a State or Territory, a current passport or another form of photographic identification;
 - (ii) a Pensioner Concession Card or other entitlement card, issued under *the law* of the Commonwealth or of a State or Territory;
 - (iii) a birth certificate; or
- (b) a business customer that is a sole trader or partnership—includes one or more of the forms of identification for a residential customer for one or more of the individuals that conduct the business or enterprise concerned; or
- (c) a business customer that is a body corporate—means Australian Company Number or Australian Business Number of the body corporate;

bill issue date means the date, included in a bill under rule 25 (1) (e), on which the bill is sent by the retailer to a small customer;

cooling off period—see rule 47 (2);

customer authorised representative means a person authorised by a:

- (a) small customer to act on its behalf under rules 56A and 56B; or
- (b) customer to act on its behalf under rule 86A.

disconnection warning notice—see rule 110;

distributor planned interruption—see rule 88;

dual fuel market contract means:

- (a) one market retail contract between a small customer and a retailer for the sale of both electricity and gas by the retailer to the small customer; or
- (b) two market retail contracts with the same small customer, one for the sale of electricity and the other for the sale of gas to the customer, where the prices or conditions of one or both contracts are contingent on the customer entering into both contracts.

embedded network area has the same meaning as in the NER;

embedded network planned interruption—see rule 88;

e-marketing activity has the meaning given by section 109A of the *Telecommunications Act 1997* of the Commonwealth;

good electricity industry practice has the same meaning as in the NER;

***interruption*:**

- (a) in the case of Division 9A of Part 2, means a temporary unavailability or temporary curtailment of the supply of electricity to a customer's premises; and
- (b) in all other cases, means a temporary unavailability or temporary curtailment of the supply of energy to a customer's premises, but does not include unavailability or curtailment in accordance with the terms and conditions of a customer retail contract or customer connection contract, and any applicable tariff, agreed with the customer;

Note:

Rule 107(4) provides that Part 6 (relating to de-energisation or disconnection of premises) does not apply to *interruptions* under Division 6 of Part 4 or under Division 9A of Part 2.

life support equipment means any of the following:

- (a) an oxygen concentrator;
- (b) an intermittent peritoneal dialysis machine;
- (c) a kidney dialysis machine;
- (d) a chronic positive airways pressure respirator;
- (e) crigler najjar syndrome phototherapy equipment;
- (f) a ventilator for life support;
- (g) in relation to a particular customer—any other equipment that a registered medical practitioner certifies is required for a person residing at the customer's premises for life support;

maintenance replacement means the replacement of a small customer's existing electricity *meter* arranged by a retailer that is based on the results of sample testing of a *meter* population carried out in accordance with Chapter 7 of the NER:

- (a) which indicates that it is necessary or appropriate, in accordance with *good electricity industry practice*, for the *meter* to be replaced to ensure compliance with the *metering rules*; and

- (b) details of which have been provided to the retailer under Chapter 7 of the NER, together with the results of the sample testing that support the need for the replacement;

meter, in relation to a customer, means the device that measures the quantity of energy passing through it or records the consumption of energy at the customer's premises;

metering coordinator, in the case of electricity—has the same meaning as "*Metering Coordinator*" in the NER;

metering data has the same meaning as:

- (a) in the case of electricity—in the NER; or
- (b) in the case of gas—in the applicable Retail Market Procedures;

metering data provision procedures has the same meaning as in the NER.

metering installation malfunction has the same meaning as in the NER;

metering rules:

- (a) for electricity—means the applicable Retail Market Procedures and Chapter 7 of the NER;
- (b) for gas—means the applicable Retail Market Procedures;

NEM Representative means a related body corporate (within the meaning of the *Corporations Act 2001* of the Commonwealth) of an electricity retailer that is registered with AEMO as a market customer under the NER and that, directly or indirectly, sells electricity to the retailer for on-sale to customers;

network exemption has the same meaning as in the NEL;

new meter deployment means the replacement of the existing electricity *meter* of one or more small customers which is arranged by a retailer other than where the replacement is:

- (a) at the request of the relevant small customer or to enable the provision of a product or service the customer has agreed to acquire from the retailer or any other person;
- (b) a *maintenance replacement*;
- (c) as a result of a *metering installation malfunction*; or
- (d) required under section 59(2) of the *Law*;

off-market retailer authorisation—see rule 3C;

parent connection point has the same meaning as in the NER;

pay-by date—see rule 26;

relevant authority means:

- (a) AEMO; or
- (b) State or federal police; or
- (c) a person or body who has the power under law to direct a distributor to de-energise premises;

reminder notice—see rule 109;

responsible person, in the case of gas - means the person who, under the applicable Retail Market Procedures, is responsible for *meter* reading;

retailer planned interruption—see rule 59B;

security deposit means an amount of money paid or payable, in accordance with the Rules, to a retailer as a security against non-payment of a bill;

telemarketing call has the same meaning as in the *Telecommunications Act 1997* of the Commonwealth;

the Law means the National Energy Retail Law;

unplanned interruption—see rule 88.

void transfer means the transfer of a small customer from a retailer to another retailer which is void under section 41(1) of *the Law*.

void transfer date means the date of the *void transfer*.

3A Savings and Transitional Rules

Schedule 3 applies.

Division 1A Retailer authorisations

3B Available classes

(1) This rule applies for section 88(4) of *the Law*.

(2) The available classes of retailer authorisation are:

(a) in the case of electricity and gas, a general retailer authorisation granted on terms and conditions determined by the AER; and

(b) in the case of electricity, an off-market retailer authorisation granted in accordance with rule 3C and otherwise on terms and conditions determined by the AER.

Note:

In the case of electricity, a general retailer authorisation extends to off-market selling (subject to the conditions of the authorisation) an off-market retailer authorisation extends only to off-market selling to customers at child connection points in embedded networks.

3C Off-market retailer authorisation for sale in embedded networks

(1) The AER may, if requested by the applicant for a retailer authorisation, grant the applicant a retailer authorisation that authorises the retailer to sell electricity only as an off-market retailer (*off-market retailer authorisation*).

(2) An off-market retailer authorisation must be subject to conditions that:

(a) authorise the retailer to sell electricity as an off-market retailer for premises connected to an embedded network;

(b) specify that the retailer must not sell electricity to customers for premises except as provided for in paragraph (a); and

(c) require that the retailer must not make an offer to sell electricity to a customer unless that offer includes the network charges and the charges for the provision of customer connection services for the customer's premises.

(3) For subrule (2)(a), an off-market retailer authorisation may extend to embedded networks generally or to a particular embedded network or class of embedded networks.

3D Variation of the standing offer price at an off-market connection point

(1) A retailer:

(a) subject to paragraph (b), is exempt from the obligation in section 23(3)(b) of *the Law* to publish a notice about a variation to a standing offer price applicable to an off-market connection point in a newspaper; and

(b) must inform each affected customer of the variation.

(2) For section 23(8) of *the Law*, the variation to a standing offer price applicable to an off-market connection point takes effect at the later of:

(a) the effective time notified to the customer at the off-market connection point; and

(b) 10 business days after the customer has been notified of the variation.

Division 2 Consumption threshold matters

4 Business premises—separate application of upper and lower consumption thresholds

(1) This rule has effect for the purposes of section 6 (3) of *the Law*.

(2) The upper consumption thresholds and lower consumption thresholds respectively apply separately in relation to each of the business premises of a business customer, except as provided by rule 5.

5 Business premises—aggregated application of upper consumption thresholds by agreement

(1) This rule has effect for the purposes of section 6 (3) of *the Law*, and applies to the provision or proposed provision by a retailer of customer retail services to 2 or more business premises (the relevant premises) of a business customer, where:

(a) the customer is or would be a small customer in relation to at least one of the relevant premises; and

(b) the aggregate of the actual or estimated annual consumption level for the relevant premises is higher than:

(i) in the case of electricity—the upper consumption threshold prescribed by the Regulations in relation to electricity; or

- (ii) in the case of gas—the upper consumption threshold prescribed by the Regulations in relation to gas.
 - (2) The retailer and the business customer may enter into an agreement in writing to the effect that:
 - (a) the relevant premises are to be treated as aggregated for the purposes of Division 3 of this Part, Part 2 of these Rules and Part 2 of *the Law*; and
 - (b) if the parties so agree:
 - (i) Division 3 of this Part and Part 2 of these Rules; or
 - (ii) provisions of Division 3 of this Part and Part 2 of these Rules as specified in the agreement; or
 - (iii) clauses 7.8.10A, 7.8.10B or 7.8.10C of the NER as specified in the agreement,do not apply to the relationship between the retailer and the business customer in relation to the relevant premises.
 - (3) The explicit informed consent of the business customer is required for the transaction of entering into an agreement under this rule.
 - (4) If the retailer and the business customer enter into such an agreement and the retailer has obtained the explicit informed consent of the customer, the agreement has effect according to its terms, and accordingly the upper consumption thresholds apply on an aggregated basis to the relevant premises.
 - (5) The retailer must not of its own initiative treat the upper consumption thresholds as applying to 2 or more premises of a business customer on the basis of the aggregation of premises.
- Note:**
- This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)
- (6) To avoid doubt, this rule can apply in relation to all business premises of a business customer or to some but not all business premises of a business customer.

Division 3 Classification of customers

6 Classification

Customers are classified as follows:

- (a) retailer classification of a customer as:
 - (i) a residential customer; or
 - (ii) a business customer;
- (b) distributor classification of a business customer as:
 - (i) a small customer; or

- (ii) a large customer;
- (c) distributor classification of a business customer who is a small customer as:
 - (i) a small market offer customer; or
 - (ii) not a small market offer customer.

7 Retailer initial classification of customers

- (1) A customer making a request to a retailer for the sale of energy to premises of the customer under a customer retail contract must, on request by the retailer, provide sufficient information to the retailer for the retailer to classify, on the basis of that information, the customer as a residential customer or a business customer in relation to the premises.
- (2) On receiving the information, the retailer must classify the customer accordingly.
- (3) The retailer must, as soon as practicable, notify the distributor of the classification of the customer under this rule.
- (4) The distributor must keep a record of the classification of the customer.

8 Retailer reclassification of customers

- (1) The financially responsible retailer for the premises of a customer may:
 - (a) of its own initiative; or
 - (b) on application by the customer or the distributor,reclassify the customer as a residential customer or a business customer in relation to the premises after the formation of the customer retail contract for the premises.
- (2) The retailer may decline to accept a reclassification application if the retailer has classified or reclassified the customer in relation to the premises within the previous 12 month period, whether of its own initiative or on application.
- (3) The retailer must, as soon as practicable, notify the customer and the distributor of the reclassification of the customer under this rule or of the retailer's decision to refuse the reclassification application (if any) by the customer or distributor.
- (4) The distributor must keep a record of the reclassification of the customer.
- (5) The reclassification takes effect on the date of notification of both the customer and the distributor or on a later date specified in the notification.

9 Distributor initial classification of business customers

- (1) This rule applies to a customer who is a business customer in relation to premises, where the customer is not currently classified (or reclassified) by the distributor in relation to the premises.

- (2) On being notified by a retailer that the customer is a business customer, the distributor for the premises must classify the customer in relation to those premises:
 - (a) as a large customer or as a small customer; and
 - (b) if a small customer, as or as not a small market offer customer.
- (3) The distributor must, as soon as practicable, notify the retailer for the premises of the classification of the customer under this rule.
- (4) The distributor must keep a record of the classification of the customer.

10 Distributor reclassification of business customers

- (1) The distributor for the premises of a business customer may:
 - (a) of its own initiative; or
 - (b) on application by the customer or the financially responsible retailer for the premises,reclassify the customer as a large customer or small customer or as not a small market offer customer in relation to the premises after the initial classification of the customer by the distributor in relation to the premises under rule 9.
- (2) The distributor may decline to accept a reclassification application if the distributor has classified or reclassified the customer in relation to the premises within the previous 12 month period, whether of its own initiative or on application.
- (3) The distributor must, as soon as practicable, notify the customer and the financially responsible retailer of the reclassification of the customer under this rule or of the distributor's decision to refuse the reclassification application (if any) by the customer or retailer.
- (4) The distributor must keep a record of the reclassification of the customer.
- (5) The reclassification takes effect on the date of notification of both the customer and the financially responsible retailer or on a later date specified in the notification.

11 Distributor classification and reclassification—requirements

- (1) This rule applies where a distributor makes a classification or reclassification in relation to a customer in relation to a premises.
- (2) The distributor must have regard to the annual consumption of energy at the premises during the previous 12 month period.
- (3) The distributor may estimate the likely annual consumption at the premises for the next 12 month period if:

- (a) consumption data is available to the distributor, but the distributor reasonably considers that the data does not accurately reflect the likely consumption at the premises during the next 12 month period; or
 - (b) no consumption data for the premises is available to the distributor for the whole of the previous 12 month period.
- (4) An estimate under this rule may be based on:
 - (a) the average usage of energy by a comparable customer over a corresponding period; or
 - (b) other information about the customer's likely consumption of energy, whether provided by the customer or the customer's retailer or in accordance with accepted industry practice.

Part 2 Customer retail contracts

Division 1 Standard retail contracts—terms and conditions generally

12 Model terms and conditions for standard retail contracts

- (1) Model terms and conditions for a standard retail contract are set out in Schedule 1.
- (2) A statement in Schedule 1 that is underlined and in square brackets indicates that a required alteration must be made by omitting the statement and substituting the matter referred to in the statement.

13 Application of provisions of these Rules to standard retail contracts

Other provisions of these Rules apply to standard retail contracts to the extent provided by those provisions.

Note 1:

For example, Part 11 makes provision for electricity consumption benchmarks for residential customers under a customer retail contract, which relevantly includes standard retail contracts.

Note 2:

Rule 70 makes provision for the termination of a standard retail contract.

Division 2 Market retail contracts—terms and conditions generally

14 Terms and conditions of market retail contracts

- (1) The terms and conditions of a market retail contract are as agreed between the retailer and the small customer, except as provided by these Rules.
- (2) Nothing in these Rules prevents the inclusion in a market retail contract of a term or condition that is the same or substantially the same as a term or condition of standard retail contracts that is not otherwise applicable to market retail contracts.

15 Application of provisions of these Rules to market retail contracts

- (1) Other provisions of these Rules apply to market retail contracts, to the extent provided by those provisions.
- (2) If a rule provides that a provision of these Rules applies in relation to market retail contracts:
 - (a) the provision is a minimum requirement that is to apply in relation to small customers who purchase energy under a market retail contract; and

Note:

See section 34 (1) (a) of *the Law*.

- (b) the terms and conditions of the contract must not be inconsistent with the provision; and
- (c) the terms and conditions of the contract may supplement or augment the operation of the provision; and
- (d) the terms and conditions of the contract must not diminish the operation of the provision; and
- (e) the provision prevails to the extent of any inconsistency with any other term or condition of the contract.

Division 3 Customer retail contracts—pre-contractual procedures

16 Pre-contractual duty of retailers

- (1) This rule applies where a retailer is contacted by a small customer who is seeking to purchase energy for premises.
- (2) If the retailer is the designated retailer for the premises, the retailer:
 - (a) may elect to offer the customer a market retail contract; and
 - (b) must advise the customer of the availability of the retailer's standing offer, unless the customer is a small market offer customer.

Note:

Subrule (2) (b) is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) If the retailer is not the designated retailer for the premises and the retailer does not elect to offer the customer (whether at the request of the customer or of its own initiative) a market retail contract, the retailer:
 - (a) must refer the customer to the distributor for the premises concerned; and
 - (b) must inform the small customer that the distributor will be able to advise the customer which retailer has an obligation to make a standing offer that is applicable to the customer.

17 Pre-contractual duty of distributors

- (1) This rule applies where a distributor is contacted:
 - (a) directly; or
 - (b) on referral by a retailer,by a small customer for premises who is seeking customer retail services for the premises.

- (2) The distributor must advise the small customer which retailer has an obligation to make a standing offer to the customer, and, if the customer is a move-in customer or is seeking a new connection, also inform the customer that:
 - (a) requests for customer retail services must be made to a retailer; and
 - (b) the customer may be able to choose their retailer; and
 - (c) a list of retailers is available from the AER's website.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

18 Pre-contractual request to designated retailer for sale of energy (SRC)

- (1) A small customer who wishes to purchase energy for premises under a standard retail contract may make a request to the designated retailer for the premises for the sale of energy in accordance with the retailer's standing offer.
- (2) The request may be made by telephone or in writing.
- (3) The small customer must:
 - (a) provide the customer's name and *acceptable identification*; and
 - (b) provide contact details for billing purposes; and
 - (c) ensure that there is safe and unhindered access to the *meter* at the premises.
- (4) Compliance with subrule (3) is a pre-condition to the formation of a standard retail contract (as referred to in section 26 of *the Law*).
- (5) The designated retailer may include in the charges under the standard retail contract any outstanding amounts owed by the small customer to the retailer from an unpaid account (excluding unpaid amounts for premises for which the customer has an ongoing customer retail contract).
- (6) The designated retailer is not entitled to refuse to sell energy to a small customer who is a residential customer on the ground that the customer owes the retailer the outstanding amounts referred to in subrule (5).
- (7) Where:
 - (a) a retailer has arranged for the de-energisation of a small customer's premises (other than where the retailer has arranged for de-energisation due to failure to pay a bill under rule 111); and
 - (b) the customer has not within 10 business days of de-energisation rectified the matter that gave rise to the de-energisation,the retailer may decline to enter into a customer retail contract with the customer and to arrange for energisation of the premises until the matter that gave rise to the de-energisation has been rectified.

19 Responsibilities of designated retailer in response to request for sale of energy (SRC)

- (1) A designated retailer must, as soon as practicable, provide a small customer requesting the sale of energy under the retailer's standing offer with the following information:
 - (a) a description of the retailer's standard retail contract that is formed as a result of the customer accepting the standing offer and how copies of the contract may be obtained;
 - (b) a description of the retailer's and customer's respective rights and obligations concerning the sale of energy under *the Law* and these Rules, including the retailer's standard complaints and dispute resolution procedures;
 - (c) information about the availability of government funded energy charge rebate, concession or relief schemes;
 - (d) information in community languages about the availability of interpreter services for the languages concerned and telephone numbers for the services.

- (2) The retailer must, as soon as practicable (but not later than the end of the next business day) after the request for the sale of energy is properly made (as referred to in subrule (3)):

- (a) if the premises are energised, forward relevant details of the customer to the distributor for the premises concerned, for the purpose of updating the distributor's records; or

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (b) if the premises are not energised, arrange for the energisation of the premises by the distributor or the *metering coordinator* (if permitted in accordance with energy laws).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) A request for the sale of energy is properly made when:
 - (a) the request has been received by the retailer; and
 - (b) the small customer has complied with the requirements under rule 18 (3); and
 - (c) the small customer is otherwise entitled to receive the sale of energy in accordance with the standard retail contract.

Division 4 Customer retail contracts—billing

20 Basis for bills (SRC and MRC)

- (1) A retailer must base a small customer's bill for the customer's consumption of:
 - (a) electricity:
 - (i) on *metering data* provided for the relevant *meter* at the customer's premises provided by the *metering coordinator* and determined in accordance with the *metering rules* and rule 21; or
 - (ii) on any other method agreed by the retailer and the small customer.
 - (b) gas:
 - (i) on an actual reading of the relevant *meter* at the customer's premises provided by the *responsible person* and determined in accordance with the *metering rules*; or
 - (ii) on *metering data* provided for the relevant *meter* at the customer's premises provided by the *responsible person* and determined in accordance with the *metering rules*; or
 - (iii) on an estimation of the customer's consumption of energy, as provided by rule 21; or
 - (iv) on any other method agreed by the retailer and the small customer.
- (2) The retailer must use its best endeavours to ensure that actual readings of the *meter* are carried out as frequently as is required to prepare its bills consistently with the *metering rules* and in any event at least once every 12 months.
- (3) Despite subrules (1) and (2), if there is no *meter* in respect of the customer's premises, the retailer must base the customer's bill on energy data that is calculated in accordance with applicable energy laws.
- (4) **Application of this rule to standard retail contracts**
This rule applies in relation to standard retail contracts.
- (5) **Application of this rule to market retail contracts**
This rule applies in relation to market retail contracts.

21 Estimation as basis for bills (SRC and MRC)

- (1) A retailer may base a small customer's bill on an estimation of the customer's consumption of energy where:
 - (a) the customer consents to the use of estimation by the retailer; or
 - (b) the retailer is not able to reasonably or reliably base the bill on an actual *meter* reading; or
 - (c) *metering data* is not provided to the retailer by the *responsible person* or *metering coordinator* (as applicable).

- (2) Where estimations are permitted to be used as the basis for a small customer's bill, the estimations may be based on:
 - (a) the customer's reading of the relevant *meter*; or
 - (b) historical *metering data* for the customer reasonably available to the retailer; or
 - (c) the average usage of energy by a comparable customer over the corresponding period, if there is no historical *metering data* for the customer.
- (3) The retailer must inform the small customer, on the bill, that the bill is based on an estimation.
- (4) Without affecting rule 20 (2), if the retailer has issued the small customer with a bill based on an estimation and the retailer subsequently issues the customer with a bill that is based on an actual *meter* reading or on *metering data*:
 - (a) the retailer must include an adjustment on the later bill to take account of any overcharging of the customer that has occurred; and
 - (b) unless the actual *meter* reading or *metering data* could not be obtained as a result of an act or omission by the customer, the retailer must, if requested to do so by the customer, offer the customer time to pay any undercharged amount by agreed instalments, over a period being no longer than:
 - (i) the period during which an actual *meter* reading or *metering data* was not obtained, where that period is less than 12 months; or
 - (ii) in any other case, 12 months.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (5) Where an attempt to read the small customer's *meter* is unsuccessful due to an act or omission of the customer, and the customer subsequently requests a retailer to replace an estimated bill with a bill based on an actual *meter* reading, the retailer must comply with that request but may pass through to that small customer any costs it incurs in doing so.

(6) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(7) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts), but only to the extent (if any) a contract provides for estimation as the basis for the small customer's bill.

22 Proportionate billing (SRC and MRC)

- (1) If a small customer's bill covers a period other than the customer's usual billing cycle or a period during which the customer's tariff changes, the retailer must

charge in proportion to the relevant periods and clearly show relevant details on the bill.

(2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(3) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts.

23 **Bill smoothing (SRC)**

(1) Despite rules 20 and 21, a retailer may, in respect of any 12 month period, provide a small customer with bills based on an estimation under a bill smoothing arrangement if and only if:

- (a) the amount payable under each bill is initially the same and is set on the basis of the retailer's initial estimate of the amount of energy the customer will consume over the 12 month period; and
- (b) that initial estimate is based on the customer's historical billing data or, where the retailer does not have that data, average usage of energy by a comparable customer calculated over the 12 month period; and
- (c) in the seventh month:
 - (i) the retailer re-estimates the amount of energy the customer will consume over the 12 month period, taking into account any actual *meter* readings or actual *metering data* and relevant seasonal factors; and
 - (ii) if there is a difference between the initial estimate and the re-estimate of greater than 10 per cent, the amount payable under each of the remaining bills in the 12 month period is to be reset to reflect that difference; and
- (d) at the end of the 12 month period, the *meter* is read or *metering data* is obtained and any undercharging or overcharging is adjusted under rule 30 or 31.

(2) The explicit informed consent of the small customer is required for the retailer's billing on the basis referred to in subrule (1).

(3) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(4) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts, but this subrule does not prevent a retailer from including bill smoothing arrangements in a market retail contract.

24 **Frequency of bills (SRC)**

(1) A retailer must issue bills to a small customer at least once every 100 days.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) A retailer and a small customer may agree to a billing cycle with a regular recurrent period that differs from the retailer's usual recurrent period where the retailer obtains the explicit informed consent of the small customer.

- (3) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

- (4) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

25 Contents of bills (SRC and MRC)

- (1) A retailer must prepare a bill so that a small customer can easily verify that the bill conforms to their customer retail contract and must include the following particulars in a bill for a small customer:
 - (a) the customer's name and account number;
 - (b) the address of the customer's premises for the sale of energy and the customer's mailing address (if different);
 - (c) the *meter* identifier;
 - (d) the billing period;
 - (e) the *pay-by date* for the bill and the *bill issue date*;
 - (f) the total amount payable by the customer, including amounts of any arrears or credits;
 - (g) tariffs and charges applicable to the customer;
 - (h) the basis on which tariffs and charges are calculated;
 - (i) whether the bill was issued as a result of a *meter* reading or an estimation and, if issued as a result of a *meter* reading, the date of the *meter* reading;
 - (j) the values of *meter* readings (or, if applicable, estimations) at the start and end of the billing period;
 - (k) particulars of the average daily consumption during the billing period;
 - (l) if a bill was issued by the same retailer for the corresponding billing period during the previous year, particulars of the average daily consumption during that previous billing period;
 - (m) the estimated date of the next scheduled *meter* reading (if applicable);
 - (n) details of consumption or estimated consumption of energy;
 - (o) for residential customers—energy consumption benchmarks in accordance with Part 11;
 - (p) any amount deducted, credited or received under a government funded energy charge rebate, concession or relief scheme or under a payment plan;

- (q) if the customer has provided a *security deposit*, the amount of that deposit;
- (r) details of the available payment methods;
- (s) reference to the availability of government funded energy charge rebate, concession or relief schemes;
- (t) a telephone number for account enquiries, the charge for which is no more than the cost of a local call;
- (u) a telephone number for complaints (which may be the same as that for account enquiries), the charge for which is no more than the cost of a local call;
- (v) a separate 24 hour telephone number for fault enquiries and emergencies, the charge for which is no more than the cost of a local call, being the telephone number for the distributor and giving the name of the distributor;
- (w) contact details of interpreter services in community languages;
- (x) any proportionate billing information in accordance with rule 22.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) The retailer must include amounts billed for goods and services (other than the sale and supply of energy) in a separate bill or as a separate item in an energy bill.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

- (4) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

26 Pay-by date (SRC)

- (1) The *pay-by date* for a bill must not be earlier than 13 business days from the *bill issue date*.

- (2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

- (3) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

27 Apportionment (SRC)

- (1) If a bill includes amounts payable for goods and services other than the sale and supply of energy, any payment made by a small customer in relation to the bill

must be applied firstly in satisfaction of the charges for the sale and supply of energy, unless:

- (a) the customer otherwise directs; or
- (b) another apportionment arrangement is agreed to by the customer.

(2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(3) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

28 **Historical billing information (SRC and MRC)**

- (1) A retailer must promptly provide a small customer with historical billing data for that customer for the previous 2 years on request.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) Historical billing data provided to the small customer for the previous 2 years must be provided without charge, but may be provided subject to a reasonable charge where the data requested is for an earlier period or has been requested more than:

- (a) four times in any 12 month period, in the case of the supply of electricity; or
- (b) once in any 12 month period, in the case of the supply of gas.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(3) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(4) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

29 **Billing disputes (SRC and MRC)**

- (1) A retailer must review a bill if requested to do so by the small customer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) The retailer must conduct the review in accordance with the retailer's standard complaints and dispute resolution procedures, including any time limits applicable under those procedures.

- (3) The retailer must inform the small customer of the outcome of the review as soon as reasonably possible but, in any event, within any time limits applicable under the retailer's standard complaints and dispute resolution procedures.
- (4) The retailer may require the small customer to pay:
 - (a) the lesser of:
 - (i) that portion of the bill under review that the customer and the retailer agree is not the subject of review; or
 - (ii) an amount equal to the average amount of the customer's bills in the previous 12 months (excluding the bill in dispute); and
 - (b) any other bills that are properly due.
- (5) If the small customer requests that, in reviewing the bill, the *meter* reading or *metering data* be checked or the *meter* tested:
 - (a) the retailer must, as the case may require:
 - (i) arrange for a check of the *meter* reading or *metering data*; or
 - (ii) request the *responsible person* or *metering coordinator* (as applicable) to test the *meter*; and
 - (b) the customer must pay for the cost of the check or test (which the retailer may request be paid in advance); and
 - (c) if the *meter* or *metering data* proves to be faulty or incorrect, the customer must be reimbursed for the cost of the check or test; and
 - (d) if a retailer is required to reimburse an amount paid in advance for a *meter* check under paragraph (c) and that amount has been paid by the retailer to the *responsible person* or *metering coordinator* (as applicable) to undertake the test, the *responsible person* or *metering coordinator* (as applicable) must reimburse the retailer for that amount.
- (6) Where, after conducting a review of the bill, the retailer is satisfied that it is:
 - (a) correct, the retailer may require the small customer to pay the amount of the bill that is still outstanding; or
 - (b) incorrect, the retailer:
 - (i) must adjust the bill in accordance with rule 30 or 31, as the case requires; and
 - (ii) may require the customer to pay the amount (if any) of the bill that is still outstanding; and
 - (iii) must refund (or set off against the amount in subparagraph (ii)) any amount paid in advance under subrule (5).
- (7) The retailer must inform the small customer that the customer may lodge a dispute with the energy ombudsman after completion of the retailer's review of a bill, where the customer is not satisfied with the retailer's decision in the review and the retailer's action or proposed action under subrule (6).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(8) Application of this rule to standard retail contracts

This rule applies in relation to standard retail contracts.

(9) Application of this rule to market retail contracts

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

30 Undercharging (SRC and MRC)

(1) Subject to subrule (2), where a retailer has undercharged a small customer, it may recover from the customer the amount undercharged.

(2) Where a retailer proposes to recover an amount undercharged the retailer must:

- (a) unless the amount was undercharged as a result of the small customer's fault or unlawful act or omission, limit the amount to be recovered to the amount undercharged in the 9 months before the date the customer is notified of the undercharging; and
- (b) not charge the customer interest on that amount; and
- (c) state the amount to be recovered as a separate item in a special bill or in the next bill, together with an explanation of that amount; and
- (d) offer the customer time to pay that amount by agreed instalments, over a period nominated by the customer being no longer than:
 - (i) the period during which the undercharging occurred, if the undercharging occurred over a period of less than 12 months; or
 - (ii) 12 months, in any other case.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(3) To avoid doubt, a reference in this rule to undercharging by a retailer includes a reference to a failure by the retailer to issue a bill.

(4) Application of this rule to standard retail contracts

This rule applies in relation to standard retail contracts.

(5) Application of this rule to market retail contracts

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

31 Overcharging (SRC and MRC)

- (1) Where a small customer has been overcharged by an amount equal to or above the overcharge threshold, the retailer must inform the customer accordingly within 10 business days after the retailer becomes aware of the overcharging.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) If the amount overcharged is equal to or above the overcharge threshold, the retailer must:
 - (a) repay that amount as reasonably directed by the small customer; or
 - (b) if there is no such reasonable direction, credit that amount to the next bill; or
 - (c) if there is no such reasonable direction and the small customer has ceased to obtain customer retail services from the retailer, use its best endeavours to refund that amount within 10 business days.

Note:

Money not claimed is to be dealt with by the retailer in accordance with the relevant unclaimed money legislation.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) If the amount overcharged is less than the overcharge threshold, the retailer must:
 - (a) credit that amount to the next bill; or
 - (b) if the small customer has ceased to obtain customer retail services from the retailer, use its best endeavours to refund that amount within 10 business days.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) No interest is payable on an amount overcharged.
- (5) If the small customer was overcharged as a result of the customer's unlawful act or omission, the retailer is only required to repay, credit or refund the customer the amount the customer was overcharged in the 12 months before the error was discovered.
- (6) The overcharge threshold is \$50 or such other amount as the AER determines under subrule (7).
- (7) The AER may from time to time determine a new overcharge threshold in accordance with the retail consultation procedure.
- (8) The AER must publish the current overcharge threshold on its website.

(9) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(10) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

32 Payment methods (SRC and MRC)

(1) A retailer must accept payment for a bill by a small customer in any of the following ways:

- (a) in person;
- (b) by telephone;
- (c) by mail;
- (d) by direct debit;
- (e) by electronic funds transfer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(2) A small customer:

- (a) applying for or on a standard retail contract; or
- (b) on a market retail contract,

may request the retailer to permit payment by using Centrepay as a payment option and, subject to rule 74, the retailer may elect to permit this option.

(3) Where a direct debit arrangement is to be entered into between a retailer and a small customer:

- (a) the retailer and the small customer must agree the amount, initial date and frequency of the direct debits; and
- (b) the explicit informed consent of the small customer is required for entering into the arrangement.

(4) Where a direct debit arrangement is entered into between a retailer and a small customer, the retailer must:

- (a) notify the small customer in writing that if the customer requests the retailer to cease to rely on the arrangement, the retailer will no longer rely on the direct debit authority; and
- (b) terminate the arrangement on being requested by the customer to do so.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(5) A retailer must accept payments by a small customer for a bill in advance.

(6) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(7) **Application of this rule to market retail contracts**

This rule (other than subrule (1)) applies in relation to market retail contracts (other than prepayment market retail contracts).

33 Payment difficulties (SRC and MRC)

(1) This rule applies in relation to the obligation under section 50 of *the Law* on a retailer to offer and apply payment plans for:

- (a) hardship customers; and
- (b) other residential customers experiencing payment difficulties if the customer informs the retailer in writing or by telephone that the customer is experiencing payment difficulties.

(2) However, a retailer is not required to offer a payment plan to a customer referred to in subrule (1) if the customer:

- (a) has had 2 payment plans cancelled due to non-payment in the previous 12 months; or
- (b) has been convicted of an offence involving illegal use of energy in the previous 2 years.

(3) A retailer must provide information to a customer referred to in subrule (1) about the availability of government funded energy charge rebate, concession or relief schemes.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(4) Rule 72 applies to a residential customer referred to in subrule (1) (b) in the same way as it applies to a hardship customer.

(5) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(6) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

34 Shortened collection cycles (SRC and MRC)

(1) A retailer may place a small customer on a shortened collection cycle with the agreement of the customer.

(2) Otherwise, a retailer may place a small customer on a shortened collection cycle only if:

- (a) in the case of a residential customer—the customer is not experiencing payment difficulties; and
- (b) the retailer has given the customer a reminder or warning notice for 2 consecutive bills; and
- (c) before the second reminder or warning notice, the retailer has given the customer a notice informing the customer that:
 - (i) receipt of the second reminder or warning notice may result in the customer being placed on a shortened collection cycle; and
 - (ii) being on a shortened collection cycle means the customer will not receive a *reminder notice* until the customer has paid 3 consecutive bills in the customer's billing cycle by the *pay-by date*; and
 - (iii) failure to make a payment may result in arrangements being made for disconnection of the supply of energy without a further *reminder notice*; and
 - (iv) alternative payment arrangements may be available; and
 - (v) the customer may obtain further information from the retailer (on a specified telephone number).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) The retailer must, within 10 business days of placing the small customer on a shortened collection cycle, give the customer notice that:
 - (a) the customer has been placed on a shortened collection cycle; and
 - (b) the customer must pay 3 consecutive bills in the customer's billing cycle by the *pay-by date* in order to be removed from the shortened collection cycle; and
 - (c) failure to make a payment may result in arrangements being made for disconnection of the supply of energy without a further *reminder notice*.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) The retailer must remove the small customer from the shortened collection cycle as soon as practicable after the customer pays 3 consecutive bills in the customer's billing cycle by the *pay-by date*, unless the customer requests that this not be done.

- (5) In this rule:

reminder or warning notice means a *reminder notice* or a *disconnection warning notice*.

- (6) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(7) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

35 Request for final bill (SRC)

- (1) If a customer requests the retailer to arrange for the preparation and issue of a final bill for the customer's premises, the retailer must use its best endeavours to arrange for:

- (a) a *meter* reading; and
- (b) the preparation and issue of a final bill for the premises in accordance with the customer's request.

Note:

Rule 118 makes provision for the issue of a final bill where the customer requests de-energisation of the premises.

(2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(3) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

Division 5 Tariff changes

36 Obligations on retailers (SRC)

- (1) Where during a billing cycle a small customer changes from one type of tariff to another type of tariff for customer retail services, the retailer must (if it is necessary to do so due to the change in the type of tariff applying to that small customer):

- (a) obtain a *meter* reading (or *metering data*) at the time the type of tariff changes; and
- (b) calculate the customer's bill using the type of tariff applying:
 - (i) the old type of tariff up to but not including the date of the *meter* reading; and
 - (ii) the new type of tariff from and including the date of the *meter* reading.

(2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(3) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

37 Customer request for change of tariff (SRC)

- (1) Where a retailer offers alternative tariffs or tariff options and a small customer:

- (a) requests a retailer to transfer from that customer's current tariff to another tariff; and
 - (b) demonstrates to the retailer that it satisfies all of the conditions relating to that other tariff and any conditions imposed by the customer's distributor,

the retailer must transfer the small customer to that other tariff within 10 business days of satisfying those conditions.
- (2) Where a small customer transfers from one tariff type to another, the effective date of the transfer is:
 - (a) subject to paragraph (b), the date on which the *meter* reading was obtained; or
 - (b) where the transfer requires a change to the *meter* at the small customer's premises, the date the *meter* change is completed.
- (3) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.
- (4) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

38 Change in use (SRC)

- (1) A small customer must notify its retailer of a change in use of the customer's premises.
- (2) Where a small customer notifies a retailer of a change in use of the customer's premises, the retailer may require the customer to transfer to a tariff applicable to the customer's use of that premises with effect from the date on which the retailer notifies the customer of the new tariff.
- (3) If a reclassification is necessary as a result of the change in use notified by the customer under subrule (2), the date on which the retailer notifies the customer of the new tariff must not be earlier than the date notice is provided under rule 8 or 10 (as the case requires).
- (4) If a small customer fails to give notice of a change in use of the customer's premises, the retailer may, upon giving notice to the customer, transfer the customer to the applicable tariff with effect from the date on which the change of use occurred.
- (5) Despite rules 8 (5) and 10 (5), if a reclassification is necessary as a result of a change of use under subrule (4), the reclassification takes effect on the date on which the new tariff applies under subrule (4).
- (6) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(7) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

Division 6 Customer retail contracts—security deposits

39 Consideration of credit history

- (1) For the purpose of deciding whether to require a small customer to provide a *security deposit* under rule 40 a retailer must:

- (a) request the customer to provide the retailer with:
 - (i) permission to obtain a credit check of the credit history of the customer; and
 - (ii) other information relating to the credit history of the customer; and
- (b) take into consideration:
 - (i) any credit history obtained as a result of the credit check; and
 - (ii) any credit history provided by the customer; and
 - (iii) any other available information that relates to the credit history of the customer,

that is reasonably required for the retailer to assess the ability of the customer to meet the customer's financial obligations under a customer retail contract.

(2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(3) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts, but only to the extent (if any) a contract provides for payment of a *security deposit*.

40 Requirement for security deposit (SRC and MRC)

- (1) Subject to subrules (2)–(4), a retailer may require a small customer to provide a *security deposit*:
- (a) in the case of a residential customer—only at the time the customer requests the sale and supply of energy under a customer retail contract and except in the circumstances specified in subrule (4A) not during the currency of the customer retail contract; and
 - (b) in the case of a business customer—at the time the customer requests the sale and supply of energy under a customer retail contract or during the currency of the customer retail contract.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) A retailer cannot require a small customer to provide a *security deposit* unless:
- (a) the customer owes money to that retailer in relation to the sale and supply of energy to any premises, unless the bill relating to the amount owed is:
 - (i) under review by the retailer under rule 29; or
 - (ii) under consideration by the energy ombudsman as referred to in that rule; or
 - (b) the customer has fraudulently acquired or intentionally consumed energy otherwise than in accordance with the energy laws within the past 2 years; or
 - (c) the customer has refused or failed to provide *acceptable identification* to the retailer; or
 - (d) the retailer reasonably considers that the customer has an unsatisfactory credit history; or
 - (e) in the case of a business customer, the retailer reasonably considers that the customer has (in respect of the business):
 - (i) no history of paying energy accounts; or
 - (ii) an unsatisfactory record in relation to the payment of energy accounts; or
 - (f) the customer has refused or failed to provide the retailer with the permission or other information requested under rule 39 (1) (a).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) A retailer cannot require a residential customer to provide a *security deposit* if the customer:
- (a) is identified as a hardship customer by the retailer in relation to any premises; or
 - (b) advises the retailer that the customer was identified as a hardship customer by another retailer in relation to any premises

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) A retailer cannot require a residential customer to provide a *security deposit* unless the retailer has offered the customer the option of a payment plan and the customer has either declined the offer or failed to pay an instalment having accepted the offer.
- (4A) A retailer may require a small customer to provide a *security deposit* during the currency of a customer retail contract if:
- (a) the small customer previously provided a *security deposit* to the retailer in connection with the customer retail contract;

- (b) the *security deposit* was only returned to the small customer under rule 45(1)(b) because the small customer was transferred to another retailer; and
 - (c) the small customer is transferred back to the retailer in accordance with rule 57A(4) because the transfer to another retailer was a *void transfer*.
- (5) If the retailer requires a *security deposit* on the basis that the small customer has an unsatisfactory credit history, the retailer must inform the customer:
 - (a) that the retailer has decided the customer has an unsatisfactory credit history; and
 - (b) the reasons for the retailer's decision; and
 - (c) of the customer's rights to dispute the decision of the retailer.
- (6) A retailer must not refuse to sell energy on the grounds of non-payment or partial payment of a *security deposit* but may:
 - (a) arrange to de-energise (or disconnect) premises under rule 112; or
 - (b) refuse to arrange re-energisation of premises.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (7) Subject to subrule (6), payment or partial payment of a *security deposit* is not a pre-condition to the formation of a standard retail contract (as referred to in section 26 of *the Law*).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(8) Application of this rule to standard retail contracts

This rule applies in relation to standard retail contracts.

(9) Application of this rule to market retail contracts

This rule applies in relation to market retail contracts, but only to the extent (if any) a contract provides for payment of a *security deposit*.

41 Payment of security deposit (SRC)

(1) Security deposit must be paid

A small customer who is required under rule 40 to pay a *security deposit* to a retailer is obliged to pay the *security deposit* when requested by the retailer to do so.

(2) Re-energisation may be refused for non-payment of security deposit

A retailer may refuse to arrange the re-energisation of a customer's premises if a required *security deposit* remains unpaid and the customer has been de-energised for that reason under rule 112.

(3) **Security deposit account**

A retailer must keep *security deposits* in a separate account and separately identify in its company accounts the value of *security deposits* that it holds for small customers.

(4) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(5) **Application of this rule to market retail contracts**

This rule (other than subrule (3)) does not apply in relation to market retail contracts.

42 Amount of security deposit (SRC)

- (1) A retailer must ensure that the amount of a *security deposit* for a small customer is not greater than 37.5% of the customer's estimated bills over a 12 month period, based on:

- (a) the customer's billing history; or
- (b) the average usage of energy by a comparable customer over a comparable 12 month period.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(3) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

43 Interest on security deposit (SRC and MRC)

- (1) If a retailer has received a *security deposit* from a small customer, the retailer must pay interest to the customer on the deposit at the bank bill rate.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) Interest is to accrue daily and is to be capitalised (if not paid) every 90 days.

- (3) For the purposes of this rule, bank bill rate means a daily published rate no less than the pre-tax rate of return the retailer would earn over the period the retailer retains the *security deposit* if it were invested in bank bills that have a term of 90 days.

(4) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(5) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts, but only to the extent (if any) a contract provides for payment of a *security deposit*.

44 Use of security deposit (SRC)

(1) A retailer may apply a *security deposit* to offset amounts owed to it by a small customer if and only if:

- (a) the customer fails to pay a bill and the failure results in de-energisation of the customer's premises by the retailer and there is no contractual right to re-energisation; or
- (b) in relation to the issue of a final bill:
 - (i) the customer vacates the premises; or
 - (ii) the customer requests de-energisation of the premises; or
 - (iii) the customer transfers to another retailer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(2) If a final bill includes amounts payable for goods and services provided by the retailer other than for the sale of energy, the retailer must apply the *security deposit* firstly in satisfaction of the charges for the sale of energy, unless:

- (a) the customer otherwise directs; or
- (b) another apportionment arrangement is agreed to by the customer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(3) The retailer must account to the customer in relation to the application of a *security deposit* amount within 10 business days after the application of the *security deposit*.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(4) A reference in this rule to a *security deposit* includes a reference to any accrued interest on the *security deposit*.

(5) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(6) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

45 Obligation to return security deposit (SRC)

- (1) If a small customer has been required by a retailer to pay a *security deposit*, the retailer must repay to the small customer in accordance with the small customer's reasonable instructions the amount of the *security deposit*, together with accrued interest, within 10 business days after the small customer:
 - (a) completes 1 year's payment (in the case of a residential customer) or 2 years' payment (in the case of a business customer) by the *pay-by dates* for the retailer's bills; or
 - (b) vacates the relevant premises, requests de-energisation of the premises or transfers to another retailer, where the *security deposit* or any part of it is not required in settlement of the final bill referred to in rule 44 (1) (b).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) If no reasonable instructions are given by the small customer, a retailer must credit the amount of the *security deposit*, together with accrued interest, on:
 - (a) in a case to which subrule (1) (a) applies—the customer's next bill; or
 - (b) in a case to which subrule (1) (b) applies—the customer's final bill.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

- (4) **Application of this rule to market retail contracts**

This rule does not apply in relation to market retail contracts.

Division 7 Market retail contracts—particular requirements

45A Definitions

In this Division:

benefit change means:

- (a) a change to, or the expiry of, a benefit (such as a price discount) provided to a customer for a minimum period or a fixed benefit period under a market retail contract during the term of that contract (whether or not as a result of the variation to the contract); and
- (b) a change of the type specified in the benefit change notice guidelines, but does not include an excluded change.

benefit change date means the date on which the benefit change will take effect.

benefit change notice means a notice provided by a retailer to a small customer under rule 48A.

benefit change notice guidelines means the guidelines made by the AER under rule 48B.

dual fuel standing offer means a standing offer for the supply of both electricity and gas.

energy payment means any payment or credit by a retailer to a small customer for products or services provided by the small customer to the retailer under a market retail contract or a standard retail contract, for example a feed-in arrangement or demand reduction arrangement.

energy rate means any tariff or charge that is a component of the market offer prices under a market retail contract, or of the standing offer prices under a standard retail contract, but in each case excluding charges that are fees (including penalties).

Note 1:

Energy rates relate to the period or amount of energy consumption, such as daily charges and kilowatt hour charges.

Note 2:

Examples of fees for the purposes of this definition are account establishment fees, special meter read fees, new meter fees, credit card payment fees, late fees, and early termination fees.

excluded change means a change to the tariffs, charges or benefits to a small customer under a market retail contract that is specified not to be a benefit change under the benefit change notice guidelines.

fixed benefit period means a period of a market retail contract during which a benefit to the customer (such as a price discount) is available and where the end date of that period is:

- (a) specified or ascertainable at the beginning of that period; and
- (b) earlier than the date on which the contract will end.

fixed term retail contract means a market retail contract that contains a term or condition that specifies:

- (a) the date on which the contract will end; or
- (b) a method for calculating the date on which the contract will end and which is ascertainable at the time the contract is being entered into.

GST has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

price comparator has the same meaning as in *the Law*.

relevant benefit period means, in respect of a benefit change notice, the period in which the benefit that is changing was provided to a customer under a market retail contract.

46 Tariffs and charges

- (1) This rule sets out some minimum requirements that are to apply in relation to the terms and conditions of market retail contracts (other than a prepayment *meter* market retail contract).

- (2) A retailer must set out in a market retail contract with a small customer all tariffs and charges payable by the customer.
- (3) The retailer must give notice to the customer of any variation to the tariffs and charges that affects the customer.
- (4) The notice must:
 - (a) be given at least five business days before the variation in the tariffs and charges are to apply to the customer; and
 - (b) be delivered by the customer's preferred form of communication where this has been communicated to the retailer, or otherwise by the same method as that used for delivery of the customer's bill.
- (4A) The notice must:
 - (a) specify that the customer's tariffs and charges are being varied;
 - (b) specify the date on which the variation will come into effect;
 - (c) identify the customer's existing tariffs and charges inclusive of GST;
 - (d) identify the customer's tariffs and charges as varied inclusive of GST;
 - (e) specify that the tariffs and charges identified in subrules (4A)(c) and (d) are inclusive of GST; and
 - (f) specify that the customer can request historical billing data and, if they are being sold electricity, energy consumption data, from the retailer.

Note:

Rules 28 and 56A make provision for customers to request historical billing information and energy consumption data.

- (4B) Notwithstanding this rule 46, a retailer is not required to provide a notice under subrule (3):
 - (a) where the customer has entered into a market retail contract with the retailer within 10 business days before the date on which the variation referred to in subrule (3) is to take effect, and the retailer has informed the customer of such variation pursuant to rule 46A and section 39(1)(a) of the Law;
 - (b) where the variations to the tariffs and charges are a direct result of a benefit change and the retailer has provided the customer with a notice under rule 48A;
 - (c) with respect to a tariff or charge that continually varies in relation to the prevailing spot price of energy. For the avoidance of doubt, this exemption does not apply (and the retailer must provide notice under subrule (3)) with respect to variations to any remaining tariffs and charges that form part of the same market retail contract;
 - (d) where the variations to the tariffs and charges are a direct result of a change to, or withdrawal or expiry of, a government funded energy charge rebate, concession or relief scheme; or

- (e) where the variations to the tariffs and charges are a direct result of a change to any bank charges or fees, credit card charges or fees, or payment processing charges or fees applicable to the customer.
- (4C) Despite subrule (4)(a), a retailer must provide the notice under subrule (3) as soon as practicable, and in any event no later than the customer's next bill, where the variations to the tariffs and charges are a direct result of a tariff reassignment by the distributor pursuant to clause 6B.A3.2 of the NER. For the purposes of providing a notice under this subrule (4C), the reference to:
 - (a) "are being varied" in subrule (4A)(a) is taken to be "are being varied or have been varied (whichever is applicable)"; and
 - (b) "will come into effect" in subrule (4A)(b) is taken to be "will come into effect or has come into effect (whichever is applicable)".
- (5) The retailer must set out in the market retail contract the obligations with regard to notice that the retailer must comply with where the tariffs and charges are to be varied.

46A Explicit Informed Consent – Variation of tariffs, charges or benefits to the customer

- (1) This rule has effect for the purposes of section 39(1)(a) of *the Law*.
- (2) For the purposes of the transaction described in section 38(b) of *the Law*, matters relevant to the consent of the customer will include, without limitation, any term or condition in the market retail contract that provides for the variation of tariffs, charges or benefits to the customer under that contract.

46B Energy rates – discounting practices

- (1) A retailer must not include any term or condition in a market retail contract (other than a *dual fuel market contract*) with a small customer that applies a price discount to an energy rate under the contract if, on the date the small customer enters into the contract:
 - (a) there is an equivalent standing offer, as defined in subrule (3);
 - (b) without taking into account any price discounts, at least one energy rate under the market retail contract exceeds the equivalent component of the energy rate under the equivalent standing offer;
 - (c) without taking into account any price discounts, no energy rate under the market retail contract is lower than the equivalent component of the energy rate under the equivalent standing offer; and
 - (d) the level or rate of every energy payment under the market retail contract (if any) is equal to or lower than the level or rate of the equivalent energy payment under the equivalent standing offer.
- (2) A retailer must not include any term or condition in a *dual fuel market contract* with a small customer that applies a price discount to an energy rate under the contract if, on the date the small customer enters into the contract:

- (a) there is an equivalent standing offer in either of the following forms:
 - (i) a dual fuel standing offer, if the conditions for equivalence specified in subrule (3) are met in relation to that standing offer; or
 - (ii) a standing offer for electricity and a standing offer for gas, if the conditions for equivalence specified in subrule (3) are met in relation to both of those standing offers;
 - (b) without taking into account any price discounts, at least one energy rate in respect of the supply of either electricity or gas under the *dual fuel market contract* exceeds the equivalent component of the energy rate under the equivalent standing offer;
 - (c) without taking into account any price discounts, no energy rate in respect of the supply of either electricity or gas under the *dual fuel market contract* is lower than the equivalent component of the energy rate under the equivalent standing offer; and
 - (d) the level or rate of every energy payment under the *dual fuel market contract* (if any) is equal to or lower than the level or rate of the equivalent energy payment under the equivalent standing offer.
- (3) For the purposes of subrules (1) and (2), a standing offer is an equivalent standing offer with respect to a market retail contract, including a *dual fuel market contract*, if the following conditions are satisfied:
- (a) the retailer making the standing offer is the retailer providing the market retail contract, or is a related body corporate (within the meaning of the *Corporations Act 2001* of the Commonwealth) of that retailer;
 - (b) the standing offer and the market retail contract would be available to the same small customer, if the retailer was the designated retailer for the small customer's premises;
 - (c) in relation to energy rates and energy payments, without taking into account any price discounts, there are no material differences between the tariff structure of the standing offer and the tariff structure of the market retail contract, subject to subrule (4); and
 - (d) without taking into account any price discounts, the market retail contract provides no material additional benefit or service to the customer compared to the standing offer.
- (4) For the purposes of subrule (3)(c), there is a material difference between the tariff structure of a standing offer and the tariff structure of a market retail contract if:
- (a) the standing offer is a dual fuel standing offer and the market retail contract is not a *dual fuel market contract*; or
 - (b) the market retail contract contains provisions that prevent the retailer varying any of the energy rates or energy payments under the market retail contract for a period of at least 12 months from the date of entry into the market retail contract.

47 Cooling off period and right of withdrawal—market retail contracts

(1) Right of withdrawal

A small customer who enters into a market retail contract with a retailer has the right to withdraw from the contract in accordance with this rule.

(2) When right of withdrawal may be exercised

The right of withdrawal may be exercised within the period of 10 business days (the *cooling off period*) commencing with the date the small customer receives the required information under rule 64 about the contract.

(3) Customer's agreement or acceptance is not a bar to withdrawal

The right of withdrawal may be exercised even though the small customer agreed to or accepted the contract.

(4) How right of withdrawal may be exercised

The small customer withdraws from the contract by informing the retailer orally or in writing of the customer's intention to withdraw from the contract.

(5) Rights and obligation to be set out in contract

A retailer must include in each market retail contract it enters into with a small customer express provisions setting out the rights and obligations provided for by this rule.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(6) Record of withdrawal

A retailer must create a record of each withdrawal, and the provisions of section 40 of *the Law* apply in relation to a record of withdrawal as if it were a record of explicit informed consent.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(7) Effect of withdrawal

Withdrawal from a market retail contract operates as a rescission of the contract.

48 Retailer notice of end of fixed term retail contract

(1) This rule applies to a fixed term retail contract.

(2) A retailer must, in accordance with this rule, notify a small customer with a fixed term retail contract that the contract is due to end.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) The notice must be given no earlier than 40 business days and no later than 20 business days before the end date of the contract.
- (4) The notice must state:
 - (a) the date on which the contract will end; and
 - (b) details of the prices, terms and conditions applicable to the sale of energy to the premises concerned under a deemed customer retail arrangement; and
 - (c) the customer's options for establishing a customer retail contract (including the availability of a standing offer); and
 - (d) the consequences for the customer if the customer does not enter into a customer retail contract (whether with that or another retailer), including the entitlement of the retailer to arrange for the de-energisation of the premises and details of the process for de-energisation.
- (5) The retailer is not required to give the notice where the customer has already entered into a new contract with the retailer, or has given instructions to the retailer as to what actions the retailer must take at the end of the contract.
- (6) A retailer must, for a fixed term retail contract, include a term or condition to the effect that the retailer will:
 - (a) notify the customer that the contract is due to end; and
 - (b) give such notice no earlier than 40 business days and no later than 20 business days before the end of the contract.

48A Retailer notice of benefit change - market retail contracts

- (1) If a market retail contract provides for a benefit change, the retailer must, in accordance with this rule, notify the small customer of each benefit change.

Note:

Under rule 46A and *the Law* the retailer is required to fully disclose to the customer any term of a market retail contract that provides for the variation of benefits to the customer prior to the customer's entry into the contract.

- (2) The benefit change notice must be given:
 - (a) in writing;
 - (b) no earlier than 40 business days and no later than 20 business days before the benefit change date; and
 - (c) otherwise in the manner and form required by the benefit change guidelines.
- (3) The benefit change notice must state:
 - (a) the small customer's *metering* identifier;
 - (b) that a benefit change will occur and the benefit change date;

- (c) that the small customer may use the price comparator to compare offers that are generally available to classes of small customers in their area;
- (d) the name and web address of the price comparator;
- (e) that the customer can request historical billing data and, if they are being sold electricity, energy consumption data, from the retailer that will assist it to use the price comparator to compare offers that are generally available to classes of small customers in their area; and

Note:

Rules 28 and 56A make provision for customers to request historical billing information and energy consumption data.

- (f) any early termination charges payable under the contract.
- (4) In addition to the information required by subrule (3), the benefit change notice must contain such other information that the AER specifies in the benefit change notice guidelines in the form and manner specified in those guidelines.

48B Benefit change notice guidelines

- (1) The AER must make guidelines (benefit change notice guidelines) in accordance with the retail consultation procedure.
- (2) The benefit change notice guidelines must specify:
 - (a) the required form of benefit change notices;
 - (b) the manner in which a benefit change notice is to be provided;
 - (c) the information a retailer must include in the benefit change notice in order to enable a small customer to:
 - (i) use the price comparator to compare offers that are generally available to classes of small customers in their area; and
 - (ii) compare the amounts that would be payable by the customer under its existing market retail contract following the benefit change date with the offers referred to in subrule (c)(i); and
 - (d) how a retailer must calculate the amounts required to be included in a benefit change notice.
- (3) In addition to specifying the matters referred to in subrule (2), the benefit change notice guidelines may specify:
 - (a) what constitutes a benefit change for the purposes of subrule (b) of the definition of “benefit change” in rule 45A; and
 - (b) what constitutes an excluded change;
 - (c) any information a retailer must include in the benefit change notice:
 - (i) with respect to the nature of the benefits provided under the market retail contract during the relevant benefit period;
 - (ii) with respect to the nature of the change to the benefits on the benefit change date;

- (iii) to enable a small customer to compare the amount billed for their energy consumption during the relevant benefit period with the amounts referred to in subrule (2)(c);
 - (iv) with respect to *dual fuel market contracts*; and
 - (v) which the AER considers would be reasonably required by a small customer to assess the energy offers available to it and which is held by the retailer.
- (4) The AER may amend the benefit change notice guidelines in accordance with the retail consultation procedure.

49 Termination of market retail contract

- (1) A market retail contract terminates:
 - (a) on a date agreed between the retailer and the customer; or
 - (b) in the case of a prepayment *meter* market retail contract—when the customer withdraws from the contract before the end of the trial period under rule 130; or
 - (c) when the provision of customer retail services to the premises commences under a customer retail contract with a different customer; or
 - (d) when the provision of customer retail services to the premises commences under a different customer retail contract between the customer and the retailer or another retailer; or
 - (e) at the end of the period of 10 business days commencing on the day the customer's premises are de-energised, if there is no contractual right to re-energisation; or
 - (f) subject to subrule (2), on another date or event specified in the market retail contract,whichever first occurs.
- (1A) For the avoidance of doubt, where a new customer retail contract is made void by section 41(1) of *the Law* the provision of customer retail services under a different customer retail contract is taken never to have commenced for the purposes of subrule (1)(d).
- (2) A term or condition of a market retail contract has no effect to the extent that it requires a customer to give more than 20 business days notice to terminate the contract.
- (3) Termination of a market retail contract does not affect any rights or obligations that have already accrued under the contract.
- (4) This rule has effect subject to section 141 of *the Law*.
- (5) This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a market retail contract.

49A Early termination charges

- (1) A term or condition of a fixed term retail contract has no effect to the extent that it provides for payment of an early termination charge (however described), unless:
 - (a) the contract includes details of the amount or manner of calculation of the early termination charge; and
 - (b) the early termination charge is a reasonable estimate of the costs to the retailer resulting from the early termination.
- (2) For the purposes of subrule (1)(b), the costs to the retailer are the reasonable costs incurred or to be incurred by the retailer, and do not include costs based on lost supply or lost profits.
- (3) Subject to subrule (4), a term or condition of a market retail contract that is not a fixed term retail contract has no effect to the extent that it provides for the payment of an early termination charge (however described).
- (4) Subrules (1) and (3) do not prevent the imposition of an early termination charge due to the early termination of a fixed benefit period, even if this coincides with the termination of the market retail contract.
- (5) An early termination charge (however described), payable where a customer terminates a fixed benefit period early, only has effect if:
 - (a) the contract includes details of the amount or manner of calculation of the early termination charge; and
 - (b) the early termination charge is a reasonable estimate of the costs to the retailer resulting from the early termination.
- (6) For the purposes of subrule (5)(b), the costs to the retailer are the reasonable costs incurred or to be incurred by the retailer, and do not include costs based on lost supply or lost profits.
- (7) This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a market retail contract.

50 Small customer complaints and dispute resolution information

- (1) A retailer must include, as a minimum requirement in relation to the terms and conditions of a market retail contract, provisions to the effect of the following:
 - (a) the small customer may, if they have a query, complaint or dispute, contact the retailer;
 - (b) the retailer is obliged to handle a complaint made by a small customer in accordance with the retailer's standard complaints and dispute resolution procedures, which can be found on the retailer's website or provided to the customer on request;
 - (c) the retailer must inform the small customer of the outcome of the customer's complaint;

- (d) if the small customer is not satisfied with the retailer's response to the customer's complaint, the customer has a right to refer the complaint or dispute to the energy ombudsman.
- (2) The provisions required to be included in the market retail contract must provide the retailer's contact details for the small customer to contact the retailer in connection with a query, complaint or dispute.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

51 Liabilities and immunities

A retailer must not include any term or condition in a market retail contract with a small customer that limits the liability of the retailer for breach of the contract or negligence by the retailer.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

52 Indemnities

A retailer must not include any term or condition in a market retail contract with a small customer under which the customer indemnifies the retailer, so that the retailer may recover from the customer an amount greater than the retailer would otherwise have been able to recover at general law for breach of contract or negligence by the customer in respect of the contract.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

Division 8 Deemed customer retail arrangements

53 Obligations of retailers

- (1) As soon as practicable after becoming aware that a small customer is consuming energy under a deemed customer retail arrangement, the financially responsible retailer for the premises concerned must give the customer information about the following:
 - (a) the retailer's contact information;
 - (b) details of the prices, terms and conditions applicable to the sale of energy to the premises concerned under the deemed customer retail arrangement;
 - (c) the customer's options for establishing a customer retail contract (including the availability of a standing offer);
 - (d) the consequences for the customer if the customer does not enter into a customer retail contract (whether with that or another retailer), including the entitlement of the retailer to arrange for the de-energisation of the premises and details of the process for de-energisation.

- (2) If the small customer is a carry-over customer of the retailer, the retailer does not have to give the customer the information required under subrule (1) if the retailer has already given the customer a notice under rule 48 relating to a market retail contract and containing that information.

54 Formation of standard retail contract on incomplete request

The financially responsible retailer for a move-in customer or carry-over customer may treat the customer as requesting the sale of energy under the retailer's standing offer and may take all appropriate steps for the formation of a standard retail contract with the customer, if:

- (a) the customer has provided the retailer with the customer's name and (if required by the retailer) *acceptable identification* and contact details for billing purposes; but
- (b) the customer has not advised the retailer as to the type of customer retail contract under which the customer wishes to be supplied.

Division 9 Other retailer obligations

55 Referral to interpreter services

A retailer must refer a residential customer to a relevant interpreter service if a referral is necessary or appropriate to meet the reasonable needs of the customer.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

56 Provision of information to customers

- (1) A retailer must publish on its website a summary of the rights, entitlements and obligations of small customers, including:
 - (a) the retailer's standard complaints and dispute resolution procedure;
 - (b) the contact details for the relevant energy ombudsman; and
 - (c) in the case of electricity, details of applicable energisation and re-energisation timeframes.
- (2) If a small customer requests information of the kind referred to in subrule (1), the retailer must either:
 - (a) refer the customer to the retailer's website; or
 - (b) provide the information to the customer.
- (3) The retailer must provide a copy of any information of that kind to the customer if the customer requests a copy.
- (4) The information or a copy of the information requested under this rule must be provided without charge, but information requested more than once in any 12 month period may be provided subject to a reasonable charge.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

56A Energy consumption information - supply of electricity only

- (1) A retailer must, on a request by a small customer or a *customer authorised representative*, provide information about that customer's energy consumption for the previous 2 years in the manner and form required by the *metering data provision procedures*.
- (2) Subject to paragraph (3), information referred to in paragraph (1) must be provided without charge.
- (3) Information under paragraph (1) may be provided subject to a reasonable charge where it has been requested:
 - (a) more than four times in any 12 month period;
 - (b) in a different manner or form than that specified in the *metering data provision procedures*; or
 - (c) by a *customer authorised representative* as part of a request for information about more than one small customer.

Application of this rule to standard retail contracts

- (4) This rule applies in relation to standard retail contracts.

Application of this rule to market retail contracts

- (5) This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

56B Historical billing and energy consumption information - supply of electricity only

- (1) A reference to a retailer in rules 28 and 56A is a reference to a small customer's current retailer.
- (2) If a small customer or *customer authorised representative* requests from the small customer's previous retailer historical billing or energy consumption information for a period within two years prior to the date of the request then, even though the small customer's contract with the previous retailer may otherwise have terminated, the previous retailer must provide the person that made the request with any of the information requested that is then retained by, or otherwise available to, the previous retailer, to the extent that information relates to the period in which the small customer was a customer of the previous retailer. The previous retailer may provide this information subject to a reasonable charge.

Application of this rule to standard retail contracts

- (3) This rule applies in relation to standard retail contracts.

Application of this rule to market retail contracts

- (4) This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts).

56C Information on timeframes for installing electricity meters (SRC and MRC)

- (1) A retailer selling electricity to small customers must:
- (a) publish on its website the following information in relation to the timeframes for installing electricity *meters*:
 - (i) where a *meter* is installed for a new connection – the obligations on retailers under clause 7.8.10A of the NER;
 - (ii) where the customer requests a *meter* to be installed and there is no new connection or connection alteration required – the obligations on retailers under clause 7.8.10B of the NER; and
 - (iii) where the customer requests a *meter* to be installed and a connection alteration is required – the obligations on retailers and distributors under clause 7.8.10C of the NER; and
 - (b) when a small customer requests a *meter* to be installed, provide the information set out under subrule 1(a) (as applicable) to the customer in writing.
- (2) This rule applies in relation to standard retail contracts and market retail contracts.

57 Retailer obligations in relation to customer transfer

- (1) A retailer must not submit a request for the transfer of a small customer under the relevant Retail Market Procedures unless:
- (a) the retailer has obtained explicit informed consent from the customer to enter into the relevant customer retail contract; and
 - (b) the retailer has a customer retail contract in place to enable the sale of energy to the customer at their premises.
- (2) A customer transfer under the relevant Retail Market Procedures is permitted prior to the completion of the *cooling off period*, provided that the transfer can be reversed if the customer elects to withdraw from the contract under rule 47.
- (2A) Subrules (1) and (2) do not apply to a transfer of a small customer requested by a retailer under rule 57A(4)(a).

57A Retailer obligations in relation to correction of transfers without consent

- (1) If:
- (a) a small customer contacts a retailer and indicates that it has been transferred to a retailer (the new retailer) without explicit informed consent; and

- (b) the retailer the small customer contacts is not the customer's new retailer, then the retailer the small customer contacts must notify the new retailer in writing within 3 business days of being contacted and request the new retailer to comply with subrule (3).
- (2) If the new retailer is contacted by another retailer under subrule (1) it will be taken, for the purposes of this rule and subrule 116(1)(c1), to have been contacted by the small customer for the purposes of section 41(2)(a) of *the Law*.
- (3) Within 10 business days of receiving a notice from another retailer under subrule (1) or from a small customer (as contemplated by *the Law*), the new retailer must:
 - (a) provide the record of the small customer's explicit informed consent to the customer; or
 - (b) if the small customer was transferred to the new retailer more than 12 months before the notification under subrule (1), notify the small customer that the transfer is not void under section 41(1) of *the Law*; or
 - (c) if it is established under section 41(2) of *the Law* that explicit informed consent was not obtained to the transfer of the small customer from a retailer (the original retailer) to the new retailer then, in addition to its obligations under *the Law*, notify the original retailer in writing:
 - (i) that the transfer of the small customer to the new retailer is a *void transfer* and the small customer is taken to have remained a customer of the original retailer despite the transfer of the customer to the new retailer under the Retail Market Procedures; and
 - (ii) of the *void transfer date*.
- (4) Within 3 business days after receiving a notice under subrule (3)(c), the original retailer must:
 - (a) submit a request for the transfer of the small customer to the original retailer under the relevant Retail Market Procedures with effect from:
 - (i) the *void transfer date*; or
 - (ii) if the Retail Market Procedures do not permit a transfer date equal to the *void transfer date*, to the earliest transfer date permitted under those procedures; and
 - (b) give notice to the small customer that the transfer to the new retailer was a *void transfer* due to an absence of explicit informed consent and that the customer is taken to have remained a customer of the original retailer.
- (5) A notice to a small customer under subrule (4)(b) must:
 - (a) specify that the small customer is on the customer retail contract it was on with the original retailer immediately prior to the *void transfer date* unless:
 - (i) the previous customer retail contract was a market retail contract that has terminated other than as a result of the *void transfer*; or
 - (ii) immediately prior to the *void transfer date* the small customer was on a deemed customer retail arrangement with the original retailer,

- (b) if subrule (a)(i) or (ii) applies, specify:
 - (i) that the small customer is on a deemed customer retail arrangement;
 - (ii) details of the prices, terms and conditions applicable to the sale of energy to the premises concerned under the deemed customer retail arrangement;
 - (iii) the customer's options for establishing a customer retail contract (including the availability of a standing offer); and
 - (iv) the consequences for the customer if the customer does not enter into a customer retail contract (whether with the original retailer or another retailer), including the entitlement of the retailer to arrange for the de-energisation of the premises and details of the process for de-energisation.
- (6) If the original retailer charges a small customer an early termination charge in respect of the termination of a market retail contract and it is later established that the transfer to the new retailer was a *void transfer* the original retailer must credit the amount of any early termination charge paid by the small customer on the first bill after the transfer back to the original retailer in accordance with subrule (4)(a).
- (7) Despite this rule 57A, in the period from the *void transfer date* to the day on which the transfer requested under subrule (4)(a) is completed under the Retail Market Procedures, the new retailer is responsible for complying with these Rules as if it were the retailer of the small customer.
- (8) Rule 58 does not apply to transfers made under subrule (4)(a).

58 Notice to small customers on transfer

A retailer must, within 5 business days of receiving notification that it has become the financially responsible retailer for a small customer as a result of a customer transfer, give notice to the customer:

- (a) that the retailer has commenced selling energy to the customer; and
- (b) of the date on which the retailer commenced selling energy to the customer.

59 Notice to small customers where transfer delayed

Where a retailer has notified a small customer of the expected date of a transfer and that transfer does not occur, the retailer must, within 5 days of becoming aware that a transfer has not occurred on the expected date, notify the customer:

- (a) that the transfer did not occur; and
- (b) of the reason for the delay; and
- (c) of the new expected date of the completion of the transfer, if it is still proceeding.

59A Notice to small customers on deployment of new electricity meters (SRC and MRC)

- (1) If a retailer proposes to undertake a *new meter deployment* the retailer must, subject to subrule (8), permit a small customer of the retailer to elect not to have its *meter* replaced as part of the proposed *new meter deployment* in accordance with this rule (referred to in this rule as the customer's right to **opt out**).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) If a retailer proposes to undertake a *new meter deployment*, the retailer must give to the small customer:
- (a) a notice in writing no earlier than 60 business days and no later than 25 business days before the retailer proposes to replace the small customer's *meter*; and
 - (b) a second notice in writing no earlier than 10 business days after the notice under subrule (2)(a) was given to the customer and no later than 15 business days before the retailer proposes to replace the small customer's *meter*.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) A notice under subrule (2)(a) and (b) must state:
- (a) that the small customer may opt out of having their *meter* replaced by informing the retailer:
 - (i) in writing, electronically or by telephone; or
 - (ii) by any other method made available by the retailer in addition to the methods specified in subrule (3)(a)(i),at any time up to the date specified in the notice as being the last day on which the customer may notify the retailer of its decision to opt out (referred to in this rule as the **last opt-out date**);
 - (b) the expected date and time on which the retailer proposes to replace the customer's *meter*;
 - (c) the last opt-out date, which must be no earlier than 7 business days before the expected date on which the retailer proposes to replace the customer's *meter* (as specified in accordance with subrule (3)(b));
 - (d) any upfront charges the customer will incur under its retail contract as a result of the *new meter deployment*;
 - (e) the retailer's contact details; and
 - (f) contact details of interpreter services in community languages.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) The small customer may opt out of the proposed *new meter deployment* by informing the retailer:
 - (a) in writing, electronically or by telephone; or
 - (b) by any other method the retailer specifies in a notice under subrule (2)(a) or (b),
to the address or other contact details specified in the notice at any time after receiving the first notice up until the last opt-out date.
- (5) Subject to subrule (7), if a small customer does not properly exercise its right to opt out of the *new meter deployment* by the last opt-out date, the retailer may proceed with the replacement of the customer's *meter* as notified to the customer under this rule 59A.
- (6) A small customer's right to opt out of the *new meter deployment* is properly exercised when:
 - (a) the request to opt out has been received by the retailer by the last opt-out date; and
 - (b) the small customer has complied with the requirements under subrule (4).
- (7) A retailer must not proceed with the replacement of the *meter* at the premises under the proposed *new meter deployment* if:
 - (a) before the date of the *new meter deployment*, the provision of customer retail services to the premises commences under a customer retail contract with a different small customer; and
 - (b) that customer has not been given a right to opt out in accordance with this rule.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (8) The retailer is not required to comply with this rule if, under the terms of the small customer's market retail contract, the retailer is authorised to undertake the *new meter deployment*.
- (9) In subrule (8):
authorised means that under the terms and conditions of the small customer's market retail contract the customer has expressly:
 - (a) consented to its *meter* being replaced as part of the *new meter deployment*;
or
 - (b) waived its rights under this rule to opt out of having their *meter* replaced.

(10) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(11) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts, but only to the extent subrule (8) does not apply.

Division 9A Retailer interruption to supply - electricity

59B Definitions

In this Division:

retailer planned interruption means an *interruption* of the supply of electricity to a customer that:

- (a) is for the purposes of installing, maintaining, repairing or replacing an electricity *meter*; and
- (b) does not involve either:
 - (i) the distributor effecting the *interruption* under rule 89; or
 - (ii) *interrupting* the supply of electricity to a customer who is not the customer of the retailer arranging the *interruption* (unless the interruption is to the retailer's customer at a parent connection point in an embedded network, and the affected customer is a child connection point within that same embedded network); and
- (c) is not a *distributor planned interruption*.

59C Retailer interruption to supply – electricity (SRC and MRC)

- (1) A retailer may, subject to and in accordance with any requirements of the energy laws, arrange a *retailer planned interruption* by:
 - (a) giving the affected customer the notice under subrule (2); or
 - (b) other than in the circumstances described in paragraph (c), obtaining the affected customer's explicit consent to the *interruption* occurring:
 - (i) on any day within a date range of 5 business days; or
 - (ii) on a specified date,in which case subrule (1A) applies; or
 - (c) where a person residing at the premises requires *life support equipment*, obtaining the affected customer's explicit consent to the *interruption* occurring on a specified date, in which case subrule (1A) applies.
- (1A) If the retailer obtains the consent of the affected customer pursuant to subrule (1)(b) or (1)(c):
 - (a) the retailer must retain the record of consent for a period of at least 2 years in a format and including such information to enable the retailer to answer enquiries from the customer relating to the consent; and
 - (b) subrules (2), (3) and (4) regarding planned *interruption* notices will not apply.

- (2) If the retailer has not obtained an affected customer's consent to the *retailer planned interruption* occurring within a date range or on a specified date in accordance with subrule (1) (as applicable), the retailer must notify the affected customer of the *retailer planned interruption* by any appropriate means at least 4 business days before the date of the *interruption*.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) The notice given by a retailer under subrule (2) may be given in the same notice required to be given under rule 59A(2)(b).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) The notification must:
- (a) specify the expected date, time and duration of the *retailer planned interruption*; and
 - (b) include a 24 hour telephone number for enquiries (the charge for which is no more than the cost of a local call); and
 - (c) include a statement that any enquiries regarding the *retailer planned interruption* are to be directed to the retailer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (5) In the case of a *retailer planned interruption*, the retailer must use its best endeavours to arrange to restore the customer's supply as soon as possible.

Note:

Rule 107(4) provides that Part 6 (relating to de-energisation or disconnection of premises) does not apply to *interruptions* under this rule.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (6) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

- (7) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts.

- (8) Despite references to standard retail contracts and market retail contracts in this rule, this rule applies to all customers (including large customers).

Division 10 Energy marketing

Note:

The *Telecommunications Act 1997*, the *Do Not Call Register Act 2006* and the Australian Consumer Law set out in Schedule 2 to the *Competition and Consumer Act 2010* of the Commonwealth may also apply to retail marketers carrying out energy marketing activities.

Subdivision 1 Preliminary

60 Application of Division

This Division applies to retail marketers carrying out energy marketing activities.

Subdivision 2 Providing information to small customers

61 Overview of this Subdivision

- (1) This Subdivision requires a retail marketer to provide specific information to small customers in connection with market retail contracts.
- (2) The information is referred to in this Subdivision as required information.

62 Requirement for and timing of disclosure to small customers

A retail marketer must provide the required information to a small customer in relation to the market retail contract concerned:

- (a) before the formation of the contract; or
- (b) as soon as practicable after the formation of the contract.

63 Form of disclosure to small customers

- (1) Required information provided to a small customer before the formation of the market retail contract may be provided electronically, verbally or in writing.
- (2) Required information provided to a small customer after the formation of the market retail contract must be provided in a single written disclosure statement.
- (3) If required information was provided to a small customer electronically or verbally before the formation of the market retail contract, required information in a single written disclosure statement must also be provided to the customer after the formation of the contract.

64 Required information

- (1) The required information that a retail marketer is to provide to a small customer is information in relation to the following:
 - (a) all applicable prices, charges and benefits to the customer (to the extent both are not otherwise part of prices), early termination payments and penalties, *security deposits*, service levels, concessions or rebates, billing and payment arrangements and how any of these matters may be changed (including, where relevant, when changes to prices will be notified by the retailer to the customer);

- (b) the commencement date and duration of the contract, the availability of extensions, and the termination of the contract if the customer moves out during the term of the contract;
 - (c) if any requirement is to be or may be complied with by an electronic transaction—how the transaction is to operate and, as appropriate, an indication that the customer will be bound by the electronic transaction or will be recognised as having received the information contained in the electronic transaction;
 - (d) the rights that a customer has to withdraw from the contract during the *cooling off period*, including how to exercise those rights;
 - (e) the customer’s right to complain to the retailer in respect of any energy marketing activity of the retail marketer conducted on behalf of the retailer and, if the complaint is not satisfactorily resolved by the retailer, of the customer’s right to complain to the energy ombudsman.
- (2) The required information, when given in a written disclosure statement, must include or be accompanied by a copy of the market retail contract.

Subdivision 3 Energy marketing activities

65 No contact lists

- (1) This rule applies to energy marketing in person at a person’s premises or marketing by mail, but does not apply to *telemarketing calls* or *e-marketing activities*.
- (2) A retailer must ensure that a “no contact list” is created and maintained for its retail marketers, whether by the retailer itself or by a person or organisation on behalf of the retailer.
- (3) A “no contact list” is a list of small customers who indicate they wish to be placed on the list.
- (4) A small customer may give such an indication by applying (in person, electronically, by telephone or in writing) to the retailer or by communicating directly with a retail marketer.
- (5) A retail marketer must not make contact with a small customer whose name is on the relevant no contact list.
- (6) An entry for a particular small customer in a no contact list continues for a period of 2 years, but the period is refreshed each time the customer requests inclusion or maintenance of inclusion.
- (7) A retailer must publish a statement on its website about the existence of its no contact list and the procedures for being placed on the list.

66 No canvassing or advertising signs

In carrying out energy marketing activities a retail marketer must comply with any signs at a person’s premises indicating:

- (a) canvassing is not permitted at the premises; or
- (b) no advertising or similar material is to be left at the premises or in a letterbox or other receptacle at or associated with the premises.

67 Duty of retailer to ensure compliance

A retailer must ensure that a retail marketer who is an associate of the retailer complies with this Subdivision.

68 Record keeping

- (1) A retailer must ensure that records are kept of all energy marketing activities carried out by it or on its behalf by retail marketers, including details of energy marketing visits that have been conducted, and telephone energy marketing calls that have been placed.
- (2) The retailer must ensure that each such record is retained:
 - (a) for the period of 12 months; or
 - (b) where a small customer has within that period made a complaint or referred a dispute to the energy ombudsman in relation to energy marketing activities—for the period the complaint or dispute remains unresolved, whichever is the longer period.
- (3) A retailer must ensure that it and appropriate officers or employees of the retailer, have immediate access, or a right of immediate access, to each such record.

Division 11 Miscellaneous

69 Compliance by small customer who is not owner of premises

If a small customer is unable to fulfill an obligation in respect of:

- (a) premises (including, but not limited to, access to premises) under a customer retail contract; or
- (b) access to premises under these Rules,

because the customer is not the owner of the premises, the customer is not in breach of the contract or the Rules if the customer takes all reasonable steps to ensure that the owner or other person responsible for the premises fulfils the obligation.

70 Termination of standard retail contract (SRC)

- (1) A standard retail contract terminates:
 - (a) subject to subrule (3), in a case where the small customer:
 - (i) gives the retailer a notice (a **termination notice**) stating that the customer wishes to terminate the contract (even if the customer has vacated the premises earlier); or
 - (ii) is reclassified under the Rules as a large customer,

on a date advised by the retailer (which must be at least 5 but not more than 20 business days from the giving of a termination notice or a reclassification); or

- (b) on a date agreed between the retailer and the small customer; or
- (c) when the small customer starts receiving customer retail services for the premises under a different customer retail contract with the retailer or a different retailer; or
- (d) when a different customer starts receiving customer retail services for the premises under a customer retail contract with the retailer or a different retailer; or
- (e) at the end of the period of 10 business days commencing on the day the small customer's premises are de-energised, if there is no contractual right to re-energisation,

whichever first occurs.

- (1A) for the avoidance of doubt, where a new customer retail contract is made void by section 41(1) of *the Law* the small customer is taken never to have received customer retail services under a different customer retail contract for the purposes of subrule (1)(c).
- (2) Where a small customer gives a termination notice and notifies the retailer of a date on which the small customer intends to vacate the premises, the retailer must:
 - (a) use its best endeavours to ensure that the relevant *meters* are read at, or the relevant *metering data* is obtained for, the premises on the date and at the time agreed with the small customer (or as soon as possible after that date if the small customer has not provided access to the relevant *meters* on that date or at that time); and
 - (b) prepare and send to the small customer at the forwarding address provided by the small customer a final bill based on the relevant *meter* reading or *metering data*.
- (3) If the small customer gives a termination notice, or is reclassified under the Rules as a large customer, but does not give safe access to the premises to conduct a final *meter* reading (where relevant), the standard retail contract does not terminate under subrule (1) (a) until the date the retailer issues a final bill and the customer has paid any outstanding balance.
- (4) A retailer must not impose a termination charge (however described) under a standard retail contract in respect of the termination of the contract.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (5) Termination of a standard retail contract does not affect any rights or obligations that have already accrued under the contract.

- (6) Where there is an existing standard retail contract between a retailer and a small customer who is reclassified under the Rules as a large customer, the retailer is no longer obliged to make a standing offer to the customer.
- (7) This rule has effect subject to section 141 of *the Law*.
- (8) **Application of this rule to standard retail contracts**
This rule applies in relation to standard retail contracts.
- (9) **Application of this rule to market retail contracts**
This rule does not apply in relation to market retail contracts.

Part 3 Customer hardship

70A Definitions

In this Part:

customer hardship policy guideline means the guideline made by the AER under rule 75A.

customer hardship policy means a policy as submitted by the retailer to the AER under section 43 of *the Law*.

AER Performance Reporting Procedures and Guidelines means the procedures and guidelines made by the AER under section 286 of *the Law*.

71 Obligation of retailer to communicate customer hardship policy

- (1) A retailer must inform a hardship customer of the retailer of the existence of the retailer's customer hardship policy as soon as practicable after the customer is identified as a hardship customer.
- (2) The retailer must provide the hardship customer with a copy of the customer hardship policy on request and at no expense.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

72 Payment plans

- (1) A payment plan for a hardship customer must:
 - (a) be established having regard to:
 - (i) the customer's capacity to pay; and
 - (ii) any arrears owing by the customer; and
 - (iii) the customer's expected energy consumption needs over the following 12 month period; and
 - (b) include an offer for the customer to pay for their energy consumption in advance or in arrears by instalment payments.
- (2) A retailer who offers a payment plan under this rule for a customer must inform the customer of:
 - (a) the duration of the plan; and
 - (b) the amount of each instalment payable under the plan, the frequency of instalments and the date by which each instalment must be paid; and
 - (c) if the customer is in arrears—the number of instalments to pay the arrears; and
 - (d) if the customer is to pay in advance—the basis on which instalments are calculated.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

73 Waiver of late payment fee for hardship customer

A retailer must waive any fee payable under a customer retail contract with a small customer who is a hardship customer for late payment of a bill for customer retail services.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

74 Payment by Centrepay (SRC and MRC)

- (1) This rule applies where a hardship customer requests a retailer to permit payment by using Centrepay as a payment option (see rule 32).
- (2) If the hardship customer is applying for or on a standard retail contract, the retailer must allow the customer to use Centrepay as a payment option.
- (3) If the hardship customer is on a market retail contract and Centrepay is available as a payment option under that contract, the retailer must allow the customer to use Centrepay as a payment option.
- (4) If the hardship customer is on a market retail contract and Centrepay is not available as a payment option under that contract, the retailer must undertake a review of the market retail contract.
- (5) If, as a result of a review, an alternative customer retail contract is considered to be more appropriate, the retailer must transfer the customer to that alternative contract, where the retailer has obtained the customer's explicit informed consent.
- (6) Any alternative customer retail contract offered to a hardship customer must make Centrepay available as a payment option.
- (7) If, as a result of the review, there is no alternative customer retail contract considered to be more appropriate, the retailer must make Centrepay available as a payment option under the hardship customer's existing market retail contract.
- (8) The retailer must not charge the customer for the review, for any transfer to an alternative retail contract or any early termination charge or other penalty for the early termination of the customer's previous customer retail contract.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

75 Hardship program indicators

- (1) The AER must, in accordance with the retail consultation procedure, determine hardship program indicators, to be included in the AER Performance Reporting Procedures and Guidelines.
- (2) The hardship program indicators must cover the following:
 - (a) entry into hardship programs;
 - (b) participation in hardship programs;
 - (c) assistance available to and assistance provided to customers under customer hardship policies.
- (3) The AER may from time to time amend the hardship program indicators in accordance with the retail consultation procedure.
- (4) In this rule:

hardship program means a program outlined in a customer hardship policy (as referred to in section 44 (e) of *the Law*).

75A Customer hardship policy guideline

- (1) The AER must, in accordance with the retail consultation procedure, develop, maintain and publish a customer hardship policy guideline.
- (2) The customer hardship policy guideline must specify:
 - (a) processes, timeframes and requirements to be complied with by retailers in connection with the approval (or variation) of their customer hardship policies by the AER;
 - (b) standardised statements that retailers must include in their customer hardship policies that:
 - (i) inform their customers of how the retailer will comply with the minimum requirements as set out in section 44 of *the Law*; and
 - (ii) provide guidance to customers on their rights, and retailer obligations, with respect to Part 2, Division 6 of *the Law*.
- (3) The AER may, from time to time, amend the customer hardship policy guideline in accordance with the retail consultation procedure.

75B Customer hardship policies

- (1) A retailer's customer hardship policy (or variation) submitted to the AER must:
 - (a) comply with the customer hardship policy guideline;
 - (b) include the standardised statements referred to in rule 75A(2)(b); and
 - (c) contain clear and specific statements of the actions the retailer will take to meet the minimum requirements for a customer hardship policy in section 44 of *the Law*.

Note:

Section 44 of *the Law* sets out the minimum requirements for a customer hardship policy. Section 44(i) of *the Law* permits the Rules to expand the minimum requirements for customer hardship policies.

- (2) A retailer must:
 - (a) submit a customer hardship policy (or variation) in compliance with subrule (1):
 - (i) in accordance with section 43(2) of *the Law*; and
 - (ii) within 3 months of any amendment to the customer hardship policy guideline made by the AER under rule 75A(3); and
 - (b) implement and publish the customer hardship policy (or variation), as approved by the AER, on the retailer's website as soon as practicable after it has been approved.
- (3) The AER must approve, subject to section 45 of *the Law*, a customer hardship policy (or variation) that complies with subrule (1) within 3 months:
 - (a) of the AER receiving a customer hardship policy for approval under section 43 of *the Law*; and
 - (b) of the AER receiving a customer hardship policy for approval under subrule (2)(a)(ii).

76 Waiver of debt for hardship customer

Nothing in this Part prevents a retailer from waiving any fee, charge or amount of arrears for the provision of customer retail services to a hardship customer in accordance with the retailer's customer hardship policy.

Part 4 Relationship between distributors and customers

Division 1 Preliminary

77 Application of this Part

This Part applies only in relation to:

- (a) customers with an existing connection; and
- (b) deemed standard connection contracts; and
- (c) deemed AER approved standard connection contracts.

78 Variation or exclusion of provisions of this Part by deemed AER approved standard connection contracts

A deemed AER approved standard connection contract may vary or exclude any or all of the other provisions of this Part, whether by express statement or by implication.

Division 2 Customer connection services

79 Application for customer connection services

(1) **Application of this rule**

This rule applies where a customer is seeking the provision of customer connection services in respect of an existing connection at the customer's premises.

(2) **Who may apply**

An application for the provision of customer connection services is to be made to a distributor by a retailer on behalf of the customer (but only if the retailer has a relevant contract with the customer in relation to the premises).

(3) **Responsibilities of retailer**

The retailer must make the application promptly on behalf of the customer.

(4) **Responsibilities of distributor**

The distributor must, as soon as practicable after the retailer notifies the distributor of the formation of the relevant contract under subrule (2), provide customer connection services in respect of the customer's premises.

(5) **Services to be provided in accordance with energy laws**

The customer connection services are to be provided subject to and in accordance with any relevant requirements of the energy laws.

(6) **Definition**

In this rule:

relevant contract means:

- (a) in the case of a small customer—a customer retail contract; or
- (b) in the case of a large customer—a contract for the sale of energy to the customer.

80 Provision of information to customers

- (1) A distributor must publish the following information on its website:
 - (a) a description of the distributor’s customer connection contracts and how copies of the contracts may be obtained;
 - (b) details of applicable distributor service standards and any associated GSL schemes;
 - (c) details of applicable energisation and re-energisation timeframes;
 - (d) notice of a customer’s rights in respect of the negotiation of different terms;
 - (e) details of charges for customer connection services;
 - (f) information relating to new connections or connection alterations;
 - (g) a description of the distributor’s and customer’s respective rights and obligations concerning the provision of customer connection services under the energy laws;
 - (h) a summary of the rights, entitlements and obligations of small customers, including:
 - (i) the distributor’s standard complaints and dispute resolution procedure; and
 - (ii) the contact details for the energy ombudsman.
- (2) If a customer requests information of the kind referred to in subrule (1), the distributor must either:
 - (a) refer the customer to the distributor’s website; or
 - (b) provide the information to the customer.
- (3) However, the distributor must provide a copy of any information of that kind to the customer if the customer requests a copy.
- (4) The information or a copy of the information requested under this rule must be provided without charge, but information requested more than once in any 12 month period may be provided subject to a reasonable charge.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

Division 3 Deemed standard connection contracts

81 Model terms and conditions for deemed standard connection contracts

- (1) Model terms and conditions for a deemed standard connection contract are set out in Schedule 2.
- (2) A statement in Schedule 2 that is underlined and in square brackets indicates that a required alteration must be made by omitting the statement and substituting the matter referred to in the statement.
- (3) Termination of a deemed standard connection contract does not affect any rights or obligations that have already accrued under the contract.

Division 4 Negotiated connection contracts

82 Small customer complaints and dispute resolution information

- (1) A distributor must include, in a negotiated connection contract with a small customer, provisions to the effect of the following:
 - (a) the small customer may, if they have a query, complaint or dispute, contact the distributor;
 - (b) the distributor is obliged to handle a complaint made by a small customer in accordance with the distributor's standard complaints and dispute resolution procedures, which can be found on the distributor's website or provided to the customer on request;
 - (c) the distributor must inform the small customer of the outcome of the customer's complaint;
 - (d) if the small customer is not satisfied with the distributor's response to the customer's complaint, the customer has a right to refer the complaint or dispute to the energy ombudsman.
- (2) The provisions required to be included in the negotiated connection contract must provide the distributor's contact details for the small customer to contact the distributor in connection with a query, complaint or dispute.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

83 Liabilities and immunities

A distributor must not include any term or condition in a negotiated connection contract with a small customer that limits the liability of the distributor for breach of the contract or negligence by the distributor.

Note 1:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

Division 5 Distributor obligations to customers

84 Distributor service standards and GSL schemes

- (1) A distributor must comply with any applicable distributor service standards, including under a GSL scheme.
- (2) The distributor and the retailer must each use their best endeavours to provide each other at no cost and in a timely manner, information or documentation that the other reasonably requires to carry out their obligations to allow a GSL payment to be made to the customer.

- (3) In this rule:

GSL payment means a payment that a distributor is required to make under a GSL scheme.

85 Fault reporting and correction

A distributor must maintain a 24 hour fault information and reporting telephone number (the charge for which is no more than the cost of a local call).

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

86A Provision of information - supply of electricity

- (1) In the case of supply of electricity, a distributor must, on request by a customer, *customer authorised representative* or a customer's retailer, provide information about the;
 - (a) customer's energy consumption for the previous 2 years in the manner and form required by the *metering data provision procedures*; or
 - (b) distributor's charges.
- (2) Subject to paragraph (3), information referred to in paragraph (1) must be provided without charge.
- (3) Information under paragraph (1) may be provided subject to a reasonable charge where it has been requested:
 - (a) directly by a customer more than 4 times in any 12 month period;
 - (b) in a different manner or form than that specified in the *metering data provision procedures*; or
 - (c) by a *customer authorised representative* as part of a request for information about more than one customer.

86B Provision of information - supply of gas

- (1) In the case of supply of gas, a distributor must, on request by a customer or a customer's retailer, provide information about the customer's energy consumption

or the distributor's charges, but information requested more than once in any 12 month period may be provided subject to a reasonable charge.

87 Referral to interpreter services

A distributor must refer a residential customer to a relevant interpreter service if a referral is necessary or appropriate to meet the reasonable needs of the customer.

Division 6 Distributor interruption to supply

88 Definitions

In this Division:

distributor planned interruption means an *interruption* of the supply of energy for:

- (a) the planned maintenance, repair or augmentation of the transmission system; or
- (b) the planned maintenance, repair or augmentation of the distribution system, including planned or routine maintenance of *metering* equipment (excluding a *retailer planned interruption*); or
- (c) the installation of a new connection or a connection alteration;

embedded network planned interruption means an *interruption of the supply of energy on an embedded network due to:*

- (a) a retailer planned interruption or a distributor planned interruption at a parent connection point at or through which the embedded network is connected; or
- (b) a distributor planned interruption on a distribution network (including an embedded network) to which the embedded network is connected, either directly at its parent connection point or indirectly through another embedded network.

transmission system:

- (a) for electricity—means a transmission system within the meaning of the NEL; or
- (b) for gas—means a transmission pipeline within the meaning of the NGL;

unplanned interruption means an *interruption* of the supply of energy to carry out unanticipated or unplanned maintenance or repairs in any case where there is an actual or apprehended threat to the safety, reliability or security of the supply of energy, and includes:

- (a) an *interruption* in circumstances where, in the opinion of the distributor, a customer's installation or the distribution system poses an immediate threat of injury or material damage to any person, any property or the distribution system; or
- (b) an *interruption* in circumstances where:
 - (i) there are health or safety reasons warranting an *interruption*; or

- (ii) there is an emergency warranting an *interruption*; or
- (iii) the distributor is required to *interrupt* the supply at the direction of a *relevant authority*; or
- (c) an *interruption* to shed demand for energy because the total demand for energy at the relevant time exceeds the total supply available; or
- (d) an *interruption* to restore supply to a customer.

89 Distributor's right to interrupt supply

A distributor may, subject to and in accordance with any requirements of the energy laws, *interrupt* the supply of energy at any time, including for a *distributor planned interruption* or an *unplanned interruption*.

90 Distributor planned interruptions

(1) Planned interruption arrangements

A distributor may arrange a *distributor planned interruption* by:

- (a) giving ~~the~~ its affected customer the notice under subrule (1B); or
- (b) other than in the circumstances described in paragraph (c), obtaining ~~the~~ its affected customer's explicit consent to the *interruption* occurring:
 - (i) on any date within a date range of 5 business days; or
 - (ii) on a specified date,in which case subrule (1A) applies; or
- (c) where a person residing at the premises of its affected customer requires *life support equipment*, obtaining the affected customer's explicit consent to the *interruption* occurring on a specified date, in which case subrule (1A) applies.

(1A) Record of consent

If the distributor obtains the consent of ~~the~~ its affected customer pursuant to subrule (1)(b) or (c):

- (a) the distributor must retain the record of consent for a period of at least 2 years in a format and including such information to enable the distributor to answer enquiries from the customer relating to the consent; and
- (b) subrules (1B) and (2) regarding planned *interruption* notices will not apply.

(1B) Notice to be given

If the distributor has not obtained ~~an~~ its affected customer's consent to the *distributor planned interruption* occurring within a date range or on a specified date in accordance with subrule (1) (as applicable), the distributor must notify each of its affected customers by any appropriate means of the *interruption* at least 4 business days before the date of the *interruption*.

(2) Contents of notification

The notification must:

- (a) specify the expected date, time and duration of the *interruption*; and
- (b) include a 24 hour telephone number for enquiries (the charge for which is no more than the cost of a local call); and
- (c) include a statement that any enquiries regarding *distributor planned interruptions* are to be directed to the distributor.

(3) **Restoration of supply**

In the case of a *distributor planned interruption*, the distributor must use its best endeavours to restore ~~the~~its customer's supply as soon as possible.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

90A Embedded network planned interruptions

- (1) An embedded network service provider must, by any appropriate means, notify each affected customer on its embedded network of an *embedded network planned interruption* as soon as practicable after receipt of a notice of the interruption under rule 99B and in any event within 1 business day.

Note:

The AEMC proposes to recommend that this subrule be classified as a civil penalty provision for the purposes of *the Law*.

- (2) The notification must:

- (a) specify the expected date, time and duration of the *embedded network planned interruption*; and
- (b) include a statement that any enquiries regarding the *embedded network planned interruption* are to be directed to the retailer or distributor responsible for the *embedded network planned interruption*.

Note:

The AEMC proposes to recommend that this subrule be classified as a civil penalty provision for the purposes of *the Law*.

91 Unplanned interruptions

In the case of an *unplanned interruption*, a distributor must:

- (a) within 30 minutes of being advised of the *interruption*, or otherwise as soon as practicable, make available, by way of a 24 hour telephone service (the charge for which is no more than the cost of a local call), information on the nature of the *interruption* and an estimate of the time when supply will be restored or when reliable information on restoration of supply will be available; and
- (b) if the telephone service is automated—provide options for customers who call the service to be directly connected to a telephone operator if required; and
- (c) use its best endeavours to restore supply to its affected customers as soon as possible.

Note:

Subrule (c) is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

91A Metering coordinator and distributor to assist and cooperate - electricity

Where:

- (a) the installation, maintenance, repair or replacement of *metering* equipment is to be undertaken by the *metering coordinator*; and
- (b) such installation, maintenance, repair or replacement requires an *interruption* of supply to the customer's premises; and
- (c) a *retailer planned interruption* cannot be undertaken in order to effect the *interruption*,

then:

- (d) the distributor must effect the *interruption* and provide such assistance as the *metering coordinator* may reasonably require to enable the *metering coordinator* to carry out the installation, maintenance, repair or replacement of *metering* equipment; and
- (e) the *metering coordinator* must provide such information and assistance as the distributor may reasonably require to enable the distributor to carry out its obligations under rules 90 and 91; and
- (f) the distributor and the *metering coordinator* must give all other reasonable assistance to each other, and cooperate with each other, in relation to the *interruption* and their respective obligations under these Rules.

Division 7 Miscellaneous

92 Compliance by small customer who is not owner of premises

If a small customer is unable to fulfill an obligation in respect of:

- (a) premises (including, but not limited to, access to premises) under a customer connection contract; or
- (b) access to premises under these Rules,

because the customer is not the owner of the premises, the customer is not in breach of the contract or Rules if the customer takes all reasonable steps to ensure that the owner or other person responsible for the premises fulfils the obligation.

Part 5 Relationship between distributors and retailers—retail support obligations

Division 1 Preliminary

93 Application of this Part

- (1) This Part applies to a distributor and a retailer where they have a shared customer.
(1A) This Part also applies to an exempt embedded network service provider and a retailer where they have a shared customer, where the exempt embedded network service provider is required to comply with this Part 5 as a condition of its network exemption.
- (2) Where a distributor and a retailer have a shared customer, they are respectively referred to in this Part as “the distributor” and “the retailer”.
- (3) A reference in this Part to a distributor includes a reference to an exempt embedded network service provider who is required to comply with this Part 5 as a condition of its network exemption.

Division 2 Assistance and cooperation

94 Assistance and cooperation

- (1) The distributor and the retailer must give all reasonable assistance to each other, and cooperate with each other, in relation to the performance of their respective obligations and the enforcement of their respective rights in respect of the sale and supply of energy to shared customers under *the Law*, the Regulations, these Rules and the Retail Market Procedures.
- (2) In particular, the distributor and the retailer must each use their best endeavours to provide or make available to the other at no cost and in a timely manner information or documentation that the other reasonably requires to carry out its obligations under *the Law*, the Regulations, these Rules and the Retail Market Procedures.
- (3) The distributor and the retailer must each, on becoming aware of any material change in any of the information provided or made available in accordance with this Part, notify the other as soon as reasonably practicable of the change.
- (4) The distributor and the retailer must each take all reasonable steps to ensure that all information that it provides or makes available to the other (irrespective of whether the information is generated by a third person) under this Part is accurate and complete.

Division 3 Information requirements

95 Information about applicable tariffs, connection related information and other information

- (1) This rule applies where, under a customer retail contract or customer connection contract, the retailer or the distributor is required to provide information to the other in relation to the shared customer that is held by that party (including information about applicable tariffs and connection related information).
- (2) Each party must use its best endeavours to provide the information, from time to time as occasion requires, to the other party in an up to date form, at no cost and in a timely manner to allow the other party to carry out its obligations to the customer under the relevant customer contract.

96 Requirements for information

The distributor and the retailer must:

- (a) notify each other of the information referred to in and as required by this Division, except so far as they have already provided the information under the Retail Market Procedures; and
- (b) ensure that the details are at all times current.

97 Distributor and retailer contact details

- (1) The distributor must provide the distributor's contact details to the retailer.
- (2) The retailer must provide to the distributor:
 - (a) the retailer's contact details; and
 - (b) the name and contact details of the retailer's *NEM Representative* (if applicable); and
 - (c) the name and contact details of the *metering coordinator* appointed by the retailer or the large customer in respect of each shared customer (if applicable).

98 Contact details for customers

- (1) The distributor must provide to the retailer a contact telephone number for:
 - (a) customer inquiries, including inquiries to obtain information about *unplanned interruptions*; and
 - (b) fault reporting by customers; and
 - (c) emergency reporting by customers.
- (2) The retailer must provide to the distributor the retailer's contact telephone number for customer inquiries.

99 Information on distributor planned interruptions

- (1) The distributor:
 - (a) must notify the retailer of *distributor planned interruptions* and specify the expected date, time and duration of the *distributor planned interruption*;
 - (b) must provide the notification under paragraph (a) within (as applicable):
 - (i) on the same day the customer provides consent to the distributor under subrule 90(1); or
 - (ii) within the same time period as the distributor is required to notify the customer under subrule 90(1B).
- (2) The information under subrule (1) must also include information regarding the area in which the *distributor planned interruption* is to occur.
- (3) At the request of the retailer, and if the information is readily available, the information must include information regarding specific premises affected.
- (4) If a customer contacts the retailer about a *distributor planned interruption* requested or proposed by the distributor, the retailer must:
 - (a) refer the customer to the distributor; or
 - (b) if the customer does not wish to contact the distributor, give the customer the information provided by the distributor under this rule.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

99A Information on retailer planned interruptions – electricity

- (1) The retailer:
 - (a) must notify the distributor of *retailer planned interruptions* and specify the expected date, time and duration of the *retailer planned interruption*; and
 - (b) must provide the notification under paragraph (a) (as applicable):
 - (i) on the same day the customer provides consent to the retailer under subrule 59C(1); or
 - (ii) within the same time period as the retailer is required to notify the customer under subrule 59C(2).
- (2) The information to be given by the retailer to the distributor under subrule (1) must also include the NMI and the address of the specific premises affected by the *retailer planned interruption*.
- (3) If a customer contacts the distributor about a *retailer planned interruption* requested or proposed by the retailer, the distributor must:
 - (a) refer the customer to the retailer; or
 - (b) if the customer does not wish to contact the retailer, give the customer the information provided by the retailer under this rule.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

99B Planned interruptions within embedded networks

(1) Where a distributor planned interruption will interrupt the supply of electricity at a parent connection point, the distributor must also give notice of the interruption in accordance with rule 99 to:

- (a) the distributor for each embedded network connected at or through the parent connection point; and
- (b) each retailer who is the financially responsible retailer for a connection point on each such embedded network.

Note:

The AEMC proposes that this subrule be classified as a civil penalty provision for the purposes of the Law.

Note:

Under the Law, the financially responsible retailer includes the off-market retailer at an off-market connection point in an embedded network.

(2) Where a retailer planned interruption will interrupt the supply of electricity at a parent connection point, the retailer must also give notice of the interruption in accordance with rule 99A to:

- (a) the distributor for each embedded network connected at or through the parent connection point; and
- (b) each retailer who is the financially responsible retailer for a connection point on each such embedded network

Note:

The AEMC proposes that this subrule be classified as a civil penalty provision for the purposes of the Law.

Note:

Under the Law, the financially responsible retailer includes the off-market retailer at an off-market connection point in an embedded network.

100 Information on unplanned interruptions

- (1) The distributor:
 - (a) must make available to the retailer all information regarding *unplanned interruptions* due to faults or emergencies that the distributor is required to make available to a customer under rule 91; and
 - (b) must do so within the same time period as the information is required to be made available by the distributor to the customer.
- (2) The information made available by the distributor under subrule (1) is not required to distinguish between faults or emergencies affecting customers of the retailer and faults or emergencies affecting customers of other retailers.

- (3) If a customer contacts a retailer by telephone about a fault or emergency, the retailer must refer the customer to the distributor's fault enquiries or emergency telephone number.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) If a customer contacts a distributor by telephone about a fault or emergency in relation to another distributor's distribution network, the distributor must refer the customer to the relevant distributor's fault enquiries or emergency telephone number.

Note:

The AEMC propose to recommend that this subrule be classified as a civil penalty provision for the purposes of *the Law*.

Division 4 Shared customer enquiries and complaints

101 Enquiries or complaints relating to the retailer

- (1) If a shared customer makes an enquiry or complaint to the distributor about an issue relating to the sale of energy, including an enquiry or complaint about the customer's electricity *meter* which relates to any of the matters for which *metering coordinators* are responsible under Chapter 7 of the NER, the distributor must:
 - (a) if the enquiry or complaint is made by telephone—refer the customer to the retailer's enquiry or complaint telephone number where practicable; or
 - (b) otherwise, as soon as practicable, but no later than the next business day after receiving the enquiry or complaint, provide the retailer with the details of the enquiry or the complaint, including contact details of both the customer making the enquiry or complaint and the person who received the enquiry or complaint.
- (2) The retailer must respond to an enquiry expeditiously.
- (3) The retailer must resolve a complaint expeditiously and in accordance with its standard complaints and dispute resolution procedures.
- (4) The distributor must provide to the retailer on request copies of any documents or written records (including in electronic format) relating to an enquiry or complaint and provide any other assistance reasonably requested by the retailer for the purpose of responding to an enquiry or resolving a complaint.

102 Enquiries or complaints relating to the distributor

- (1) If a person makes an enquiry or complaint to a retailer about an issue relating to a distribution system or customer connection services (other than a fault, an emergency, a *distributor planned interruption* or an *unplanned interruption*), the retailer must:

- (a) if the enquiry or complaint is made by telephone—refer the person to the relevant distributor’s enquiry or complaints telephone number where practicable; or
 - (b) otherwise, as soon as practicable, but no later than the next business day after receiving the enquiry or complaint, provide the relevant distributor with the details of the enquiry or the complaint, including contact details of both the person making the enquiry or complaint and the person who received the enquiry or complaint.
- (2) If a retailer requests a distributor to provide information about a shared customer’s energy consumption, the distributor must use its best endeavours to provide the information to the retailer at no cost and in a timely manner to allow the retailer to carry out its obligations to provide information to its customer.
 - (3) The distributor must respond to an enquiry expeditiously.
 - (4) The distributor must resolve a complaint expeditiously and in accordance with its standard complaints and dispute resolution procedures.
 - (5) The retailer must provide to the distributor on request copies of any documents or written records (including in electronic format) relating to an enquiry or complaint and provide any other assistance reasonably requested by the distributor for the purpose of responding to an enquiry or resolving a complaint.

102A Enquiries or complaints relating to an embedded network

- (1) If a person makes an enquiry or complaint to a distributor about an issue relating to another distributor’s distribution network (other than a fault, an emergency, a distributor planned interruption or an unplanned interruption), the distributor must:
 - (a) if the enquiry or complaint is made by telephone—refer the person to the relevant distributor’s enquiry or complaints telephone number where practicable; or
 - (b) otherwise, as soon as practicable, but no later than the next business day after receiving the enquiry or complaint, provide the relevant distributor with the details of the enquiry or the complaint, including contact details of both the person making the enquiry or complaint and the person who received the enquiry or complaint.

Division 5 De-energisation and re-energisation of shared customer’s premises

103 De-energisation of premises by the distributor

- (1) If the distributor is entitled under the energy laws to refuse a retailer’s request to de-energise a customer’s premises, the distributor must promptly notify the retailer of its reasons for doing so.

- (2) If the distributor is entitled under the energy laws to de-energise a customer's premises at the customer's request, the distributor must notify the retailer of the request as soon as practicable.

104 Notification of de-energisation

- (1) If the distributor de-energises a customer's premises in accordance with the energy laws, the distributor must as soon as practicable after the de-energisation notify the retailer of the de-energisation (including whether the premises were de-energised manually or remotely) and the reason for the de-energisation, except where the de-energisation is as a result of the retailer's request.
- (2) If the retailer has arranged to de-energise a customer's premises remotely in accordance with the energy laws, the retailer must as soon as practicable after the de-energisation notify the distributor of the remote de-energisation and the reason for the de-energisation, except where the de-energisation is as a result of the distributor's request.

105 Liability for ongoing charges

- (1) If a distributor is required to de-energise a customer's premises within the timeframes for de-energisation in accordance with a distributor service standard, and the distributor fails to do so, the distributor must (unless the failure is due to an act or omission of the customer or retailer):
 - (a) waive any network charges applicable to the premises after the timeframes expire; and
 - (b) pay charges for energy consumed at the premises after the timeframes expire, if the retailer has used all reasonable endeavours to recover the charges from the customer and has been unable to do so.
- (2) If the retailer subsequently recovers from the customer all or any part of any amount that the distributor has waived or paid, the retailer must pay that recovered amount to the distributor.

106 Re-energisation - gas

If, in accordance with the energy laws, the retailer is required to arrange for the re-energisation of a customer's gas supply, the retailer and the distributor must deal with the requirement in accordance with those energy laws.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

106A Re-energisation - electricity

- (1) If, in accordance with the energy laws, the retailer is required to arrange for the re-energisation of a customer's electricity supply, the retailer must deal with the requirement in accordance with those energy laws.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) If the retailer arranges for a person other than the distributor to re-energise a customer's electricity supply, the retailer must as soon as practicable after the re-energisation notify the distributor that the premises have been re-energised.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) A retailer must not arrange re-energisation of a customer's electricity supply by a person other than the distributor if the premises were de-energised by the distributor.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) If, in accordance with energy laws, the distributor is required to re-energise a customer's electricity supply, the distributor must deal with the requirement in accordance with those energy laws.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (5) If the distributor has re-energised a customer's electricity supply, the distributor must notify the retailer that the premises have been re-energised as soon as practicable after the re-energisation.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (6) A distributor must not re-energise a customer's electricity supply if a de-energisation of the premises was arranged by a retailer, unless a retailer requests the distributor to re-energise the premises.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

Part 6 De-energisation (or disconnection) of premises—small customers

Division 1 Preliminary

107 Application of this Part

- (1) This Part (except for rules ~~116 (1A)~~, 119 and 120 (1) (a), ~~(2A)~~, (2), (2A) and (3)) applies to small customers only, and references to a customer are to be construed accordingly.
- (2) A retailer must not arrange de-energisation of a customer's premises except in accordance with Division 2.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) A distributor must not de-energise a customer's premises except in accordance with Division 3.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) This Part does not apply to *interruptions* under Division 6 of Part 4 or under Division 9A of Part 2.
- (5) A reference in this Part to the de-energisation or re-energisation of a customer's premises includes arranging for the premises to be de-energised or re-energised remotely.

108 Definitions

In this Part:

disconnection warning period means the period that starts on the date of issue of a *disconnection warning notice* under rule 110, which must be no earlier than the next business day after the end of the *reminder notice* period, and ends no earlier than 6 business days from the date of issue of the *disconnection warning notice*;

extreme weather event means an event declared by a local instrument as an extreme weather event in the jurisdiction in which the customer's premises are located;

protected period means:

- (a) a business day before 8am or after 3pm; or
- (b) a Friday or the day before a public holiday; or
- (c) a weekend or a public holiday; or
- (d) the days between 20 December and 31 December (both inclusive) in any year;

public holiday, in relation to a customer, means a day that is observed as a local public holiday in the area in which the customer's premises are located (including the whole of the State or Territory in which the area is located);

reminder notice period means the period that starts on the date of issue of a *reminder notice* under rule 109, which must be no earlier than the next business day after the *pay-by date*, and ends no earlier than 6 business days from the date of issue of the *reminder notice*.

109 Reminder notices—retailers

(1) Nature of reminder notices

A *reminder notice* is a notice issued by a retailer after the *pay-by date* for a bill to remind the customer that payment is required.

(2) Particulars to be included in reminder notices

A *reminder notice* must:

- (a) state the date of its issue; and
- (b) state the date on which the *reminder notice* period ends; and
- (c) state that payment of the bill must be made during the *reminder notice* period; and
- (d) include details of the retailer's telephone number for complaints and disputes.

110 Disconnection warning notices—retailers and distributors

(1) Nature of disconnection warning notices

A *disconnection warning notice* is a notice issued by a retailer or a distributor as applicable to warn a customer that the customer's premises will or may be de-energised.

(2) Particulars to be included in disconnection warning notices

A *disconnection warning notice* must:

- (a) state the date of its issue; and
- (b) state the matter giving rise to the potential de-energisation of the customer's premises; and
- (c) where the notice has been issued for not paying a bill:
 - (i) state the date on which the disconnection warning period ends; and
 - (ii) state that payment of the bill must be made during the disconnection warning period; and
- (d) for matters other than not paying a bill—allow a period of not fewer than 5 business days after the date of issue for the customer to rectify the matter before de-energisation will or may occur; and
- (e) inform the customer of applicable re-energisation procedures and (if applicable) that a charge will be imposed for re-energisation; and

- (f) include details of the existence and operation of the energy ombudsman, including contact details;
- (g) include details of the telephone number of the retailer and the distributor (as applicable).

Division 2 Retailer-initiated de-energisation of premises

111 De-energisation for not paying bill

- (1) A retailer may arrange de-energisation of a customer's premises if:
 - (a) the customer:
 - (i) has not paid a bill by the *pay-by date*; or
 - (ii) is on a payment plan with the retailer and has not adhered to the terms of the plan; and
 - (b) if the customer is a residential customer, the customer:
 - (i) has not paid a bill by the *pay-by date*; and
 - (ii) has not agreed to an offer to pay the bill by instalments or, having agreed to the offer, has failed to adhere to an instalment arrangement; and
 - (c) the retailer has given the customer a *reminder notice*; and
 - (d) the retailer has given the customer a *disconnection warning notice* after the expiry of the period referred to in the *reminder notice*; and
 - (e) the retailer has, after giving the *disconnection warning notice*, used its best endeavours to contact the customer, in connection with the failure to pay, or to agree to the offer or to adhere to the payment plan or instalment arrangement as referred to in paragraphs (a) (ii) and (b) (ii), in one of the following ways:
 - (i) in person;
 - (ii) by telephone (in which case contact is, if the telephone is unanswered, taken to have occurred only if the customer acknowledges receipt of a message);
 - (iii) by facsimile or other electronic means (in which case contact is taken to have occurred only if the customer acknowledges receipt of the message); and
 - (f) the customer has refused or failed to take any reasonable action towards settling the debt.
- (2) Where a customer is a hardship customer or a residential customer who has informed the retailer in writing or by telephone that the customer is experiencing payment difficulties, a retailer must not arrange for de-energisation of the customer's premises under subrule (1), unless the retailer has offered the customer 2 payment plans in the previous 12 months and:
 - (a) the customer has agreed to neither of them; or

- (b) the customer has agreed to one but not the other of them but the plan to which the customer agreed has been cancelled due to non-payment by the customer; or
 - (c) the customer has agreed to both of them but the plans have been cancelled due to non-payment by the customer.
- (3) A retailer may arrange de-energisation of a customer's premises if:
 - (a) the customer has, while on a shortened collection cycle, not paid a bill by the *pay-by date*; and
 - (b) the retailer has given the customer a *disconnection warning notice* after the *pay-by date*; and
 - (c) the retailer has, after giving the *disconnection warning notice*, used its best endeavours to contact the customer, in connection with the failure to pay, or to agree to the offer or to adhere to the payment plan or instalment arrangement as referred to in subrule (1) (a) (ii) and (b) (ii), in one of the following ways:
 - (i) in person;
 - (ii) by telephone (in which case contact is, if the telephone is unanswered, taken to have occurred only if the customer acknowledges receipt of a message);
 - (iii) by facsimile or other electronic means (in which case contact is taken to have occurred only if the customer acknowledges receipt of the message); and
 - (d) the customer has refused or failed to take any reasonable action towards settling the debt.

(4) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(5) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts.

112 De-energisation for not paying security deposit

- (1) A retailer may arrange for the de-energisation of a customer's premises if the customer has failed to pay a *security deposit* and if:
 - (a) the retailer has given the customer a notice of its intention to do so; and
 - (b) the retailer has given the customer a *disconnection warning notice* after the expiry of the period referred to in the notice of its intention (being not less than 5 business days after the notice of its intention was given).

(2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(3) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts (other than prepayment *meter* market retail contracts), but only to the extent (if any) a contract provides for payment of a *security deposit*.

113 De-energisation for denying access to meter

(1) A retailer may arrange for de-energisation of a customer's premises if the customer has failed to allow, for 3 consecutive scheduled *meter* readings, access to the customer's premises to read a *meter* and if:

- (a) the retailer has given the customer an opportunity to offer reasonable alternative arrangements for access that are acceptable to the *responsible person* or *metering coordinator* (as applicable); and
- (b) the retailer has, on each of the occasions access was denied, arranged for the customer to be given a notice requesting access to the *meter* at the premises and advising of the retailer's ability to arrange for de-energisation; and
- (c) the retailer has used its best endeavours to contact the customer:
 - (i) in person; or
 - (ii) by telephone (in which case contact is, if the telephone is unanswered, taken to have occurred only if the customer acknowledges receipt of a message); or
 - (iii) by facsimile or other electronic means (in which case contact is taken to have occurred only if the customer acknowledges receipt of the message); and
- (d) the retailer has given the customer a notice of its intention to arrange for de-energisation; and
- (e) the retailer has given the customer a *disconnection warning notice* after the expiry of the period referred to in the notice of its intention; and
- (f) the customer has not rectified the matter that gave rise to the right to arrange for de-energisation.

(2) A retailer may arrange for de-energisation of a customer's premises if the customer does not provide the retailer or its representatives safe access to the customer's premises in accordance with any requirement under the energy laws or otherwise for the purposes of:

- (a) testing, maintaining, inspecting or altering any *metering* installation at the premises;
- (b) checking the accuracy of *metered* consumption at the premises; or
- (c) replacing *meters*,

and if:

- (d) the retailer has given the customer a *disconnection warning notice*; and
- (e) the customer has not rectified the matter that gave rise to the right to arrange for de-energisation of the premises.

(3) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(4) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts.

114 De-energisation for illegally using energy

(1) A retailer may make immediate arrangements for de-energisation of a customer's premises if there has been:

- (a) fraudulent acquisition of energy at those premises; or
- (b) intentional consumption of energy at those premises otherwise than in accordance with the energy laws.

(2) No *disconnection warning notice* or other notice is required for de-energisation under this rule.

(3) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(4) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts.

115 De-energisation for non-notification by move-in or carry-over customers

(1) The financially responsible retailer for a move-in customer's or carry-over customer's premises may arrange for the de-energisation of the premises if the customer refuses or fails to comply with the requirements of section 54 (6) of *the Law*.

(2) A financially responsible retailer must not arrange for de-energisation under this rule unless:

- (a) the retailer has given the customer a notice of its intention to do so; and
- (b) the retailer has given the customer a *disconnection warning notice* after the expiry of the period referred to in the notice of its intention, not being less than 5 business days after the notice of its intention was given.

(3) The financially responsible retailer may commence de-energisation procedures even if the retailer is unable to ascertain the name or other particulars of the person consuming energy at the premises.

116 When retailer must not arrange de-energisation

(1) **Restrictions on de-energisation**

Despite any other provisions of this Division but subject to subrules (2), (3) and (4), a retailer must not arrange for the de-energisation of a customer's premises to occur:

- (a) where the premises are registered under Part 7 as having *life support equipment*; or
- (b) where the customer has made a complaint, directly related to the reason for the proposed de-energisation, to the retailer under the retailer's standard complaints and dispute resolution procedures, and the complaint remains unresolved; or
- (c) where the customer has made a complaint, directly related to the reason for the proposed de-energisation, to the energy ombudsman, and the complaint remains unresolved; or
- (c1) where the customer has contacted the retailer under section 41(2)(a) of *the Law* and the issue raised by the customer remains unresolved; or
- (d) where the customer is a hardship customer or residential customer and is adhering to a payment plan under rule 33 or 72; or
- (e) where the customer informs the retailer, or the retailer is otherwise aware, that the customer has formally applied for assistance to an organisation responsible for a rebate, concession or relief available under any government funded energy charge rebate, concession or relief scheme and a decision on the application has not been made; or
- (f) on the ground that the customer has failed to pay an amount on a bill that relates to goods and services other than for the sale of energy; or
- (g) for non-payment of a bill where the amount outstanding is less than an amount approved by the AER and the customer has agreed with the retailer to repay that amount; or
- (h) where the customer's premises are to be de-energised under rule 111—during an extreme weather event; or
- (i) during a protected period.

(1A) Restriction on de-energisation of a parent connection point

Despite any other provisions of this Division, a retailer must not arrange for the de-energisation of a parent connection point.

(2) Restrictions not applying for non-access to meter

The restrictions in subrule (1) (d), (e) and (f) do not apply if the reason for de-energisation was failure to provide access to a *meter*.

(3) Non-application of restrictions where de-energisation requested by customer

The restrictions in subrule (1) do not apply if the customer has requested de-energisation.

(4) Non-application of restrictions where illegal use of energy

Apart from the restriction in subrule (1) (a) relating to *life support equipment*, the restrictions in subrule (1) do not apply in relation to de-energisation of a customer's premises for:

- (a) the fraudulent acquisition of energy at those premises; or

- (b) the intentional consumption of energy at those premises otherwise than in accordance with the energy laws.

(5) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(6) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts.

117 Timing of de-energisation where dual fuel market contract

(1) **Application of this rule**

This rule applies where a retailer and a customer have entered into a *dual fuel market contract* for the customer's premises and the retailer has the right to arrange for de-energisation of the customer's gas supply and the customer's electricity supply under this Division.

(2) **De-energisation of gas supply**

Despite any other provision of this Division, the retailer may exercise the right to arrange for de-energisation of the customer's gas supply in accordance with timing determined under the *dual fuel market contract*.

(3) **De-energisation of electricity supply**

The retailer may exercise the right to arrange for de-energisation of the customer's electricity supply in accordance with timing determined under the *dual fuel market contract* but no earlier than 15 business days after the date of the de-energisation of the customer's gas supply under subrule (2).

(4) **Restrictions on de-energisation not affected**

Nothing in this rule affects the operation of rule 116.

118 Request for de-energisation

- (1) If a customer requests the retailer to arrange for de-energisation of the customer's premises, the retailer must use its best endeavours to arrange for:

- (a) de-energisation in accordance with the customer's request; and
- (b) a *meter* reading; and
- (c) if applicable, the preparation and issue of a final bill for the premises.

(2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

(3) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts.

Division 3 Distributor de-energisation of premises

119 Grounds for de-energisation

(1) Grounds

A distributor may de-energise a customer's premises if:

- (a) the customer's retailer informs the distributor that it has a right to arrange for de-energisation under its contract with the customer and requests the distributor to de-energise the premises; or
- (b) the customer is in breach of subrule (2); or
- (c) the customer fails to pay charges payable by the customer to the distributor under a customer connection contract; or
- (d) the customer has provided false information to the distributor or the customer's retailer, in circumstances where the customer would not have been entitled to have the premises energised if the false information had not been provided; or
- (e) the customer does not provide and maintain space, equipment, facilities or anything else the customer must provide for the customer connection services in accordance with the customer connection contract or any requirement under the energy laws; or
- (f) the customer does not provide the distributor or its representatives safe access in accordance with the customer connection contract or any requirement under the energy laws; or
- (g) there are health and safety reasons warranting de-energisation; or
- (h) there is an emergency warranting de-energisation; or
- (i) the distributor is required to do so at the direction of a *relevant authority*; or
- (j) the distributor is otherwise entitled under the energy laws to de-energise the premises.

(2) Grounds involving illegal use or interference

A customer is in breach of this subrule if the customer does any of the following or does not take reasonable steps to ensure others do not do any of the following:

- (a) fraudulently acquires or allows the fraudulent acquisition of energy at or in connection with the premises in contravention of jurisdictional energy legislation;
- (b) uses or allows the use of energy supplied to the premises or any energy equipment at the premises in a manner that:
 - (i) unreasonably interferes with the connection or supply of energy to another customer; or
 - (ii) causes damage or interference to any third party;
- (c) uses or allows the use of customer connection services provided by the distributor at the premises otherwise than as permitted by law or the customer connection contract;

- (d) interferes or allows interference with any of the distributor's equipment that is at the premises otherwise than as may be permitted by law;
- (e) tampers or allows tampering with any *meters* or associated equipment at the premises.

(3) **Disconnection warning notice required in certain circumstances**

A distributor may de-energise the premises of a customer pursuant to subrule (1) (c), (d), (e) or (f) only if:

- (a) the distributor has given the customer a *disconnection warning notice*; and
- (b) the customer has not rectified the matter that gave rise to the right to de-energise the premises.

120 When distributor must not de-energise premises

(1) **Restrictions on de-energisation**

Despite any other provisions of this Division but subject to subrules (2), (3) and (4), a distributor must not de-energise a customer's premises:

- (a) where the premises are registered under Part 7 as having *life support equipment*; or
- (b) where the customer has made a complaint, directly related to the reason for the proposed de-energisation, to the distributor under the distributor's standard complaints and dispute resolution procedures, and the complaint remains unresolved; or
- (c) where the customer has made a complaint, directly related to the reason for the proposed de-energisation, to the energy ombudsman and the complaint remains unresolved; or
- (d) where the customer's premises are to be de-energised under rule 111—during an extreme weather event; or
- (e) during a protected period.

(2) **Non-application of restrictions where de-energisation requested by customer**

The restrictions in subrule (1) do not apply if the customer has requested de-energisation.

(2A) Restrictions on de-energisation of parent connection point

- (a) Despite any other provisions of this Division but subject to paragraph (b) and subrule (3), a distributor must not de-energise a parent connection point.
- (b) The restriction in paragraph (a) does not apply if the embedded network service provider or exempt network operator for the embedded network connected at the parent connection point has requested de-energisation of the parent connection point.
- (c) If an embedded network has one or more embedded networks connected through its parent connection point, the embedded network service provider must not request de-energisation of the parent connection point under

paragraph (b) unless it has the consent of the embedded network service provider or exempt network operator for each such embedded network.

(3) **Non-application of restrictions where emergency, health or safety issues, emergency or de-energisation direction**

The restrictions in subrule (1) and (2A) do not apply if:

- (a) there are health or safety reasons warranting de-energisation (as referred to in rule 119 (1) (g)); or
- (b) there is an emergency warranting de-energisation (as referred to in rule 119 (1) (h)); or
- (c) the distributor is required to de-energise the premises at the direction of a *relevant authority* (as referred to in rule 119 (1) (i)).

(4) **Non-application of restrictions where illegal use or interference**

Apart from the restriction in subrule (1) (a) relating to *life support equipment*, the restrictions in subrule (1) do not apply in relation to de-energisation of a customer's premises where the customer is in breach of rule 119 (2).

Division 4 Re-energisation of premises

121 Obligation on retailer to arrange re-energisation of premises

- (1) Where a retailer has arranged for the de-energisation of a small customer's premises and the customer has within 10 business days of the de-energisation:
 - (a) if relevant, rectified the matter that led to the de-energisation or made arrangements to the satisfaction of the retailer; and
 - (b) made a request for re-energisation; and
 - (c) paid any charge for re-energisation;

the retailer must, in accordance with any requirements under the energy laws, initiate a request to the distributor for re-energisation of the premises or arrange to re-energise the customer's premises remotely if permitted under energy laws.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) **Application of this rule to standard retail contracts**

This rule applies in relation to standard retail contracts.

- (3) **Application of this rule to market retail contracts**

This rule applies in relation to market retail contracts.

122 Obligation on distributor to re-energise premises

- (1) **Re-energisation where de-energisation was retailer-initiated**

Where:

- (a) a distributor has de-energised a small customer's premises at the request of a retailer; and
- (b) the retailer has initiated a request to the distributor for re-energisation of the premises,

the distributor must reenergise the premises and must do so, in accordance with any applicable the distributor service standards, ~~re-energise the premises~~.

(2) **Re-energisation where de-energisation was not retailer-initiated**

Where a distributor has de-energised a small customer's premises otherwise than at the request of a retailer and the customer has within 10 business days of the de-energisation:

- (a) if relevant, rectified the matter that led to the de-energisation; and
- (b) made a request for re-energisation; and
- (c) paid any charge for re-energisation,

the distributor must reenergise the premises and must do so in accordance with any applicable distributor service standards~~the distributor must, in accordance with the distributor service standards, re-energise the premises.~~

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

Part 7 Life support equipment

123 Application of this Part

This Part applies in relation to a customer who is a party to a contract with a retailer for the sale of energy, and prevails to the extent of any inconsistency with Part 6 except in the case of an emergency warranting de-energisation of the premises of a customer referred to in rule 119.

123A Definitions

In this Part:

confirmation reminder notice – see subrule 124A(1)(b);

deregistration or **deregister** means the updating of a retailer's or distributor's registration of a customer's premises under subrules 124(1)(a), 124(3), 124(4)(a) or 124(5) to remove, for that particular premises, the requirement for *life support equipment*;

deregistration notice means a written notice issued by a retailer or distributor to inform a customer that their premises will cease to be registered as requiring *life support equipment* if the customer does not provide medical confirmation by the date specified in that deregistration notice;

Market Settlement and Transfer Solution Procedures has the same meaning as in the NER.

medical confirmation means certification from a registered medical practitioner that a person residing or intending to reside at a customer's premises requires *life support equipment*;

medical confirmation form means a written form issued by a retailer or distributor:

- (a) when the retailer or distributor receives advice from a customer that a person residing or intending to reside at the customer's premises requires *life support equipment*; and
- (b) to facilitate the provision of medical confirmation by the customer to the retailer or distributor.

124 Registration of life support equipment

(1) Retailer obligations when advised by customer

When advised by a customer that a person residing or intending to reside at the customer's premises requires *life support equipment*, a retailer must:

- (a) register that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required;
- (b) subject to subrule (2), no later than 5 business days after receipt of advice from the customer, provide in writing to the customer:
 - (i) a medical confirmation form;

- (ii) information explaining that, if the customer fails to provide medical confirmation, the customer's premises may be deregistered and, if so, the customer will cease to receive the protections under this Part;
 - (iii) advice that there may be *retailer planned interruptions* under rule 59C to the supply at the address and that the retailer is required to notify them of these *interruptions* in accordance with rule 124B;
 - (iv) advice that there may be *distributor planned interruptions* or *unplanned interruptions* to the supply at the address and that the distributor is required to notify them of a *distributor planned interruption* in accordance with rule 124B;
 - (v) information to assist the customer to prepare a plan of action in the case of an *unplanned interruption*;
 - (vi) an emergency telephone contact number for the distributor and the retailer (the charge for which is no more than the cost of a local call);
~~and~~
 - (vii) advice that if the customer decides to change retailer at the premises and a person residing at the customer's premises continues to require *life support equipment*, the customer should advise their new retailer of the requirement for *life support equipment*; and
 - (viii) if the customer is connected to an embedded network, advice that there may be *embedded network planned interruptions* to the supply at the address and that the retailer is required to notify them of an *embedded network planned interruption* in accordance with rule 124B; and
 - (c) subject to subrule (2), notify the distributor that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required;
~~and~~
 - (d) if the customer is connected to an embedded network, notify the distributor and the financially responsible retailer for the *parent connection point* for that embedded network and each embedded network through which the embedded network is connected that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required.
- (2) Subrules (1)(b) (other than subrules (1)(b)(iii) and (1)(b)(vi)) and (1)(c) do not apply to a retailer if:
- (a) a customer of that retailer has previously advised the distributor for the premises that a person residing or intending to reside at the customer's premises requires *life support equipment*;
 - (b) the customer advises that retailer that they have already provided medical confirmation to the distributor for the premises; and
 - (c) the retailer confirms with the distributor for the premises that the customer has already provided medical confirmation to the distributor.
- (3) **Retailer obligations when advised by distributor**

When notified by a distributor:

- (a) under subrule (4)(c) or (d), a retailer must register that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required; and
- (b) under subrule 124B(2)(b), a retailer must:
 - (i) register that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required; and
 - (ii) no later than 5 business days after receipt of advice from the distributor, provide the customer with the information required by subrules (1)(b)(iii) and (1)(b)(vi), if not already provided by the retailer to the customer in respect of the customer's premises.

(4) Distributor obligations when advised by customer

When advised by a customer that a person residing or intending to reside at the customer's premises requires *life support equipment*, a distributor must:

- (a) register that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required;
- (b) no later than 5 business days after receipt of advice from the customer, provide in writing to the customer:
 - (i) a medical confirmation form;
 - (ii) information explaining that, if the customer fails to provide medical confirmation, the customer's premises may be deregistered and, if so, the customer will cease to receive the protections under this Part;
 - (iii) advice that there may be *retailer planned interruptions* under rule 59C to the supply at the address and that the retailer is required to notify them of these interruptions in accordance with rule 124B;
 - (iv) advice that there may be *distributor planned interruptions* or *unplanned interruptions* to the supply at the address and that the distributor is required to notify them of a distributor planned interruption in accordance with rule 124B;
 - (v) information to assist the customer to prepare a plan of action in the case of an unplanned interruption;
 - (vi) an emergency telephone contact number for the distributor and the retailer (the charge for which is no more than the cost of a local call); and
 - (vii) advice that if the customer decides to change retailer at the premises and a person residing at the customer's premises continues to require *life support equipment*, the customer should advise their new retailer of the requirement for *life support equipment*; and
 - (viii) if the customer is connected to an embedded network, advice that there may be *embedded network planned interruptions* to the supply at

the address and that the retailer is required to notify them of an embedded network planned interruption in accordance with rule 124B; and

- (c) notify the retailer that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required; and

(d) if the customer is connected to an embedded network, notify the distributor and the financially responsible retailer for the parent connection point for that embedded network and each embedded network through which the embedded network is connected that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required.

(5) Distributor obligations when advised by retailer

When notified by a retailer under subrule (1)(c) or (d), a distributor must register that a person residing or intending to reside at the customer's premises requires *life support equipment* and the date from which the *life support equipment* is required.

(6) Content of medical confirmation form

- (a) A medical confirmation form must:
 - (i) be dated;
 - (ii) state that completion and return of the form to the retailer or distributor (as the case may be) will satisfy the requirement to provide medical confirmation under the Rules;
 - (iii) request the following information from the customer:
 - (A) property address;
 - (B) the date from which the customer requires supply of energy at the premises for the purposes of the *life support equipment*; and
 - (C) medical confirmation;
 - (iv) specify the types of equipment that fall within the definition of *life support equipment*;
 - (v) advise the date by which the customer must return the medical confirmation form to the retailer or distributor (as the case may be); and
 - (vi) advise the customer they can request an extension of time to complete and return the medical confirmation form.

(7) Application of this rule to standard retail contracts

This rule applies in relation to standard retail contracts.

(8) Application of this rule to market retail contracts

This rule applies in relation to market retail contracts.

124A Confirmation of premises as requiring life support equipment

- (1) Where a medical confirmation form is provided under rule 124, the retailer or distributor (as the case may be) must:
 - (a) from the date of the medical confirmation form, give the customer a minimum of 50 business days to provide medical confirmation;
 - (b) provide the customer at least two written notices to remind the customer that the customer must provide medical confirmation (each a confirmation reminder notice);
 - (c) ensure the first confirmation reminder notice is provided no less than 15 business days from the date of issue of the medical confirmation form;
 - (d) ensure the second confirmation reminder notice is provided no less than 15 business days from the date of issue of the first confirmation reminder notice; and
 - (e) on request from a customer, give the customer at least one extension of time to provide medical confirmation. The extension must be a minimum of 25 business days.
- (2) A confirmation reminder notice must:
 - (a) be dated;
 - (b) state the date by which the medical confirmation is required;
 - (c) specify the types of equipment that fall within the definition of *life support equipment*; and
 - (d) advise the customer that:
 - (i) the customer must provide medical confirmation;
 - (ii) the premises is temporarily registered as requiring *life support equipment* until the medical confirmation is received;
 - (iii) failure to provide medical confirmation may result in the premises being deregistered; and
 - (iv) the customer can request an extension of time to provide medical confirmation.

(3) Application of this rule to standard retail contracts

This rule applies in relation to standard retail contracts.

(4) Application of this rule to market retail contracts

This rule applies in relation to market retail contracts.

124B Ongoing retailer and distributor obligations

(1) Retailer obligations

Where a retailer is required to register a customer's premises under subrule 124(1)(a) or 124(3), the retailer has the following ongoing obligations:

- (a) give the distributor relevant information about the *life support equipment* requirements for the customer's premises and any relevant contact details for the purposes of updating the distributor's registration under subrule 124(4)(a) or 124(5), unless the relevant information was provided to the retailer by the distributor;
- (b) when advised by a customer or distributor of any updates to the *life support equipment* requirements for the customer's premises or any relevant contact details, update the retailer's registration;
- (c) except in the case of a *retailer planned interruption* under rule 59C, not arrange for the de-energisation of the premises from the date the *life support equipment* will be required at the premises; and
- (d) in the case of a *retailer planned interruption* under rule 59C, other than in the circumstances described in paragraph (e), from the date the *life support equipment* will be required at the premises, give the customer at least 4 business days written notice of the *retailer planned interruption* to supply at the premises (the 4 business days to be counted from, but not including the date of receipt of the notice); and
- (e) in the case of a retailer planned interruption where the customer has provided consent to the retailer under subrule 59C(1)(c), give written notice to the customer of the expected time and duration of the retailer planned interruption, and specify a 24 hour telephone number for enquiries (the charge for which is no more than the cost of a local call); and
- (f) where the customer's premises are connected to an embedded network that is subject to an *embedded network planned interruption*, from the date the *life support equipment* will be required at the premises, give the customer notice of the *interruption* to supply at the premises as soon as practicable, and in any event within 1 business day, after becoming aware of the *interruption*.

(2) **Distributor obligations**

- (a) Where a distributor is required to register a customer's premises under subrule 124(4)(a) or 124(5), the distributor has the following ongoing obligations:
 - (i) give the retailer relevant information about the *life support equipment* requirements for the customer's premises and any relevant contact details for the purposes of updating the retailer's registration under subrule 124(1)(a) or 124(3), unless the relevant information was provided to the distributor by the retailer;
 - (ii) when advised by a customer or retailer of any updates to the *life support equipment* requirements for the customer's premises or any relevant contact details, update the distributor's registration;
 - (iii) except in the case of an *interruption*, not arrange for the de-energisation of the premises from the date the *life support equipment* will be required at the premises;
 - (iv) in the case of an *interruption* that is a *distributor planned interruption* other than in the circumstances described in subparagraph (v), from

the date the *life support equipment* will be required at the premises, give the customer at least 4 business days written notice of the *interruption* to supply at the premises (the 4 business days to be counted from, but not including the date of receipt of the notice); and

- (v) in the case of a distributor planned interruption where the customer has provided consent to the distributor under subrule 90(1)(c), give written notice to the customer of the expected time and duration of the distributor planned interruption, and specify a 24 hour telephone number for enquiries (the charge for which is no more than the cost of a local call);

(vi) where the customer's premises are connected to an embedded network that is subject to an *embedded network planned interruption*, from the date the *life support equipment* will be required at the premises, give the customer notice of the *interruption* to supply at the premises as soon as practicable, and in any event within 1 business day, after becoming aware of the *interruption*.

- (b) In addition to the obligations specified in subrule (2)(a), where a distributor is required to register a customer's premises under subrule 124(4)(a), if the distributor becomes aware (including by way of notification in accordance with the Market Settlement and Transfer Solution Procedures) that the customer has subsequently transferred to another retailer (a new retailer) at that premises, the distributor must notify the new retailer that a person residing at the customer's premises requires *life support equipment*.

(3) Application of this rule to standard retail contracts

This rule applies in relation to standard retail contracts.

(4) Application of this rule to market retail contracts

This rule applies in relation to market retail contracts.

125 Deregistration of premises

- (1) A retailer or distributor may only deregister a customer's premises in the circumstances permitted under this rule 125.
- (2) If a customer's premises is deregistered:
 - (a) by a retailer, the retailer must, within 5 business days of the date of deregistration, notify the distributor of the date of deregistration and reason for deregistration;
 - (b) by a distributor, the distributor must, within 5 business days of the date of deregistration, notify the retailer of the date of deregistration and reason for deregistration; and
 - (c) the retailer and the distributor must update their registrations under subrules 124(1)(a), 124(3), 124(4)(a) and 124(5) as required by rule 126.

Cessation of retailer and distributor obligations after deregistration

- (3) The retailer and distributor obligations under rule 124B cease to apply in respect of a customer's premises once that customer's premises is validly deregistered.

Deregistration where medical confirmation not provided

- (4) Where a customer, whose premises have been registered by a retailer under subrule 124(1)(a) (and subrule 124(2) does not apply), fails to provide medical confirmation, the retailer may deregister the customer's premises only when:
 - (a) the retailer has complied with the requirements under rule 124A;
 - (b) the retailer has taken reasonable steps to contact the customer in connection with the customer's failure to provide medical confirmation in one of the following ways:
 - (i) in person;
 - (ii) by telephone; or
 - (iii) by electronic means;
 - (c) the retailer has provided the customer with a deregistration notice no less than 15 business days from the date of issue of the second confirmation reminder notice issued under subrule 124A(1)(d); and
 - (d) the customer has not provided medical confirmation before the date for deregistration specified in the deregistration notice.
- (5) Where a customer, whose premises have been registered by a distributor under subrule 124(4)(a), fails to provide medical confirmation, the distributor may deregister the customer's premises only when:
 - (a) the distributor has complied with the requirements under rule 124A;
 - (b) the distributor has taken reasonable steps to contact the customer in connection with the customer's failure to provide medical confirmation in one of the following ways:
 - (i) in person;
 - (ii) by telephone; or
 - (iii) by electronic means;
 - (c) the distributor has provided the customer with a deregistration notice no less than 15 business days from the date of issue of the second confirmation reminder notice issued under subrule 124A(1)(d); and
 - (d) the customer has not provided medical confirmation before the date for deregistration specified in the deregistration notice.
- (6) A deregistration notice must:
 - (a) be dated;
 - (b) specify the date on which the customer's premises will be deregistered, which must be at least 15 business days from the date of the deregistration notice;

- (c) advise the customer the premises will cease to be registered as requiring *life support equipment* unless medical confirmation is provided before the date for deregistration; and
 - (d) advise the customer that the customer will no longer receive the protections under this Part when the premises is deregistered.
- (7) A distributor may deregister a customer's premises registered under subrule 124(5) after being notified by the retailer that the retailer has deregistered the customer's premises pursuant to subrule (4).
- (8) A retailer may deregister a customer's premises registered under subrule 124(3) after being notified by the distributor that the distributor has deregistered the customer's premises pursuant to subrule (5).

Deregistration where there is a change in the customer's circumstances

- (9) Where a customer whose premises have been registered by a retailer under subrule 124(1)(a) or 124(3) advises the retailer that the person for whom the *life support equipment* is required has vacated the premises or no longer requires the *life support equipment*, the retailer may deregister the customer's premises on the date specified in accordance with subrule (9)(a)(ii) if:
 - (a) the retailer has provided written notification to the customer advising:
 - (i) that the customer's premises will be deregistered on the basis that the customer has advised the retailer that the person for whom the *life support equipment* is required has vacated the premises or no longer requires the *life support equipment*;
 - (ii) the date on which the customer's premises will be deregistered, which must be at least 15 business days from the date of that written notification;
 - (iii) that the customer will no longer receive the protections under this Part when the premises is deregistered; and
 - (iv) that the customer must contact the retailer prior to the date specified in accordance with subrule (9)(a)(ii) if the person for whom the *life support equipment* is required has not vacated the premises or requires the *life support equipment*; and
 - (b) the customer has not contacted the retailer prior to the date specified in accordance with subrule (9)(a)(ii) to advise that the person for whom the *life support equipment* is required has not vacated the premises or requires the *life support equipment*.
- (10) Where a customer whose premises have been registered by a distributor under subrule 124(4)(a) or 124(5) advises the distributor that the person for whom the *life support equipment* is required has vacated the premises or no longer requires the *life support equipment*, the distributor may deregister the customer's premises on the date specified in accordance with subrule (10)(a)(ii) if:
 - (a) the distributor has provided written notification to the customer advising:

- (i) that the customer's premises will be deregistered on the basis that the customer has advised the distributor that the person for whom the *life support equipment* is required has vacated the premises or no longer requires the *life support equipment*;
 - (ii) the date on which the customer's premises will be deregistered, which must be at least 15 business days from the date of that written notification;
 - (iii) that the customer will no longer receive the protections under this Part when the premises is deregistered; and
 - (iv) that the customer must contact the distributor prior to the date specified in accordance with subrule (10)(a)(ii) if the person for whom the *life support equipment* is required has not vacated the premises or requires the *life support equipment*; and
 - (b) the customer has not contacted the distributor prior to the date specified in accordance with subrule (10)(a)(ii) to advise that the person for whom the *life support equipment* is required has not vacated the premises or requires the *life support equipment*.
- (11) A retailer may deregister a customer's premises after being notified by the distributor that the distributor has deregistered the customer's premises pursuant to subrule (10).
- (12) A distributor may deregister a customer's premises after being notified by the retailer that the retailer has deregistered the customer's premises pursuant to subrule (9).
- (13) A retailer or distributor may, at any time, request a customer whose premises have been registered under rule 124 to confirm whether the person for whom *life support equipment* is required still resides at the premises or still requires *life support equipment*.

Deregistration where there is a change in the customer's retailer

- (14) Where a distributor has registered a customer's premises pursuant to subrule 124(5) and the distributor becomes aware (including by way of notification in accordance with the Market Settlement and Transfer Solution Procedures) that the customer has subsequently transferred to another retailer at that premises, the distributor may deregister the customer's premises on the date specified in accordance with subrule (14)(a)(ii) if:
- (a) the distributor has provided written notification to the customer advising:
 - (i) that the customer's premises will be deregistered;
 - (ii) the date on which the customer's premises will be deregistered, which must be at least 15 business days from the date of that written notification;
 - (iii) that the customer will no longer receive the protections under this Part when the premises is deregistered; and

- (iv) that the customer must contact the distributor prior to the date specified in accordance with subrule (14)(a)(ii) if a person residing at the customer's premises requires *life support equipment*; and
 - (b) the customer has not contacted the distributor prior to the date specified in accordance with subrule (14)(a)(ii) to advise that a person residing at the customer's premises requires *life support equipment*.
- (15) Nothing in subrule (14) affects the operation of subrules 124(4)(a) and 124(5) following a customer's transfer to the other retailer.
- (16) **Application of this rule to standard retail contracts**
This rule applies in relation to standard retail contracts.
- (17) **Application of this rule to market retail contracts**
This rule applies in relation to market retail contracts.

126 Registration and deregistration details must be kept by retailers and distributors

Retailers and distributors must:

- (a) Establish policies, systems and procedures for registering and deregistering a premises as requiring *life support equipment* to facilitate compliance with the requirements in this Part.
- (b) Ensure that *life support equipment* registration and deregistration details maintained in accordance with rules 124, 124A, 124B and 125 are kept up to date, including:
 - (i) the date when the customer requires supply of energy at the premises for the purposes of the *life support equipment*;
 - (ii) when medical confirmation was received from the customer in respect of the premises;
 - (iii) the date when the premises is deregistered and the reason for deregistration; and
 - (iv) a record of communications with the customer required by rules 124A and 125.

Part 8 Prepayment meter systems

127 Definitions

In this Part:

additional required information means the information referred to in rule 128 (2), being information that is additional to that required to be disclosed under Division 10 of Part 2;

installation of a standard *meter* to replace a prepayment *meter* system includes the conversion of the prepayment *meter* system to a standard operating mode so that the prepayment *meter* system operates as a standard *meter*;

removal of a prepayment *meter* system includes rendering the system non-operational;

self-disconnection means an *interruption* to the supply of energy because a prepayment *meter* system has no credit (including emergency credit) available;

standard meter, in relation to a particular small customer, means a *metering* installation of the type that would ordinarily be installed at the premises of the customer in accordance with energy laws;

trial period means the trial period referred to in rule 130.

128 Disclosure requirements at energy marketing stage

- (1) Before the formation of a prepayment *meter* market retail contract between a retailer and a small customer, the retailer must provide the additional required information to the customer in relation to the contract.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) The additional required information that the retailer is to provide to a small customer is information in relation to the following:
 - (a) the methods by which the customer can make payments to the prepayment *meter* system account and the locations of payment centres or recharge facilities (if relevant);
 - (b) the amount of emergency credit to be provided in the prepayment *meter* system;
 - (c) details of the trial period at or before the expiry of which the customer may withdraw from the contract;
 - (d) the method by which the customer may receive any rebate, concession or relief available under any government funded energy charge rebate, concession or relief scheme;
 - (e) dispute resolution options available to small customers.
- (3) The additional required information may be provided in writing, electronically or verbally.

- (4) This rule does not affect and is additional to any information required to be provided under Division 10 of Part 2.

129 System requirements

(1) System requirements

A retailer who sells or proposes to sell energy under a prepayment *meter* market retail contract must ensure that the prepayment *meter* system meets the requirements of this rule.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(2) System display

The prepayment *meter* system must display:

- (a) the financial balance of the prepayment *meter* system, accurate to within \$1.00 of the actual balance; and
- (b) whether the prepayment *meter* system is operating in normal credit or emergency credit mode; and
- (c) current consumption information (in both KWh or MJ and \$AUD).

(3) Self-disconnection times

The prepayment *meter* system must not disconnect supply to the small customer as a result of a self-disconnection, otherwise than between the hours of 10am and 3pm on a week day.

(4) Recommencement of supply

Where supply to the small customer has been *interrupted* through self-disconnection, the prepayment *meter* system must be capable of recommencing supply as soon as information is communicated to the system that a payment to the prepayment *meter* system account has been made which exceeds the amount of emergency credit.

(5) Reporting of self-disconnection

The system must be capable of identifying to the retailer every instance of self-disconnection and the duration of that self-disconnection.

(6) Emergency credit

The prepayment *meter* system must provide an amount of emergency credit not less than:

- (a) a level equivalent to the average cost of 3 days of electricity or gas supply (as applicable) to within \$1.00; or
- (b) such other amount as is approved by the AER from time to time in accordance with the requirements (if any) of these Rules.

(7) **Methodology of average costing**

A retailer must:

- (a) provide the AER with a statement of its methodology for determining the average cost of energy supply within 10 days of being required to do so by notice from the AER; and
- (b) if the AER does not approve that methodology—change it within a specified period of being required to do so by notice from the AER in accordance with changes reasonably required by the AER and specified in the notice.

(8) **Rebate, concession or relief schemes**

The prepayment *meter* system must have the technical capacity to deliver to the small customer the benefit of any government funded energy charge rebate, concession or relief scheme to which the customer is entitled.

130 Trial period

- (1) A small customer who enters a prepayment *meter* market retail contract with a retailer has the right to withdraw from the contract at or before the end of the trial period with no penalty, exit or termination charges or *meter* removal or conversion charges.
- (2) The trial period is:
 - (a) a period of 3 months, unless paragraph (b) applies; or
 - (b) a longer period specified in the prepayment *meter* market retail contract, commencing on the date the contract is formed.
- (3) Where the small customer exercises the right of withdrawal under this rule, the retailer must, at no cost to the customer:
 - (a) make immediate arrangements for:
 - (i) the removal of the prepayment *meter* system; and
 - (ii) the installation of a standard *meter*; and
 - (b) provide information about and a general description of the customer retail contract options available to the customer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (4) The retailer must send a notice to the small customer not more than 20 business days and not less than 10 business days before the expiry of the trial period advising the customer of the date of the expiry of the trial period and the options available to the customer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (5) Withdrawal from a prepayment *meter* market retail contract operates as a rescission of the contract.
- (6) **Application of this rule to prepayment meter market retail contracts**
This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

131 Operating instructions to be provided

- (1) A retailer must, at no charge, provide the following information on the use of the prepayment *meter* system to a small customer who enters into a prepayment *meter* market retail contract:
 - (a) instructions on how to operate the prepayment *meter* system that are:
 - (i) expressed in clear, simple and concise language; and
 - (ii) in a format that makes it easy for a person not familiar with the operation of a prepayment *meter* system to understand;
 - (b) instructions on how to access the emergency credit facility of the prepayment *meter* system;
 - (c) instructions on how to obtain a refund of remaining credit when the prepayment *meter* market retail contract is terminated;
 - (d) instructions on how and where payments to the prepayment *meter* system account can be made;
 - (e) the retailer's telephone number or numbers for complaints, enquiries and emergencies (the cost for which is no more than the cost of making a local call).

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) If requested by the small customer, the retailer must use its best endeavours to provide the operating instructions in a language other than English requested by the customer.

132 Consumption information to be provided

- (1) On request, a retailer must promptly provide a small customer with the following information:
 - (a) total energy consumption;
 - (b) average daily consumption;
 - (c) average daily cost of consumption,

for the previous 2 years or since the commencement of the prepayment *meter* market retail contract (which ever is the shorter) divided into quarterly segments.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) Information provided to the small customer under subrule (1) for the previous 2 years must be provided without charge, but information requested for an earlier period or more than once in any 12 month period may be provided subject to a reasonable charge.

(3) **Application of this rule to prepayment meter market retail contracts**

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

133 Limitation on recovery of debt

- (1) Where a small customer owes a debt to a retailer, other than of a kind referred to in rule 137 or 138, the retailer must not recover any repayments of the debt under a prepayment *meter* market retail contract or under any other contract or agreement that adjusts the charges in the prepayment *meter* system to recover the amount of the debt.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(2) **Application of this rule to prepayment meter market retail contracts**

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

134 Credit retrieval

- (1) A prepayment *meter* market retail contract must explain how a small customer can obtain a refund of any credit remaining in the prepayment *meter* system account when the prepayment *meter* market retail contract is terminated or otherwise ends.

(2) **Application of this rule to prepayment meter market retail contracts**

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

135 System testing

- (1) Where a small customer with a prepayment *meter* market retail contract requests the retailer that the whole or part of the prepayment *meter* system be checked or tested, the retailer must make immediate arrangements for one or more of the following:

- (a) a check of the *metering data*;
- (b) a check or test of the prepayment *meter* system;
- (c) a check or test by the *responsible person* or *metering coordinator* (as applicable) for the *meter* installation at the small customer's premises.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) The small customer must pay the retailer in advance the retailer's (and, where appropriate, the *responsible person's* or *metering coordinator's* (as applicable)) reasonable charge for any checks or tests undertaken pursuant to subrule (1).
- (3) If a prepayment *meter* system is found to be inaccurate or not operating correctly following a check or test undertaken pursuant to subrule (1), the retailer must:
 - (a) correct any overcharging or undercharging in accordance with rules 136 and 137; and
 - (b) refund any fee paid in advance under subrule (2); and
 - (c) make immediate arrangements to replace or repair the prepayment *meter* system; and
 - (d) advise the small customer of the existence of its dispute resolution processes.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(4) **Application of this rule to prepayment meter market retail contracts**

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

136 Overcharging

- (1) This rule applies where a small customer with a prepayment *meter* market retail contract has been overcharged as a result of:
 - (a) an act or omission of the retailer or distributor; or
 - (b) without limitation, a fault in or incorrect operation of a prepayment *meter* system found following a check or test under rule 135.
- (2) The retailer must:
 - (a) inform the customer of that overcharging within 10 business days of the retailer becoming aware of that overcharging; and
 - (b) ask the customer for instructions as to whether the amount should be:
 - (i) repaid to the small customer; or
 - (ii) added to the balance of the prepayment *meter* system account.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) Where the retailer asks for instructions from a small customer under subrule (2) and no instructions are provided by the customer within 20 business days, the retailer must add to the balance of the prepayment *meter* system account the amount overcharged to the customer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(4) **Application of this rule to prepayment meter market retail contracts**

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

137 Undercharging

- (1) This rule applies where a small customer with a prepayment *meter* market retail contract has been undercharged as a result of:

- (a) an act or omission of the retailer or distributor; or
- (b) without limitation, a fault in or incorrect operation of a prepayment *meter* system found following a check or test under rule 135.

- (2) The retailer must inform the small customer within 10 business days of becoming aware of that undercharging and at that time indicate the amount undercharged and whether or not it proposes to recover from the small customer the amount undercharged.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (3) Where a retailer proposes to recover from a small customer an amount undercharged as a result of a retailer's or distributor's error, the retailer must:

- (a) limit the amount to be recovered to the amount undercharged in the 9 months before informing the customer of the undercharging; and
- (b) provide details and an explanation of the amount to be recovered; and
- (c) not charge the customer any interest on the amount; and
- (d) offer the customer time to pay the amount undercharged, by agreed instalments or by an agreed adjustment to the charges in the prepayment *meter* system, over:
 - (i) if the undercharging occurred over a period of less than 12 months—a period nominated by the customer, being no longer than the period during which the undercharging occurred; or
 - (ii) in any other case—a period of 12 months.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(4) **Application of this rule to prepayment meter market retail contracts**

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

138 Illegal energy use

- (1) Despite rule 137, if a retailer has undercharged or not charged a small customer as a result of the customer's fraud or intentional consumption of energy otherwise than in accordance with the energy laws, the retailer may estimate the consumption for which the customer has not paid and either:
 - (a) bill the customer for all of the unpaid amount; or
 - (b) make an agreed adjustment to the charges in the prepayment *meter* system to recover the unpaid amount.

(2) Application of this rule to prepayment meter market retail contracts

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

139 Life support equipment

- (1) A small customer with a prepayment *meter* market retail contract must inform the retailer if a person residing at the customer's premises has or requires *life support equipment*.
- (2) The retailer must, as soon as practicable after being so informed, advise the small customer of the retailer's obligations under section 59 of *the Law*.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(3) Application of this rule to prepayment meter market retail contracts

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

140 Customer enquiries and complaints

A retailer must, before commencing to sell energy to small customers under prepayment *meter* market retail contracts, establish and maintain an enquiry, complaints and emergency 24 hour telephone service (the cost for which is no more than the cost of making a local call) to provide information, advice and assistance about the operation of the retailer's prepayment *meter* system.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

141 Payment difficulties and hardship

(1) Identification by retailer's management system of self-disconnection

A retailer offering or selling energy under prepayment *meter* market retail contracts must ensure that the retailer's management system is capable of identifying to the retailer every instance of a small customer's self-disconnection and the duration of that self-disconnection.

(2) Dealing with payment difficulties

If:

- (a) a small customer with a prepayment *meter* market retail contract informs the retailer in writing or by telephone that the customer is experiencing payment difficulties; or
- (b) the retailer's management system identifies to the retailer that a small customer has self-disconnected 3 or more times in any 3 month period for longer than 240 minutes on each occasion,

the retailer must contact the customer as soon as is reasonably practicable:

- (c) to offer to make immediate arrangements for:
 - (i) the removal of the customer's prepayment *meter* system; and
 - (ii) the installation of a standard *meter*,
at no cost to the small customer; and
- (d) to provide information about, and a general description of, the customer retail contract options available to the customer, and
- (e) to provide information about and referral to any government funded energy charge rebate, concession or relief scheme; and
- (f) to provide information about its customer hardship policy; and
- (g) to provide information about available financial counselling services.

(3) Records relating to customers with payment difficulties

The retailer must maintain verifiable records, in relation to small customers facing payment difficulties with prepayment *meter* systems, sufficient to allow the retailer to answer any enquiries by the AER (for example, as part of the AER's performance reporting function against hardship program indicators) or the relevant energy ombudsman.

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

142 Payment towards prepayment meter system account

(1) Recharge facilities, times and locations

A retailer selling energy under a prepayment *meter* market retail contract must ensure that facilities are in place for the small customer to make payments in relation to the prepayment *meter* system account by at least one of the following methods:

- (a) by cash, at a minimum of 2 locations that are readily accessible to the customer, one of which is open between 9am and 5pm on any day of the week, including Saturdays, Sundays and public holidays (excluding Christmas Day);

- (b) by a 24 hour, 7 days a week telephone service, using credit card, debit card, electronic funds transfer or any other telephone payment method acceptable to the retailer and agreed to by the customer;
- (c) by a 24 hour, 7 days a week electronic or other payment method acceptable to the retailer and agreed to by the customer.

(2) **Minimum payment**

The retailer must ensure the minimum amount that the small customer can pay in relation to the prepayment *meter* system account is an amount between \$1.00 and \$10.00 (both inclusive).

Note:

This rule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

143 Tariffs and charges

- (1) This rule sets out minimum requirements that are to apply in relation to the terms and conditions of prepayment *meter* market retail contracts.
- (2) A retailer must set out in a prepayment *meter* market retail contract with a small customer all tariffs and charges payable by the customer.
- (3) The retailer must give notice of any variation to the tariffs and charges that affect the customer by:
 - (a) either:
 - (i) giving notice to the customer; or
 - (ii) publishing the notice of a variation on the retailer's website and providing separate notice to be displayed clearly at each location where payments to the prepayment *meter* account can be made, and doing so in sufficient numbers such that all customers are able to secure a copy; and
 - (b) where a local instrument so requires, publishing a notice about the variation in a newspaper circulating in the participating jurisdiction in which the retailer has affected customers, notifying customers that:
 - (i) there has been a variation; and
 - (ii) the variation is published on the retailer's website,in accordance with the local instrument.
- (4) The notice must be given as soon as practicable, and in any event no later than the date on which the variation takes effect.
- (5) The retailer must set out in the prepayment *meter* market retail contract the obligations with regard to notice that the retailer must comply with where the tariffs and charges are to be varied.

144 Billing for other goods and services

- (1) If a retailer provides goods and services otherwise than for the sale and supply of energy for a small customer with a prepayment *meter* market retail contract, the retailer:
 - (a) must bill the customer for those goods and services separately; and
 - (b) must not recover any payment for those goods and services under the prepayment *meter* market retail contract or under any other contract or agreement that adjusts the charges in the prepayment *meter* system to recover the amount.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) **Application of this rule to prepayment meter market retail contracts**

This rule is a minimum requirement that is to apply in relation to small customers who purchase energy under a prepayment *meter* market retail contract.

145 Customer termination of contract or request for removal

- (1) **Retailer's obligations**

If a small customer who is a party to a prepayment *meter* market retail contract terminates the prepayment *meter* market retail contract or requests the removal of the prepayment *meter* system, otherwise than in accordance with rule 130, the retailer must make immediate arrangements for:

- (a) the removal of the prepayment *meter* system; and
- (b) the installation of a standard *meter* to replace the prepayment *meter* system; and
- (c) the provision of information about, and a general description of, the customer retail contract options available to the customer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) **Recovery of charges**

The retailer may recover fair and reasonable termination charges and *meter* removal charges (including, where applicable, conversion charges) from a small customer who was a party to a prepayment *meter* market retail contract if:

- (a) the contract states a date on which the contract will end; and
- (b) the retailer is permitted to do so by the prepayment *meter* market retail contract; and
- (c) the termination occurs or the request for removal is made after the trial period has elapsed.

(3) **Exceptions for charges in certain circumstances**

Subrule (2) does not apply where the termination of the prepayment *meter* market retail contract or removal of the prepayment *meter* system:

- (a) occurs where a small customer has informed the retailer that a person residing at the premises concerned has or requires *life support equipment*; or
- (b) occurs pursuant to an offer made by the retailer under rule 141 (2) (c) to a small customer who is experiencing payment difficulties.

146 Different retailer

- (1) A retailer who has or had a prepayment *meter* market retail contract with a small customer in respect of premises where a prepayment *meter* system is installed must, if requested to do so by another retailer who has entered into a customer retail contract with the customer in respect of the premises at which the prepayment *meter* system is installed, make immediate arrangements for:

- (a) the removal of the prepayment *meter* system at no cost to the other retailer; and
- (b) the installation of a standard *meter* at no cost to the other retailer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

- (2) A retailer may recover from a small customer who was a party to a prepayment *meter* market retail contract, the fair and reasonable costs incurred pursuant to subrule (1) (a) and (b), if permitted to do so by the prepayment *meter* market retail contract and if the termination occurs after the trial period has elapsed.

147 Deemed customer retail arrangements

(1) **Application of this rule to move-in and carry-over customers**

This rule applies to a move-in customer or carry-over customer where the premises concerned are supplied with energy using a prepayment *meter* system.

(2) **Other provisions not affected**

The provisions of this rule are additional to the provisions of Division 8 of Part 2 relating to deemed customer retail arrangements.

(3) **Terms and conditions to be read as applying to prepayment meter systems**

The terms and conditions of the deemed customer retail arrangement between the customer and the financially responsible retailer are, to the extent that they are the terms and conditions of the retailer's standard retail contract, taken to be appropriately modified to take account of differences that arise with the use of prepayment *meter* systems.

(4) Supplementary terms and conditions

The terms and conditions of the deemed customer retail arrangement between the customer and the financially responsible retailer are supplemented by the following subrules, which are, to the necessary extent, taken to modify the terms and conditions of the arrangement.

(5) Fees, charges and costs

The retailer must not charge the customer any fees, charges or other costs (other than the standing offer price and a fair and reasonable deposit for the use of a smart card or other similar technology if required to access the prepayment *meter* system) for using the prepayment *meter* system.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(6) Removal and replacement of prepayment meter system on request

The retailer must, if requested by the customer to do so, make immediate arrangements for:

- (a) the removal of the prepayment *meter* system at no cost to the customer; and
- (b) the installation of a standard *meter* at no cost to the customer.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

(7) Notice requirements

The retailer must give the customer the following information:

- (a) information on the terms and conditions of the deemed customer retail arrangements;
- (b) information as to how to operate the prepayment *meter* system and the location of recharge facilities (if relevant);
- (c) information about the ability of the customer to request that the retailer make immediate arrangements for:
 - (i) the removal of the prepayment *meter* system at no cost to the customer; and
 - (ii) the installation of a standard *meter* at no cost to the customer;
- (d) information about the existence and a general description of the retailer's prepayment *meter* market retail contracts, market retail contracts (if any), and if the retailer is the designated retailer in relation to those premises, the retailer's standard retail contract and standing offer prices;
- (e) information as to whether or not the retailer proposes to offer the customer a contract of the kind referred to in paragraph (d);
- (f) information about the ability of the customer to choose a retailer for the purchase of energy;

- (g) information about the retailer's customer hardship policy;
- (h) information about available financial counselling services.

Note:

This subrule is a civil penalty provision for the purposes of *the Law*. (See the National Regulations, clause 6 and Schedule 1.)

Part 9 Exempt selling regime

Division 1 Preliminary

148 Definitions

In this Part:

exempt customer means a person to whom an exempt seller sells energy and who would be a retail customer of the seller if the seller were a retailer;

exempt seller includes an applicant for an exemption.

exemption means an exemption from the requirement to hold a retailer authorisation;

retail customer means a person who is a customer of a retailer.

Division 2 AER power to exempt

149 ~~Not used.~~ Individual exemptions

- ~~(1) The AER may decide to grant an individual exemption to a particular person.~~
- ~~(2) An individual exemption comes into force from the date on which the instrument of exemption is issued by the AER under rule 162 (2).~~

~~150 Deemed exemptions~~

- ~~(1) The AER may, in accordance with the retail consultation procedure, determine a class of persons in respect of whom a deemed exemption is taken to be in force.~~
- ~~(2) A deemed exemption comes into force from the date the determination is made, or on the date specified in the determination, by the AER specifying the class of exempted persons.~~
- ~~(3) The AER may from time to time amend determinations under this rule in accordance with the retail consultation procedure.~~

150 Determination of exemption classes

- (1) The AER may determine a class of persons in respect of whom an exemption applies on registration on the Public Register of Authorised Retailers and Exempt Sellers.
- (2) The AER must only determine a class for the purposes of subrule (1) in respect of persons:
 - (a) selling metered energy to occupants of holiday accommodation (including caravans and like accommodation) on a short-term basis;
 - (b) temporarily selling energy on construction sites;

- (c) selling energy to a related body corporate of a person in the class or to an entity controlled by, or under common control with, the person (where “related body corporate” and “control” have the meaning in the Corporations Act 2001 of the Commonwealth);
 - (d) selling energy as a supplementary supply through power purchase agreements to customers connected to the national grid (as defined in the NER) and where (in the case of a retail customer) the agreement has a term of 10 years or shorter and may be terminated by the customer before the end of the term; or
 - (e) selling energy to customers for premises in circumstances where the person is exempt under jurisdictional energy legislation from the obligation to hold a retailer authorisation or equivalent instrument in relation to the sale.
- (3) In defining a class in a determination under subrule (1), the AER may exclude from the class a person to whom subrule (2) would otherwise apply, including by specifying:
 - (a) the circumstances in which a person qualifies for the class or is excluded from it;
 - (b) criteria that must be satisfied to be a member of the class;
 - (c) restrictions as to the time from which the class is, or ceases to be, available; or
 - (d) any other matters the AER considers appropriate.
- (4) The AER may amend a determination under subrule (1).
- (5) A determination under this rule must specify, for each class of persons, the form of energy to which the class relates.
- (6) In making or amending a determination under this rule, the AER must comply with the retail consultation procedure.

151

Registration for an exemption~~Registrable exemptions and registered exemptions~~

- (1) A particular person is subject to an exemption only if:
 - (a) the person is a member of one or more classes of persons specified in a determination made under rule 150; and
 - (b) the person registers in accordance with the determination on the Public Register of Authorised Retailers and Exempt Sellers.
- (2) An exemption comes into force in relation to a member of a class of persons specified in the determination made under rule 150 from the date the person registers for the exemption on the Public Register of Authorised Retailers and Exempt Sellers.
- (3) If a person ceases to be a member of a class of persons for whom an exemption is available under a determination made under rule 150, the exemption is taken to be

revoked in respect of that person with effect from the time the person ceases to be a member of the class.

(4) If a person ceases to be a member of a class of persons for whom an exemption is available by reason of an amendment to a determination made under rule 150, the exemption is taken to be revoked in respect of that person with effect from the time the amendment takes effect or a later time specified in the determination.

~~(1) The AER may, in accordance with the retail consultation procedure, determine a class of persons in respect of whom an exemption (a **registrable exemption**) is registrable.~~

~~(2) A registrable exemption becomes a registered exemption in respect of a particular person when the person is registered as such on the Public Register of Authorised Retailers and Exempt Sellers.~~

~~(3) A registered exemption comes into force from the date the person who is subject to the exemption is registered as such on the Public Register of Authorised Retailers and Exempt Sellers.~~

~~(4) The AER may from time to time amend determinations under this rule in accordance with the retail consultation procedure.~~

152 Conditions generally

~~(1) Not used. The AER may impose conditions in relation to the sale of energy by an exempt seller or class of exempt sellers to exempt customers.~~

~~(2) Not used. Conditions may be imposed:~~

~~(a) in respect of individual exemptions under rule 158; and~~

~~(b) in respect of deemed exemptions and registered exemptions under rule 153.~~

(3) Without limitation, a condition imposed under rule 153 may require a ~~an exempt seller or~~ class of exempt sellers to abide by specified obligations derived from energy laws and applicable to retailers, with any modifications specified in the condition, as if:

(a) an exempt seller were a retailer; and

(b) the exempt customers of an exempt seller were retail customers of a retailer.

(4) Where the AER determines that it is appropriate to impose a condition in relation to prices to be charged to exempt customers at residential premises by an exempt seller, the AER must ensure that those customers are charged no more than the standing offer price of the local area retailer.

(5) The AER may impose conditions on exempt sellers for or with respect to installing, maintaining and reading of *meters* of exempt customers in accordance with jurisdictional energy legislation.

153 Conditions for ~~deemed exemptions and registered~~ exemptions

(1) Conditions

If the AER makes a determination under rule 150 ~~for a class of deemed exemptions or under rule 151~~ for a class of ~~registrable~~ exemptions, the AER may impose conditions in relation to the sale of energy by exempt sellers of that class to exempt customers by specifying the conditions as part of the determination.

(2) When conditions may be imposed

Conditions may be imposed when the determination is first made or during the currency of the determination.

(3) Variation or revocation of condition

The AER may, by way of amendment of the determination, vary or revoke a condition.

(4) Application of new or varied conditions

Subject to the terms of the determination imposing or varying a condition:

- (a) a condition imposed during the currency of the determination applies to persons who already are exempt sellers under the determination (as well as to persons who afterwards become exempt sellers under the determination); and
- (b) a condition varied during the currency of the determination applies as varied to persons who already are exempt sellers under the determination (as well as to persons who afterwards become exempt sellers under the determination).

(5) Application of revoked conditions

Subject to the terms of the amending determination that revokes a condition, a revoked condition ceases to apply to persons who already are exempt sellers under the determination (as well as to persons who afterwards become exempt sellers under the determination).

153A Relief from exemptions conditions

- (1) An exempt seller may apply to the AER for a derogation from an exemption condition specified in a determination made under rule 150.
- (2) An application must be made in accordance with the AER Exempt Selling Guidelines.
- (3) The AER may grant a derogation referred to in subrule (1) where (in the AER's opinion) the grant of the derogation is not inconsistent with the national energy retail objective.

Division 3 AER Exempt Selling Guidelines

154 AER Exempt Selling Guidelines

(1) **Application of this rule**

This rule applies to the AER Exempt Selling Guidelines referred to in section 118 of *the Law*.

(2) **Subject matter of AER Exempt Selling Guidelines**

The AER Exempt Selling Guidelines must, in addition to providing information about exemptions, include provisions concerning:

- (a) procedures for applying for the grant, variation or revocation of an ~~individual~~ exemption or a derogation under rule 153A; and
- (b) guidance on the available classes of exemptions, and any associated conditions of exemption that are to apply;
- (c) guidance on the assessment of applications for a derogation under rule 153A; and
- (d) any other matters that the AER considers relevant.
- ~~(b) the information that must be provided by an applicant for an individual exemption; and~~
- ~~(c) requirements relating to registered exemptions under rule 151; and~~
- ~~(d) guidance on the application of the exempt seller related factors (under section 115 of *the Law*) and the customer related factors (under section 116 of *the Law*) in making any decision relating to exemptions; and~~
- ~~(e) the categories of deemed and registrable exemptions, and any associated conditions of exemption that are to apply; and~~
- ~~(f) any other matters that the AER considers relevant.~~

~~Division 4 Provisions relating to individual exemptions~~

~~155 Application for individual exemption or variation of individual exemption~~

~~(1) Application may be made~~

~~A person may apply to the AER for:~~

- ~~(a) an individual exemption; or~~
- ~~(b) the variation of an individual exemption granted to the person.~~

~~(2) Required information to be provided~~

~~The information required by the AER Exempt Selling Guidelines must be provided in the application or, at the request of or with the concurrence of the AER, by way of supplementary advice.~~

~~(3) Application to be published~~

~~The AER must publish an application on the AER's website.~~

~~156 Public notice and submissions~~

~~Before deciding an application for an individual exemption or variation of an individual exemption, the AER must:~~

~~(a) publish on the AER's website a notice:~~

~~(i) setting out a copy of or the details in the application; and~~

~~(ii) stating that written submissions about the application may be made to the AER within a period of at least 20 business days that is specified in the notice; and~~

~~(iii) containing such other information as the AER considers appropriate; and~~

~~(b) consider all written submissions received by it within that period before deciding whether to grant or refuse the application.~~

~~157 Deciding application~~

~~(1) Duty to decide application~~

~~The AER must decide whether to grant or refuse an application for an individual exemption or variation of an individual exemption.~~

~~(2) Application may be granted if guidelines and principles satisfied~~

~~The AER may grant the application if the AER is satisfied that the application meets any applicable requirements of the Law and the AER Exempt Selling Guidelines.~~

~~158 Conditions for individual exemptions~~

~~(1) Conditions~~

~~If the AER grants an application for an individual exemption or variation of an individual exemption, the AER may impose conditions in relation to the sale of energy by the exempt seller to exempt customers.~~

~~(2) When conditions may be imposed~~

~~Conditions may be imposed when the exemption or variation is granted or during the currency of the exemption as granted or as varied.~~

~~(3) Variation or revocation of condition~~

~~The AER may vary or revoke a condition.~~

~~(4) — Variation or revocation of conditions to be treated as variation of exemption~~

~~For the purposes of this Part, a variation or revocation of a condition imposed on an individual exemption is a variation of the exemption, and is to be dealt with accordingly.~~

~~159 — Form of energy to be specified~~

~~(1) — Form of energy to be specified~~

~~If the AER grants an application for an individual exemption, the instrument of exemption must specify the form of energy to which the exemption relates.~~

~~(2) — Form of energy cannot be varied~~

~~An individual exemption cannot be varied to change or add to the form of energy to which the exemption relates.~~

~~**Note:**~~

~~Subrule (2) does not prevent an application for or the grant of another exemption.~~

~~160 — Notice of decision to grant application~~

~~If the AER decides to grant an application for an individual exemption or variation of an individual exemption, the AER must, as soon as practicable, give the applicant a notice:~~

- ~~(a) — stating the decision; and~~
- ~~(b) — specifying the conditions (if any) that the AER has decided to impose on the exemption or variation; and~~
- ~~(c) — stating any other matter relevant to the grant of the exemption or variation.~~

~~161 — Deemed refusal~~

~~(1) — Application of this rule~~

~~This rule applies if the AER specifies conditions in a notice under rule 160.~~

~~(2) — Deemed refusal if applicant does not accept conditions~~

~~The AER is taken to have decided to refuse an application for an individual exemption or variation of an individual exemption if, within:~~

- ~~(a) — the period of 20 business days after the day the notice is given by the AER;~~
- ~~or~~

- ~~(b) — that period as extended by the AER,~~

~~the applicant has not given the AER a notice of acceptance of the conditions specified by the AER or those conditions with changes to which the AER has agreed.~~

~~162 Issue and public notice of individual exemption~~

~~(1) Application of this rule~~

~~This rule applies if:~~

- ~~(a) the AER decides to grant an application for an individual exemption or variation of an individual exemption without conditions; or~~
- ~~(b) the AER decides to grant the application with conditions and the applicant gives the AER a notice of acceptance of the conditions within:~~
 - ~~(i) the period of 20 business days after the notice of the AER's decision is given by the AER; or~~
 - ~~(ii) that period as extended by the AER.~~

~~(2) Issue and publication of individual exemption or variation~~

~~The AER must, as soon as practicable:~~

- ~~(a) issue to the applicant:~~
 - ~~(i) an instrument of exemption; or~~
 - ~~(ii) in the case of a variation an instrument of variation or an instrument containing the exemption as varied; and~~
- ~~(b) publish the terms of the exemption or variation on the AER's website.~~

~~163 Notice of refusal~~

~~If the AER decides or is taken to have decided to refuse an application for an individual exemption or variation of an individual exemption, the AER must, as soon as practicable, give the applicant a notice stating the decision and the reasons for the decision.~~

Division 5 Public Register of Authorised Retailers and Exempt Sellers

164 Public Register of Authorised Retailers and Exempt Sellers

- (1) For the purposes of section 119 of *the Law*, the Public Register of Authorised Retailers and Exempt Sellers must include the following particulars:
 - (a) the names and business addresses of persons who hold retailer authorisations and the form of energy to which the retailer authorisation applies;
 - (b) not used; ~~the names and business addresses of exempt sellers who are subject to an individual exemption~~;
 - (c) not used; ~~a list of the classes of persons in respect of whom deemed exemptions are in force~~;
 - (d) a list of the classes of persons in respect of whom an exemption is registrable ~~available on registration~~;

- (e) the names and business addresses of exempt sellers who have registered with the AER as belonging to a class of persons subject to ~~a registrable~~ an exemption.
- (2) The Public Register of Authorised Retailers and Exempt Sellers may include other particulars and information relating to authorised retailers, exempt sellers and associated matters that the AER considers relevant.

Part 10 Retail market performance reports

165 Purpose of this Part

This Part sets out details of matters to be included in retail market performance reports under Division 2 of Part 12 of *the Law*.

166 Contents of retail market performance report—retail market overview

- (1) A retail market overview in a retail market performance report must include:
 - (a) a statement of the number of retailers and the number of retailers actively selling energy to customers; and
 - (b) an indication of the number of customers of each retailer; and
 - (c) an indication of the total number of customers with standard retail contracts and market retail contracts, respectively, and the numbers by reference to each retailer; and
 - (d) an indication of the numbers of customers who have transferred from one retailer to another retailer; and
 - (e) a report on energy affordability for small customers.
- (2) A retail market overview must provide information under subrule (1) by reference to the following:
 - (a) participating jurisdictions;
 - (b) different categories of customers as determined by the AER, including (but not limited to) small customers and large customers, and residential customers and business customers; and
 - (c) different classes of retailers as determined by the AER.

167 Contents of retail market performance report—retail market activities report

- (1) A retail market activities report in a retail market performance report must include information and statistics on the following activities of regulated entities:
 - (a) customer service and customer complaints;
 - (b) the handling of customers experiencing payment difficulties (distinguishing hardship customers and other residential customers experiencing payment difficulties);
 - (c) the provision of prepayment *meter* systems to customers, including (but not limited to) the total number of customers using prepayment *meters*, self-disconnections and numbers of prepayment *meters* removed due to customer payment difficulties;
 - (d) de-energisation of premises for reasons of non-payment (distinguishing hardship customers and other residential customers on payment plans);

- (e) re-energisation of premises referred to in paragraph (d);
 - (f) concessions for customers where retailers administer the delivery of concessions to customers;
 - (g) the number and aggregate value of *security deposits* held by each retailer as at 30 June each year.
- (2) A retail market activities report must provide sufficient detail to explain the key factors relevant to the level of and trends in the performance of regulated entities.
- (3) A retail market activities report must provide information under subrules (1) and (2) by reference to the following:
 - (a) participating jurisdictions;
 - (b) different categories of customers as determined by the AER, including (but not limited to) small customers and large customers, and residential customers and business customers;
 - (c) specific activities where appropriate, such as customer complaints about billing, energy marketing and customer transfers.

Part 11 Customer retail contracts—electricity consumption benchmarks

168 Purpose of this Part

This Part provides for electricity consumption benchmarks for residential customers under a customer retail contract.

169 AER administration of electricity consumption benchmarks

- (1) The AER must provide the initial benchmarks to retailers and publish those benchmarks on its website.
- (2) Following publication of the initial benchmarks under subrule (1), the AER must prepare subsequent benchmarks for the consumption of electricity (electricity consumption benchmarks) by residential customers in accordance with this rule.
- (3) The electricity consumption benchmarks must be based on the following:
 - (a) electricity consumption information received by the AER from distributors pursuant to rule 171;
 - (b) localised zones as determined and notified to the AER by the relevant jurisdictional Minister;
 - (c) household size.
- (4) The AER must:
 - (a) provide the electricity consumption benchmarks to retailers; and
 - (b) publish the electricity consumption benchmarks on the AER website; and
 - (c) provide the information supporting the development of the electricity consumption benchmarks to the MCE.
- (5) The AER must administer the electricity consumption benchmarks and update them at least every 3 years from the date when the initial benchmarks are published.
- (6) The AER may consult on the electricity consumption benchmarks in any manner that it considers appropriate.
- (7) In this rule:
initial benchmarks means the benchmarks for the consumption of electricity by residential customers as provided for by the National Regulations.

170 Retailer obligations—electricity consumption benchmarks

- (1) Without limiting any requirement under rule 25, a retailer must provide the following particulars in a bill for a residential customer:
 - (a) a comparison of the customer's electricity consumption against the electricity consumption benchmarks under rule 169;

- (b) a statement indicating the purpose of the information provided with respect to those benchmarks;
 - (c) a reference to an energy efficiency website.
- (2) A retailer is required to present the information in subrule (1) in a graphical or tabular form, as appropriate, but may do so in a location on the bill that is convenient for the retailer.
- (3) A retailer must present the information in subrule (1) in a manner which is easy for the customer to understand.
- (4) In this rule:
energy efficiency website means a website, containing information about electricity consumption benchmarks, that is prescribed by the National Regulations and notified by the AER on its website.

171 Distributor obligations—electricity consumption information

Distributors must, for the purpose of the electricity consumption benchmarks, provide information to the AER in such manner and form as may be requested by the AER.

Part 12 National energy retail consultation

172 Customer Consultative Group

- (1) The AER must establish and maintain a Customer Consultative Group.
- (2) The function of the Group is to provide advice to the AER in relation to the AER's functions under the energy laws affecting energy consumers across participating jurisdictions.
- (3) The AER may appoint persons as members of the Group after consultation with organisations and groups that the AER considers appropriate.
- (4) The procedure of the Group is to be as determined by the AER.

173 Retail consultation procedure

- (1) If *the Law* or these Rules require the AER to make an instrument (however described) in accordance with the retail consultation procedure, the AER must proceed in accordance with this rule.
- (2) The AER must proceed as follows :
 - (a) the AER must, after such consultation (if any) as the AER considers appropriate, prepare a draft instrument; and
 - (b) the AER must publish, on its website and in any other way the AER considers appropriate, the draft instrument together with a notice:
 - (i) stating why the instrument is required; and
 - (ii) giving reasonable details of the context in which the draft instrument has been prepared, the issues involved and the possible effects of the instrument; and
 - (iii) inviting written submissions and comments on the draft instrument within a period (at least 20 business days) stated in the notice; and
 - (c) the AER must, as soon as reasonably practicable after the end of the period allowed for making submissions and comments on the draft instrument, consider all submissions and comments made within the time allowed and make the instrument in its final form.
- (3) The AER must prepare a written notice stating the reasons for making the instrument in its final form.
- (4) After making an instrument, the AER must, without delay, publish the instrument and the written notice under subrule (3) relating to it on the AER's website.
- (5) Subject to *the Law* and these Rules, an instrument made in accordance with this rule takes effect on the date provided for its commencement under the terms of the instrument or, if no date is so provided, 10 business days after the date the instrument was made.

Schedule 1 Model terms and conditions for standard retail contracts

(Rule 12)

PREAMBLE

This contract is about the sale of energy to you as a small customer at your premises. It is a standard retail contract that starts without you having to sign a document agreeing to these terms and conditions.

In addition to this contract, the energy laws and other consumer laws also contain rules about the sale of energy and we will comply with these rules in our dealings with you. For example, the National Energy Retail Law and the National Energy Retail Rules ('the Rules') set out specific rights and obligations about energy marketing, payment methods and arrangements for customers experiencing payment difficulties.

You also have a separate contract with your distributor, called a customer connection contract. The customer connection contract deals with the supply of energy to your premises and can be found on your distributor's website.

More information about this contract and other matters is on our website [permitted alteration: insert retailer's website address].

1 THE PARTIES

This contract is between:

[Permitted alteration: name of designated retailer] who sells energy to you at your premises (in this contract referred to as "we", "our" or "us"); and

You, the customer to whom this contract applies (in this contract referred to as "you" or "your").

2 DEFINITIONS AND INTERPRETATION

- (a) Terms used in this contract have the same meanings as they have in the National Energy Retail Law and the Rules. However for ease of reference, a simplified explanation of some terms is given at the end of this contract.
- (b) Where the simplified explanations given at the end of this contract differ from the definitions in the National Energy Retail Law and the Rules, the definitions in the National Energy Retail Law and the Rules prevail.

3 DO THESE TERMS AND CONDITIONS APPLY TO YOU?

3.1 These are our terms and conditions

This contract sets out the terms and conditions for a standard retail contract for a small customer under the National Energy Retail Law and the Rules.

3.2 Application of these terms and conditions

These terms and conditions apply to you if:

- (a) you are a residential customer; or
- (b) you are a business customer who is a small customer; and
- (c) you request us to sell energy to you at your premises; and
- (d) you are not being sold energy for the premises under a market retail contract.

3.3 Electricity or gas

Standard retail contracts apply to electricity and gas, but some terms may be expressed to apply only to one or the other. If we are your retailer for both electricity and gas, you have a separate contract with us for each of them.

4 WHAT IS THE TERM OF THIS CONTRACT?

4.1 When does this contract start?

This contract starts on the date you satisfy any pre-conditions set out in the National Energy Retail Law and the Rules, including giving us *acceptable identification* and your contact details for billing purposes.

4.2 When does this contract end?

- (a) This contract ends:
 - (i) if you give us a notice stating you wish to end the contract—subject to paragraph (b), on a date advised by us of which we will give you at least 5 but no more than 20 business days notice; or
 - (ii) if you are no longer a small customer:
 - (A) subject to paragraph (b), on a date specified by us, of which we will give you at least 5 but no more than 20 business days notice; or
 - (B) if you have not told us of a change in the use of your energy—from the time of the change in use; or
 - (iii) if we both agree to a date to end the contract—on the date that is agreed; or
 - (iv) if you start to buy energy for the premises from us or a different retailer under a customer retail contract—on the date the market retail contract starts; or
 - (v) if a different customer starts to buy energy for the premises—on the date that customer's contract starts; or
 - (vi) if the premises are disconnected and you have not met the requirements in the Rules for reconnection—10 business days from the date of disconnection.
- (b) If you do not give us safe and unhindered access to the premises to conduct a final *meter* reading (where relevant), this contract will not end under paragraph (a) (i) or (ii) until we have issued you a final bill and you have paid any outstanding amount for the sale of energy.

- (c) Rights and obligations accrued before the end of this contract continue despite the end of the contract, including any obligations to pay amounts to us.

4.3 Vacating your premises

- (a) If you are vacating your premises, you must provide your forwarding address to us for your final bill in addition to a notice under clause 4.2(a)(i) of this contract.
- (b) When we receive the notice, we must use our best endeavours to arrange for the reading of the *meter* on the date specified in your notice (or as soon as possible after that date if you do not provide access to your *meter* on that date) and send a final bill to you at the forwarding address stated in your notice.
- (c) You will continue to be responsible for charges for the premises until your contract ends in accordance with clause 4.2 of this contract.

5 SCOPE OF THIS CONTRACT

5.1 What is covered by this contract?

- (a) Under this contract we agree to sell you energy at your premises. We also agree to meet other obligations set out in this contract and to comply with the energy laws, including, where we sell you electricity, the provision, installation and maintenance of your *meter*.
- (b) In return, you agree:
 - (i) to be responsible for charges for energy supplied to the premises until this contract ends under clause 4.2 even if you vacate the premises earlier; and
 - (ii) to pay the amounts billed by us under this contract; and
 - (iii) to meet your obligations under this contract and the energy laws.

5.2 What is not covered by this contract?

This contract does not cover the physical connection of your premises to the distribution system, including the maintenance of that connection and the supply of energy to your premises and, where we sell you gas, provision of metering equipment. This is the role of your distributor under a separate contract called a customer connection contract.

6 YOUR GENERAL OBLIGATIONS

6.1 Full information

You must give us any information we reasonably require for the purposes of this contract. The information must be correct, and you must not mislead or deceive us in relation to any information provided to us.

6.2 Updating information

You must tell us promptly if:

- (a) information you have provided to us changes, including if your billing address changes or if your use of energy changes (for example, if you start running a business at the premises); or
- (b) you are aware of any change that materially affects access to your *meter* or to other equipment involved in providing *metering* services at the premises.

6.3 Life support equipment

- (a) If a person living or intending to live at your premises requires *life support equipment*, you must:
 - (i) register the premises with us or your distributor; and
 - (ii) provide *medical confirmation* for the premises.
- (b) Subject to satisfying the requirements in the Rules, your premises may cease to be registered as having *life support equipment* if *medical confirmation* is not provided to us or your distributor.
- (c) You must tell us or your distributor if the *life support equipment* is no longer required at the premises.
- (d) If you tell us that a person living or intending to live at your premises requires *life support equipment*, we must give you:
 - (i) at least 50 business days to provide *medical confirmation* for the premises;
 - (ii) general advice that there may be a *distributor planned interruption*, *retailer planned interruption*, *embedded network planned interruption* or *unplanned interruption* to the supply of energy to the premises;
 - (iii) at least 4 business days' notice in writing of any *retailer planned interruption* to the supply of electricity to the premises, and prompt notice of an *embedded network planned interruption*, unless we have obtained your explicit consent to the *interruption* occurring on a specified date;
 - (iv) information to assist you to prepare a plan of action in case of an *unplanned interruption*; and
 - (v) emergency telephone contact numbers.

6.4 Obligations if you are not an owner

If you cannot meet an obligation relating to your premises under this contract because you are not the owner you will not be in breach of the obligation if you take all reasonable steps to ensure that the owner or other person responsible for the premises fulfils the obligation.

7 OUR LIABILITY

- (a) The quality and reliability of your electricity supply and the quality, pressure and continuity of your gas supply is subject to a variety of factors that are beyond our control as your retailer, including accidents, emergencies, weather conditions, vandalism, system demand, the technical

limitations of the distribution system and the acts of other persons (such as your distributor), including at the direction of a *relevant authority*.

- (b) To the extent permitted by law, we give no condition, warranty or undertaking, and we make no representation to you, about the condition or suitability of energy, its quality, fitness for purpose or safety, other than those set out in this contract.
- (c) Unless we have acted in bad faith or negligently, the National Energy Retail Law excludes our liability for any loss or damage you suffer as a result of the total or partial failure to supply energy to your premises, which includes any loss or damage you suffer as a result of the defective supply of energy.

8 PRICE FOR ENERGY AND OTHER SERVICES

8.1 What are our tariffs and charges?

- (a) Our tariffs and charges for the sale of energy to you under this contract are our standing offer prices. These are published on our website and include your distributor's charges.
- (b) Different tariffs and charges may apply to you depending on your circumstances. The conditions for each tariff and charge are set out in our standing offer prices.

Note:

We do not impose any charges for the termination of this contract.

8.2 Changes to tariffs and charges

- (a) If we vary our standing offer prices, we will publish the variation in a newspaper and on our website at least 10 business days before it starts.

[Required alteration: deletion of "in a newspaper and" is a required alteration for an off-market retailer.]

- (a1) We will also:
 - (i) notify you at least five business days before the variation in the tariffs and charges are to apply to you; and
 - (ii) deliver the notice by your preferred form of communication where you have communicated this to us, or otherwise by the same method as that used for delivery of your bill.
- (a2) The notice must:
 - (i) specify that your tariffs and charges are being varied;
 - (ii) specify the date on which the variation will come into effect;
 - (iii) identify your existing tariffs and charges inclusive of GST;
 - (iv) identify your tariffs and charges as varied inclusive of GST;
 - (v) specify that the tariffs and charges identified in paragraphs (a2)(iii) and (iv) are inclusive of GST; and
 - (vi) specify that you can request historical billing data and, if you are being sold electricity, energy consumption data, from us.

- (a3) Despite clause 8.2 of this contract, we are not required to provide a notice under paragraph (a1):
 - (i) where you have entered into a standard retail contract with us within 10 business days before the date on which the variation referred to in clause 8.2(a) is to take effect, and we have informed you of such variation;
 - (ii) where your standing offer prices are regulated, or are otherwise set by legislation, a government agency or regulatory authority;
 - (iii) where the variations to the tariffs and charges are a direct result of a change to, or withdrawal or expiry of, a government funded energy charge rebate, concession or relief scheme; or
 - (iv) where the variations to the tariffs and charges are a direct result of a change to any bank charges or fees, credit card charges or fees, or payment processing charges or fees applicable to you.
- (a4) Despite paragraph (a1)(i), we will provide you with the notice under paragraph (a1) as soon as practicable, and in any event no later than your next bill, where the variations to your tariffs and charges are a direct result of a tariff reassignment by the distributor pursuant to clause 6B.A3.2 of the NER. For the purpose of providing a notice under this paragraph (a4), the reference to:
 - (i) “are being varied” in paragraph (a2)(i) is taken to be “are being varied or have been varied (whichever is applicable)”; and
 - (ii) “will come into effect” in paragraph (a2)(ii) is taken to be “will come into effect or has come into effect (whichever is applicable)”.
- (b) Our standing offer prices will not be varied more often than once every 6 months.

[Required alteration: deletion of paragraph (b) is a required alteration for an off-market retailer.]

8.3 Variation of tariff due to change of use

If a change in your use of energy means you are no longer eligible for the particular tariff you are on, we may transfer you to a new tariff under our standing offer prices:

- (a) if you notify us there has been a change of use—from the date of notification; or
- (b) if you have not notified us of the change of use—retrospectively from the date the change of use occurred.

8.4 Variation of tariff or type of tariff on request

- (a) If you think you satisfy the conditions applying to another tariff or type of tariff under our standing offer prices, you can ask us to review your current circumstances to see whether that tariff or type of tariff can apply to you.
- (b) If you meet the requirements for another tariff or type of tariff and request us to do so, we must:

- (i) transfer you to that other tariff within 10 business days; or
- (ii) transfer you to that other type of tariff from the date the *meter* is read or the type of *meter* is changed (if needed).

8.5 Changes to tariffs or type of tariff during a billing cycle

If a tariff applying to you changes during a billing cycle, we will calculate your next bill on a proportionate basis.

8.6 GST

- (a) Amounts specified in the standing offer prices from time to time and other amounts payable under this contract may be stated to be exclusive or inclusive of GST. Paragraph (b) applies unless an amount is stated to include GST.
- (b) Where an amount paid by you under this contract is payment for a “taxable supply” as defined for GST purposes, to the extent permitted by law, that payment will be increased so that the cost of the GST payable on the taxable supply is passed on to the recipient of that taxable supply.

9 BILLING

9.1 General

We will send a bill to you as soon as possible after the end of each billing cycle. We will send the bill:

- (a) to you at the address nominated by you; or
- (b) to a person authorised in writing by you to act on your behalf at the address specified by you.

9.2 Calculating the bill

Bills we send to you (‘your bills’) will be calculated on:

- (a) the amount of energy consumed at your premises during the billing cycle (using information obtained from reading your *meter* or otherwise in accordance with the Rules); and
- (b) the amount of fees and charges for any other services provided under this contract during the billing cycle; and
- (c) the charges payable for services provided by your distributor, including connection charges if you have asked for a new connection or connection alteration and have not made alternative arrangements with your distributor.

9.3 Estimating the energy usage

- (a) We may estimate the amount of energy consumed at your premises if your *meter* cannot be read, if your *metering data* is not obtained (for example, if access to the *meter* is not given or the *meter* breaks down or is faulty), or if you otherwise consent.
- (b) If we estimate the amount of energy consumed at your premises to calculate a bill, we must:

- (i) clearly state on the bill that it is based on an estimation; and
- (ii) when your *meter* is later read, adjust your bill for the difference between the estimate and the energy actually used.
- (c) If the later *meter* read shows that you have been undercharged, we will allow you to pay the undercharged amount in instalments, over the same period of time during which the *meter* was not read (if less than 12 months), or otherwise over 12 months.
- (d) If the *meter* has not been read due to your actions, and you request us to replace the estimated bill with a bill based on an actual reading of the *meter*, we will comply with your request but may charge you any cost we incur in doing so.

9.4 Your historical billing information

Upon request, we must give you information about your billing history for the previous 2 years free of charge. However, we may charge you if you require information going back more than 2 years or we have already given you this information:

- (a) 4 times in the previous 12 months, where this contract relates to electricity; or
- (b) in the previous 12 months, where this contract relates to gas.

[Required alteration: addition of “where that is available to us” after “free of charge” is a required alteration for an off-market retailer.]

9.4A Your electricity (only) consumption information

Upon request, we must give you information about your electricity consumption for up to 2 years free of charge. However, we may charge you if:

- (a) we have already given you this information 4 times in the previous 12 months; or
- (b) the information requested is different in manner or form to any minimum requirements we are required to meet; or
- (c) the information is requested by a representative you have authorised to act on your behalf, and that request is part of a request the representative makes to us in relation to more than one customer.

9.5 Bill smoothing

We may, where you agree, arrange for you to pay your bills under a bill smoothing arrangement, which is based on a 12 monthly estimate of your energy consumption.

10 PAYING YOUR BILL

10.1 What you have to pay

You must pay to us the amount shown on each bill by the date for payment (the *pay-by date*) on the bill. The *pay-by date* will be no earlier than 13 business days from the date on which we issue your bill.

10.2 Issue of reminder notices

If you have not paid your bill by the *pay-by date*, we will send you a *reminder notice* that payment is required. The *reminder notice* will give you a further due date for payment which will be not less than 6 business days after we issue the notice.

10.3 Difficulties in paying

- (a) If you have difficulties paying your bill, you should contact us as soon as possible. We will provide you with information about payment options.
- (b) If you are a residential customer and have told us that you have difficulty paying your bill, we must offer you the option of paying your bill under a payment plan. However, we are not obliged to do so if you have had 2 payment plans cancelled due to non-payment in the previous 12 months or have been convicted of an offence involving the illegal use of energy in the previous 2 years.
- (c) Additional protections may be available to you under our Customer Hardship Policy and under the National Energy Retail Law and the Rules if you are a customer experiencing payment difficulties due to hardship. A copy of our Customer Hardship Policy is available on our website.

10.4 Late payment fees

If you have not paid a bill by the *pay-by date*, we may require you to pay a late payment fee, which is part of our standing offer prices published on our website.

[Required alteration: deletion of this clause is a required alteration where late payment fees for small customers under a standard retail contract are not permitted by a State or Territory law].

11 METERS

- (a) You must allow us and our authorised representatives safe and unhindered access to your premises for the purposes of (where relevant):
 - (i) reading, testing, maintaining, inspecting or altering any *metering* installation at the premises; and
 - (ii) calculating or measuring energy supplied or taken at the premises; and
 - (iii) checking the accuracy of *metered* consumption at the premises; and
 - (iv) replacing *meters*.
- (b) We will use our best endeavours to ensure that a *meter* reading is carried out as frequently as is needed to prepare your bills, consistently with the *metering rules* and in any event at least once every 12 months.
- (c) If we or our representatives seek access to the premises under paragraph (a), we will:
 - (i) comply with all relevant requirements under the energy laws; and
 - (ii) carry or wear official identification; and
 - (iii) show the identification if requested.

- (d) If we propose to replace your electricity *meter* we must give you a notice with the right to elect not to have your *meter* replaced unless:
 - (i) your *meter* is faulty or sample testing indicates it may become faulty; or
 - (ii) you have requested or agreed to the replacement of your *meter*.

11A INTERRUPTION TO ELECTRICITY SUPPLY

11A.1 Retailer may arrange retailer planned interruptions (maintenance repair etc)

- (a) We may arrange *retailer planned interruptions* to the supply of electricity to your premises where permitted under the energy laws for the purpose of the installation, maintenance, repair or replacement of your electricity *meter*.
- (b) If your electricity supply will be affected by a *retailer planned interruption* arranged by us and clause 6.3(d)(iii) does not apply:
 - (i) we may seek your explicit consent to the *interruption* occurring on a specified date; or
 - (ii) we may seek your explicit consent to the *interruption* occurring on any day within a specified 5 business day range; or
 - (iii) otherwise, we will give you at least 4 business days notice of the *interruption* by mail, letterbox drop, press advertisement or other appropriate means.

11A.2 Your right to information about planned interruptions

- (a) If you request us to do so, we will use our best endeavours to explain a *retailer planned interruption* to the supply of electricity to the premises which was arranged by us.
- (b) If you request an explanation be in writing we must, within 10 business days of receiving the request, give you either:
 - (i) the written explanation; or
 - (ii) an estimate of the time it will take to provide a more detailed explanation if a longer period is reasonably needed.
- (c) For *interruptions* made by another person such as your distributor, we may refer you to the other person ~~your distributor~~ to provide information.

12 UNDERCHARGING AND OVERCHARGING

12.1 Undercharging

- (a) If we have undercharged you, we may recover the undercharged amount from you. If we recover an undercharged amount from you:
 - (i) we will not charge interest on the undercharged amount; and
 - (ii) we will offer you time to pay the undercharged amount in instalments over the same period of time during which you were undercharged (if less than 12 months), or otherwise over 12 months.

- (b) The maximum amount we can recover from you is limited to the amount that has been undercharged in the 9 months immediately before we notify you, unless the undercharge is your fault, or results from your unlawful act or omission.

12.2 Overcharging

- (a) Where you have been overcharged by less than [required alteration: insert current overcharge threshold], and you have already paid the overcharged amount, we must credit that amount to your next bill.
- (b) Where you have been overcharged by [required alteration: insert current overcharge threshold] or more, we must inform you within 10 business days of our becoming aware of the overcharge and, if you have already paid that amount, we must credit that amount to your next bill. However, if you request otherwise, we will comply with that request.
- (c) If you have stopped buying energy from us, we will use our best endeavours to pay the overcharged amount to you within 10 business days.
- (d) If you have been overcharged as a result of your own fault or unlawful act or omission, we may limit the amount we credit or pay you to the amount you were overcharged in the last 12 months.

12.3 Reviewing your bill

- (a) If you disagree with the amount you have been charged, you can ask us to review your bill in accordance with our standard complaints and dispute resolution procedures.
- (b) If you ask us to, we must arrange for a check of the *meter* reading or *metering data* or for a test of the *meter* in reviewing the bill. You will be liable for the cost of the check or test and we may request payment in advance. However, if the *meter* or *metering data* proves to be faulty or incorrect, we must reimburse you for the amount paid.
- (c) If your bill is being reviewed, you are still required to pay any other bills from us that are due for payment and the lesser of:
 - (i) the portion of the bill that you do not dispute; or
 - (ii) an amount equal to the average of your bills in the last 12 months.

13 SECURITY DEPOSITS

13.1 Security deposit

We may require that you provide a *security deposit*. The circumstances in which we can require a *security deposit* and the maximum amount of the *security deposit* are governed by the Rules.

13.2 Interest on security deposits

Where you have paid a *security deposit*, we must pay you interest on the *security deposit* at a rate and on terms required by the Rules.

13.3 Use of a security deposit

- (a) We may use your *security deposit*, and any interest earned on the *security deposit*, to offset any amount you owe under this contract:
 - (i) if you fail to pay a bill and as a result we arrange for the disconnection of your premises; or
 - (ii) in relation to a final bill (i.e. a bill we issue when you vacate the premises or when you stop purchasing energy from us at your premises or when you request that your premises be disconnected).
- (b) If we use your *security deposit* or any accrued interest to offset amounts owed to us, we will advise you within 10 business days.

13.4 Return of security deposit

- (a) We must return your *security deposit* and any accrued interest in the following circumstances:
 - (i) you complete 1 years' payment (in the case of residential customers) or 2 years' payment (in the case of business customers) by the *pay-by dates* on our initial bills; or
 - (ii) subject to clause 14.3 of this contract, you stop purchasing energy at the relevant premises under this contract.
- (b) If you do not give us any reasonable instructions, we will credit the amount of the *security deposit*, together with any accrued interest, to your next bill.

14 DISCONNECTION OF SUPPLY

14.1 When can we arrange for disconnection?

Subject to us satisfying the requirements in the Rules, we may arrange for the disconnection of your premises if:

- (a) you do not pay your bill by the *pay-by date* and, if you are a residential customer, you:
 - (i) fail to comply with the terms of an agreed payment plan; or
 - (ii) do not agree to an offer to pay the bill by instalments, or having agreed, you fail to comply with the instalment arrangement;
- (b) you do not provide a *security deposit* we are entitled to require from you; or
- (c) you do not give access to your premises to read a *meter* (where relevant) for 3 consecutive *meter* reads; or
- (d) you fail to give us safe and unhindered access to the premises as required by clause 11 or any requirements under the energy laws; or
- (e) there has been illegal or fraudulent use of energy at your premises in breach of clause 16 of this contract; or
- (f) we are otherwise entitled or required to do so under the Rules or by law.

14.2 Notice and warning of disconnection

Before disconnecting your premises, we must comply with relevant warning notice requirements and other provisions in the Rules, and in relation to safe and unhindered access only, we must use our best endeavours to contact you to arrange an appointment with you for access to your premises in addition to any warning notice. However, we are not required to provide a warning notice prior to disconnection in certain circumstances (for example, where there has been illegal or fraudulent use of energy at your premises or where there is an emergency or health and safety issue).

14.3 When we must not arrange disconnection

- (a) Subject to paragraph (b), your premises may not be disconnected during the following times ('the protected period'):
 - (i) on a business day before 8.00am or after 3.00pm; or
 - (ii) on a Friday or the day before a public holiday; or
 - (iii) on a weekend or a public holiday; or
 - (iv) on the days between 20 December and 31 December (both inclusive) in any year; or
 - (v) if you are being disconnected under clause 14.1(a), during an extreme weather event.
- (b) Your premises may be disconnected within the protected period:
 - (i) for reasons of health and safety; or
 - (ii) in an emergency; or
 - (iii) as directed by a *relevant authority*; or
 - (iv) if you are in breach of clause 6.5 of your customer connection contract which deals with interference with energy equipment; or
 - (v) if you request us to arrange disconnection within the protected period; or
 - (vi) if your premises contain a commercial business that only operates within the protected period and where access to the premises is necessary to effect disconnection; or
 - (vii) where the premises are not occupied.

15 RECONNECTION AFTER DISCONNECTION

- (a) We must arrange for the reconnection of your premises if, within 10 business days of your premises being disconnected:
 - (i) you ask us to arrange for reconnection of your premises; and
 - (ii) you rectify the matter that led to the disconnection; and
 - (iii) you pay any reconnection charge (if requested).
- (b) We may terminate this contract 10 business days following disconnection if you do not meet the requirements in paragraph (a).

16 WRONGFUL AND ILLEGAL USE OF ENERGY

16.1 Use of energy

You must not, and must take reasonable steps to ensure others do not:

- (a) illegally use energy supplied to your premises; or
- (b) interfere or allow interference with any energy equipment that is at your premises except as may be permitted by law; or
- (c) use the energy supplied to your premises or any energy equipment in a manner that:
 - (i) unreasonably interferes with the connection or supply of energy to another customer; or
 - (ii) causes damage or interference to any third party; or
- (d) allow energy purchased from us to be used otherwise than in accordance with this contract and the Rules; or
- (e) tamper with, or permit tampering with, any *meters* or associated equipment.

17 NOTICES AND BILLS

- (a) Notices and bills under this contract must be sent in writing, unless this contract or the National Energy Retail Law and the Rules say otherwise.
- (b) A notice or bill sent under this contract is taken to have been received by you or by us (as relevant):
 - (i) on the date it is handed to the party, left at the party's premises (in your case) or one of our offices (in our case) or successfully faxed to the party (which occurs when the sender receives a transmission report to that effect); or
 - (ii) on the date 2 business days after it is posted; or
 - (iii) on the date of transmission (unless the sender receives notice that delivery did not occur or has been delayed) if sent electronically and the use of electronic communication has been agreed between us.
- (c) Our contact details for you to contact us or send us a notice are as set out in our bill to you, or as notified to you from time to time.

18 PRIVACY ACT NOTICE

We will comply with all relevant privacy legislation in relation to your personal information. You can find a summary of our privacy policy on our website. If you have any questions, you can contact our privacy officer.

19 COMPLAINTS AND DISPUTE RESOLUTION

19.1 Complaints

If you have a complaint relating to the sale of energy by us to you, or this contract generally, you may lodge a complaint with us in accordance with our standard complaints and dispute resolution procedures.

Note:

Our standard complaints and dispute resolution procedures are published on our website.

19.2 Our obligations in handling complaints

If you make a complaint, we must respond to your complaint within the required timeframes set out in our standard complaints and dispute resolution procedures and inform you:

- (a) of the outcome of your complaint and the reasons for our decision; and
- (b) that if you are not satisfied with our response, you have a right to refer the complaint to [required alteration: insert name of relevant energy ombudsman].

20 FORCE MAJEURE

20.1 Effect of force majeure event

If either party to this contract cannot meet an obligation under this contract because of an event outside the control of that party ('a force majeure event'):

- (a) the obligation, other than an obligation to pay money, is suspended to the extent it is affected by the force majeure event for as long as the force majeure event continues; and
- (b) the affected party must use its best endeavours to give the other party prompt notice of that fact including full particulars of the event, an estimate of its likely duration, the extent to which the affected party's obligations are affected and the steps being taken to remove, overcome or minimise those effects.

20.2 Deemed prompt notice

If the effects of a force majeure event are widespread, we will be deemed to have given you prompt notice if we make the necessary information available by way of a 24 hour telephone service within 30 minutes of being advised of the event or otherwise as soon as practicable.

20.3 Obligation to overcome or minimise effect of force majeure event

A party that claims a force majeure event must use its best endeavours to remove, overcome or minimise the effects of that event as soon as practicable.

20.4 Settlement of industrial disputes

Nothing in this clause requires a party to settle an industrial dispute that constitutes a force majeure event in any manner other than the manner preferred by that party.

21 APPLICABLE LAW

The laws of [required alteration: insert name of the relevant participating jurisdiction where the customer's premises are located] govern this contract.

22 RETAILER OF LAST RESORT EVENT

If we are no longer entitled by law to sell energy to you due to a Retailer of Last Resort (RoLR) event occurring in relation to us, we are required under the National Energy Retail Law and the Rules to provide relevant information (including your name, billing address and *metering* identifier) to the entity appointed as the relevant designated retailer for the RoLR event and this contract will come to an end.

23 GENERAL

23.1 Our obligations

Some obligations placed on us under this contract may be carried out by another person. If an obligation is placed on us to do something under this contract, then:

- (a) we are taken to have complied with the obligation if another person does it on our behalf; and
- (b) if the obligation is not complied with, we are still liable to you for the failure to comply with this contract.

23.2 Amending this contract

- (a) This contract may only be amended in accordance with the procedures set out in the National Energy Retail Law.
- (b) We must publish any amendments to this contract on our website.

Simplified explanation of terms

billing cycle means the regular recurrent period for which you receive a bill from us;

business day means a day other than a Saturday, a Sunday or a public holiday;

customer means a person who buys or wants to buy energy from a retailer;

customer connection contract means a contract between you and your distributor for the provision of customer connection services;

designated retailer means the financially responsible retailer for the premises (where you have an existing connection) or the local area retailer (where you do not have an existing connection) for your premises;

disconnection means an action to prevent the flow of energy to the premises, but does not include an *interruption*;

distributor means the person who operates the system that connects your premises to the distribution network;

distributor planned interruption means an *interruption* for:

- (a) the planned maintenance, repair or augmentation of the transmission system; or
- (b) the planned maintenance, repair or augmentation of the distribution system, including planned or routine maintenance of a *meter* (excluding a *retailer planned interruption*): or

(c) the installation of a new connection or a connection alteration;

embedded network means a distribution network that is connected to the main part of the grid through another distribution network or through another embedded network;

embedded network planned interruption means an interruption to supply in an embedded network due to an interruption to its connection to a distribution network or another embedded network;

emergency means an emergency due to the actual or imminent occurrence of an event that in any way endangers or threatens to endanger the safety or health of any person, or normal operation of the distribution system or transmission system, or that destroys or damages, or threatens to destroy or damage, any property;

energy means electricity or gas;

energy laws means national and State and Territory laws and rules relating to energy and the legal instruments made under those laws and rules;

force majeure event means an event outside the control of a party;

GST has the meaning given in the GST Act (*A New Tax System (Goods and Services Tax) Act 1999* (Cth));

interruption means a temporary unavailability or temporary curtailment of the supply of electricity from a distribution system to a customer, but does not include disconnection;

medical confirmation means certification from a registered medical practitioner of the requirement for *life support equipment* at your premises;

National Energy Retail Law means *the Law* of that name that is applied by each participating State and Territory;

relevant authority means any person or body who has the power under law to direct us, including the Australian Energy Market Operator and State or Federal Police;

residential customer means a person who purchases energy principally for personal, household or domestic use at their premises;

retailer means a person that is authorised to sell energy to customers;

retailer planned interruption means an *interruption* that:

- (a) is for the purposes of the installation, maintenance, repair or replacement of your electricity *meter*; and
- (b) does not involve the distributor effecting the *interruption*; and
- (c) is not an *interruption* which has been planned by your distributor.

RoLR event means an event that triggers the operation of the Retailer of Last Resort scheme under the National Energy Retail Law;

Rules means the National Energy Retail Rules made under the National Energy Retail Law;

security deposit means an amount of money paid to us as security against non-payment of a bill in accordance with the Rules;

small customer means:

- (a) a residential customer; or
- (b) a business customer who consumes energy at or below a level determined under the National Energy Retail Law;

standing offer prices means tariffs and charges that we charge you for or in connection with the sale and supply of energy. These are published on our website.

Schedule 2 Model terms and conditions for deemed standard connection contracts

(Rule 81)

PREAMBLE

This contract is about the services which cover connection of your premises to our distribution system, and the energy supplied to the premises. These services are called “customer connection services”.

In addition to this contract, we are required to comply with energy laws and other consumer laws in our dealings with you.

You also have a separate contract with your retailer dealing with the sale of energy to the premises.

More information about this contract and other matters is on our website [permitted alteration: insert distributor’s website address].

1 THE PARTIES

This contract is between:

[Permitted alteration: name of distributor] who provides you with customer connection services at the premises (in this contract referred to as “we”, “our” or “us”); and

You, the customer to whom this contract applies (in this contract referred to as “you” or “your”).

2 DEFINITIONS AND INTERPRETATION

(a) Terms used in this contract have the same meanings as they have in the National Energy Retail Law and the National Energy Retail Rules (‘the Rules’). However, for ease of reference, a simplified explanation of some terms is given at the end of this contract.

(b) Where the simplified explanations in Schedule 1 differ from the definitions in the National Energy Retail Law and the Rules, the definitions in the National Energy Retail Law and the Rules prevail.

3 DO THESE TERMS AND CONDITIONS APPLY TO YOU?

3.1 These are our terms and conditions

This contract sets out the terms and conditions for the standard connection contract for customers under the National Energy Retail Law and the Rules.

3.2 Does this contract apply to you?

This contract applies to you if your premises are connected to our distribution system, and you do not have another customer connection contract with us for those premises.

3.3 What if I need a new connection?

If you require a new connection or an alteration to your existing connection we will provide you with a connection offer in accordance with either the National Electricity Rules (for an electricity connection) or the National Gas Rules (for a gas connection). That offer will contain terms and conditions relevant to the connection, which will form additional terms and conditions to this contract if you agree to the connection offer.

3.4 Electricity or gas

Standard connection contracts apply to electricity and gas, but some terms are expressed to apply only to one or the other. Our distribution system is [insert “a gas” or “an electricity” as relevant] distribution system.

4 WHAT IS THE TERM OF THIS CONTRACT?

4.1 When does this contract start?

If your premises are connected to our distribution system, this contract starts on the date when you start to take supply of energy at those premises.

4.2 When does this contract end?

- (a) This contract ends:
 - (i) if your retailer notifies us that the supply of energy to the premises is to be disconnected (a ‘termination notice’)—subject to paragraph (b), on the date we disconnect the premises, (even if you have vacated the premises earlier); or
 - (ii) if you start receiving supply of energy for the premises under a different customer connection contract—on the date that contract starts; or
 - (iii) if a different customer starts receiving supply of energy for the premises—on the date the connection contract of that customer starts;
 - (iv) if we both agree to a date to end the contract – on the date that is agreed; or
 - (v) 10 business days after we disconnect the premises under the Rules, if you have not within that period asked your retailer to reconnect the premises and met the requirements in the Rules for reconnection.
- (b) If your retailer gives us a termination notice but you do not give safe and unhindered access to your premises to conduct a final *meter* reading (where relevant), this contract will not end under paragraph (a)(i) until a final *meter* reading is carried out.
- (c) Rights and obligations accrued before the end of this contract continue despite the end of this contract.

5 SCOPE OF THIS CONTRACT

5.1 What is covered by this contract?

- (a) Under this contract we agree to provide customer connection services at the premises. We also agree to meet other obligations set out in this contract and to comply with the energy laws.
- (b) Charges for customer connection services will be billed under your contract with your retailer.

5.2 Sale of energy not covered by this contract

This contract does not cover the sale of energy to your premises. This is the role of your retailer.

5.3 Services and your connection point

- (a) We must provide, install and maintain equipment for the provision of customer connection services at your premises safely and in accordance with the energy laws.
- (b) Our obligations extend up to the connection point where energy is to be supplied to the premises (as defined by us) and not beyond.

5.4 Guaranteed service levels

- (a) If you are a small customer, we are required under *the laws* of [required alteration: insert name of the State or Territory] to meet certain guaranteed service levels. These requirements are [required alteration: set out the applicable GSL scheme requirements of that State or Territory]. If we do not meet a relevant guaranteed service level and you are entitled to a payment under those laws, we will make a payment to you in accordance with the relevant laws.
- (b) Nothing in this contract limits our obligations to make payments in accordance with the applicable GSL scheme.

[Note:

Where there is no GSL Scheme in a State or Territory for small customers, or for the customers of embedded network service providers, the deletion of this clause is a required alteration.]

6 YOUR GENERAL OBLIGATIONS

6.1 Full information

You must give us any information we reasonably require for the purposes of this contract. The information must be correct, and you must not mislead or deceive us in relation to any information provided to us.

6.2 Updating information

You must promptly:

- (a) inform your retailer of any change to your contact details; and

- (b) inform your retailer of any change that you are aware of that materially affects access to your *meter* or to other equipment involved in providing customer connection services at the premises; and
- (c) inform us of any proposed change that you are aware of in plant or equipment, including *metering* equipment, or any change to the capacity or operation of connected plant or equipment that may affect the quality, reliability, safety or *metering* of the supply of energy to the premises or the premises of any other person; and
- (d) inform either your retailer or us of any permanent material change to the energy load or pattern of usage at the premises.

6.3 Your obligation to comply with energy laws and our requirements

You must comply with:

- (a) the energy laws relating to the provision of customer connection services we provide to your premises under this contract; and
- (b) our reasonable requirements under the energy laws, including our service and installation rules. This includes a requirement that you provide and maintain at your premises any reasonable or agreed facility required by us to provide customer connection services to the premises.

6.4 Life support equipment

- (a) If a person living or intending to live at your premises requires *life support equipment*, you must:
 - (i) register the premises with your retailer or with us; and
 - (ii) provide *medical confirmation* for the premises.
- (b) Subject to satisfying the requirements in the Rules, your premises may cease to be registered as having *life support equipment* if *medical confirmation* is not provided to us or your retailer.
- (c) You must tell us or your retailer if the *life support equipment* is no longer required at the premises.
- (d) If you tell us that a person living or intending to live at your premises requires *life support equipment*, we must give you:
 - (i) ~~at least 50 business days to provide *medical confirmation* for the premises; and~~
 - (ii) general advice that there may be a *distributor planned interruption*, *retailer planned interruption*, *embedded network planned interruption* or *unplanned interruption* to the supply of energy to the premises; and
 - (iii) at least 4 business days' notice in writing of any *distributor planned interruptions* to the supply of energy to the premises, and prompt notice of any *embedded network planned interruption*, unless we have obtained your explicit consent to the *interruption* occurring on a specified date; and
 - (iv) information to assist you to prepare a plan of action in case of an *unplanned interruption*; and

- (v) emergency telephone contact numbers.

6.5 Obligations if you are not an owner

If you cannot meet an obligation relating to your premises under this contract because you are not the owner, you will not be in breach of the obligation if you take all reasonable steps to ensure that the owner or other person responsible for the premises fulfils the obligation.

6.6 Small generators including solar panels

- (a) If you have a small generator connected to our distribution system at the premises, you must comply with the applicable standards in operating and maintaining the generator when you start to take supply of energy under this contract.
- (b) If you no longer want to keep a small generator at the premises connected to our distribution system, you must apply to us for a connection alteration so that any necessary alterations to the connection can be made.
- (c) If you want to connect a small generator at the premises to our distribution system for the purpose of exporting energy (for example, a solar panel), you must apply for a connection alteration under the National Electricity Rules. We will provide you with a copy of the relevant additional terms and conditions at the time when we make our connection offer.

7 WRONGFUL AND ILLEGAL USE OF ENERGY

7.1 Illegal use of energy or interference

You must not and must take reasonable steps to ensure others do not:

- (a) illegally use energy supplied to the premises; or
- (b) interfere or allow interference with any of our equipment at the premises, except as may be permitted by law; or
- (c) use the energy supplied to your premises or any energy equipment in a manner that:
 - (i) unreasonably interferes with the connection or supply of energy to another customer; or
 - (ii) causes damage or interference to any third party; or
- (d) use customer connection services provided by us in a way that is not permitted by law or this contract; or
- (e) tamper with, or permit tampering with, any *meters* or associated equipment.

7.2 Consequences for wrongful or illegal use

If you do not comply with clause 7.1 above, we may, in accordance with the energy laws take any or all of the following actions:

- (a) estimate the amount of energy obtained wrongfully or illegally and take debt recovery action against you for that amount; and

- (b) undertake (or agree that you undertake) any necessary rectification work at your cost; and
- (c) arrange for the immediate disconnection of the premises.

8 OUR LIABILITY

- (a) The quality and reliability of your electricity supply and the quality, pressure and continuity of your gas supply is subject to a variety of factors that may be beyond our control, including accidents, emergencies, weather conditions, vandalism, system demand, the technical limitations of the distribution system and the acts of other persons, including at the direction of a *relevant authority*.
- (b) To the extent permitted by law, we give no condition, warranty or undertaking, and we make no representation to you, about the condition or suitability of energy, its quality, fitness for purpose or safety, other than those set out in this contract.
- (c) Unless we have acted in bad faith or negligently, the National Energy Retail Law excludes our liability for any loss or damage you suffer as a result of the total or partial failure to supply energy to your premises, which includes any loss or damage you suffer as a result of the defective supply of energy.

9 ACCESS TO THE PREMISES

9.1 Your obligations

Under the energy laws, you must provide us and our authorised representatives (together with all necessary equipment) safe and unhindered access to the premises, including taking appropriate action to prevent menacing or attack by animals at the premises, at any reasonable time to allow us to:

- (a) read, test, maintain, inspect or alter any *metering* installation at the premises; and
- (b) calculate or measure energy supplied or taken at the premises; and
- (c) check the accuracy of *metered* consumption at the premises; and
- (d) replace *meters*, control apparatus and other energy equipment of ours; and
- (e) connect or disconnect the premises; and
- (f) examine or inspect an energy installation at the premises; and
- (g) inspect, make safe, operate, change, maintain, remove, repair or replace any of our works at the premises; and
- (h) undertake repairs, testing or maintenance of the distribution system; and
- (i) clear vegetation from the distribution system including any equipment owned by us; and
- (j) take action to determine the appropriate tariff or charging category for the premises; and
- (k) perform services requested by you or your retailer.

9.2 Our obligations

If we or our representatives seek access to the premises under clause 9.1 above, we will:

- (a) comply with all relevant requirements under the energy laws; and
- (b) carry or wear official identification; and
- (c) show the identification if requested.

10 INTERRUPTION TO SUPPLY

10.1 Distributor may interrupt supply

We may *interrupt* the supply of energy to your premises where permitted under the energy laws, including for a *distributor planned interruption* or an embedded network planned interruption or where there is an *unplanned interruption* or in accordance with the conditions of any applicable tariff or under a contract with your retailer.

10.2 Distributor planned interruptions (maintenance, repair, etc)

- (a) We may make *distributor planned interruptions* to the supply of energy to the premises under the Rules for the following purposes:
 - (i) for the maintenance, repair or augmentation of the transmission system or the distribution system, including maintenance of *metering* equipment; or
 - (ii) for the installation of a new connection or a connection alteration to another customer.
- (b) If your energy supply will be affected by a *distributor planned interruption* and clause 6.4(d)(iii) does not apply:
 - (i) we may seek your explicit consent to the *interruption* occurring on a specified date; or
 - (ii) we may seek your explicit consent to the *interruption* occurring on any day within a specified 5 business day range; or
 - (iii) otherwise, we will give you at least 4 business days notice of the *interruption* by mail, letterbox drop, press advertisement or other appropriate means.

10.3 Unplanned interruptions

- (a) We may *interrupt* the supply of energy to your premises in circumstances where we consider that a customer's energy installation or the distribution system poses an immediate threat of injury or material damage to any person, property or the distribution system, including:
 - (i) for unplanned maintenance or repairs;
 - (ii) for health or safety reasons;
 - (iii) in an emergency;
 - (iv) as required by a *relevant authority*;

- (v) to shed demand for energy because the total demand at the relevant time exceeds the total supply available; or
- (vi) to restore supply to a customer.
- (b) If an *unplanned interruption* is made, we will use our best endeavours to restore energy supply to the premises as soon as possible.
- (c) We will make information about *unplanned interruptions* (including the nature of any emergency and, where reasonably possible, an estimate of when energy supply will be restored) available on a 24 hour telephone information service.

10.4 Your right to information about interruptions

- (a) If you request us to do so, we will use our best endeavours to explain:
 - (i) an *interruption* to the supply of energy to the premises; or
 - (ii) a supply of energy to the premises of a quality in breach of any relevant standards under the energy laws.
- (b) If you request an explanation be in writing we must, within 10 business days of receiving the request, give you either:
 - (i) the written explanation; or
 - (ii) an estimate of the time it will take to provide a more detailed explanation if a longer period is reasonably needed.
- (c) For any *retailer planned interruption* arranged by your retailer, we may refer you to your retailer to provide information.
- (d) For any *embedded network planned interruption*, we may refer you to the retailer or distributor responsible for the *interruption*.

11 OUR CHARGES

11.1 Payment

The amounts you are billed under your contract with your retailer include our charges for customer connection services.

11.2 Determination of our charges

We will determine our charges for a billing cycle in accordance with the energy laws.

11.3 Compliance with tariff requirements

- (a) If there are any conditions that are relevant to any tariff or charging category that applies to you for the supply of energy to your premises we must advise your retailer of those conditions.
- (b) You must comply with any conditions referred to in paragraph (a).
- (c) If you do not comply with the conditions referred to in paragraph (a), we may change the tariff that applies to you.

12 DISCONNECTION OF SUPPLY

12.1 When can we disconnect?

Subject to us satisfying the requirements in the Rules, we may disconnect your premises if:

- (a) your retailer informs us that it has a right to arrange for disconnection under your contract with your retailer and requests that we disconnect the premises; or
- (b) you use energy supplied to the premises wrongfully or illegally in breach of clause 7; or
- (c) if you fail to pay any direct charges (where relevant) to us under this contract; or
- (d) if you provide false information to us or your retailer such that you would not have been entitled to be connected if you had not provided the false information; or
- (e) if you do not provide and maintain space, equipment, facilities or anything else you must provide under the energy laws or this contract in order for us to provide customer connection services; or
- (f) if you fail to give us safe and unhindered access to the premises as required by clause 9 or any requirement under the energy laws; or
- (g) in an emergency or for health and safety reasons; or
- (h) if required to do so at the direction of a *relevant authority*; or
- (i) if we are otherwise permitted by the energy laws to disconnect the premises.

Note:

The energy laws allow distributors and other authorised people to disconnect or arrange the disconnection of premises in circumstances additional to those set out above.

12.2 Notice and warning of disconnection

If you are a small customer, we may disconnect your premises under clauses 12.1(c), 12.1(d), 12.1(e) or 12.1(f) only if:

- (a) we have sent you a *disconnection warning notice* that:
 - (i) requires you to rectify, within 6 business days after the date of issue on the notice, the issue that could lead to disconnection; and
 - (ii) carries a warning of the consequences of failing to comply with the notice; and
- (b) in relation to safe and unhindered access only, we have used our best endeavours to contact you to arrange an appointment with you for access to your premises in addition to providing a *disconnection warning notice*; and
- (c) you fail to comply with the *disconnection warning notice* within 6 business days after the date of issue.

12.3 Life support equipment

If you are a small customer, we must not disconnect your premises if they are registered as having *life support equipment*, except in an emergency.

12.4 When we must not disconnect

- (a) Subject to paragraph (b), and otherwise in accordance with the Rules, if you are a small customer we must not disconnect the premises during the following times ('the protected period'):
 - (i) on a business day before 8.00am or after 3.00pm; or
 - (ii) on a Friday or the day before a public holiday; or
 - (iii) on a weekend or a public holiday; or
 - (iv) on the days between 20 December and 31 December (both inclusive) in any year; or
 - (v) if you are being disconnected for a failure to pay, during an extreme weather event.
- (b) Your premises may be disconnected within the protected period:
 - (i) for reasons of health and safety; or
 - (ii) in an emergency; or
 - (iii) as directed by a *relevant authority*; or
 - (iv) if you are in breach of clause 7 which deals with wrongful and illegal use of energy; or
 - (v) if your retailer makes such a request on your behalf; or
 - (vi) if your premises contain a commercial business that only operates within the protected period and where access to the premises is necessary to effect disconnection; or
 - (vii) where the premises are not occupied.

12.5 Our rights after disconnection

The disconnection of the premises does not limit or waive any of the parties' rights and obligations under this contract arising before disconnection, including any of your obligations to pay amounts to us or your retailer.

12.6 Disconnection fee

If you have not complied with a *disconnection warning notice* and we arrive at the premises to disconnect the premises but do not do so because you rectify the matter referred to in the *disconnection warning notice*, you will be liable to pay a reasonable fee for our attendance at the premises.

13 RECONNECTION AFTER DISCONNECTION

13.1 Where we must reconnect

- (a) If you are a small customer, we must arrange for reconnection of the premises if, within 10 business days of your premises being disconnected:

- (i) where your retailer asked for the disconnection—if we are asked by your retailer to reconnect the premises; or
- (ii) in other circumstances—if:
 - (A) you ask us to arrange for reconnection of your premises; and
 - (B) you rectify the matter that led to the disconnection; and
 - (C) you pay any reconnection charge.
- (b) We may terminate this contract 10 business days following disconnection if the requirements in paragraph (a) are not met.

13.2 Timeframe for reconnection

If you are a small customer and at the time of the request for reconnection:

- (a) you or your retailer have made arrangements for payment of the relevant reconnection charge; and
- (b) you have complied with our requirements under the relevant energy laws; and
- (c) the necessary infrastructure to re-energise the premises remains in place; and
- (d) you provide safe and unhindered access to the premises,

we must re-energise the premises within [required alteration: insert the applicable service standard as to time for re-energisation], unless you request a later time.

13.3 Wrongful disconnection

If we disconnect the premises where we did not have a right to do so, we must reconnect the premises as soon as possible and without charge.

14 NOTICES AND BILLS

- (a) Notices and bills (where relevant) under this contract must be sent in writing, unless this contract or the Rules say otherwise.
- (b) A notice or bill sent under this contract is taken to have been received by you or by us (as relevant):
 - (i) on the date it is handed to the party, left at the party's premises (in your case) or one of our offices (which excludes depots) (in our case) or successfully faxed to the party (which occurs when the sender receives a transmission report to that effect); or
 - (ii) on the date two business days after it is posted; or
 - (iii) on the date of transmission (unless the sender receives notice that delivery did not occur or has been delayed) if sent electronically and the use of electronic communication has been agreed between us.

15 PRIVACY ACT NOTICE AND ACCESS TO INFORMATION

15.1 Privacy of personal information

We will comply with all relevant privacy legislation in relation to your personal information. You can find a summary of our privacy policy on our website. If you have any questions, you can contact our privacy officer.

15.2A Access to information - electricity only

Upon request, we must give you information about your energy consumption or our charges for customer connection services for up to 2 years free of charge. We may charge you a reasonable fee for information requested;

- (a) more than 4 times in the previous 12 months; or
- (b) that is different in manner and form to any minimum requirements we are required to meet; or
- (c) by a representative you have authorised to act on your behalf, and that request is part of a request the representative makes to us in relation to more than one customer.

15.2B Access to information - gas only

Upon request, we must give you information about your energy consumption or our charges for customer connection services. We may charge you a reasonable fee for information requested more than once in any 12 month period.

16 COMPLAINTS AND DISPUTE RESOLUTION

16.1 Complaints

If you have a complaint relating to the supply of energy to the premises, or this contract generally, you may lodge a complaint with us in accordance with our standard complaints and dispute resolution procedures.

Note:

Our standard complaints and dispute resolution procedures are published on our website.

16.2 Our obligations in handling complaints or disputes

If you make a complaint, we must respond to your complaint within the required timeframes in our standard complaints and dispute resolution procedures and inform you:

- (a) of the outcome of your complaint and the reasons for our decision; and
- (b) that, if you are not satisfied with our response and you are a small customer, you have a right to refer the complaint to [required alteration: insert name and contact details of the relevant energy ombudsman].

17 FORCE MAJEURE

17.1 Effect of force majeure event

If, either you or we cannot meet an obligation under this contract because of an event outside the control of the party ('**a force majeure event**');

- (a) the obligation, other than an obligation to pay money (including, in our case, a payment for failure to meet a guaranteed service level), is suspended to the extent it is affected by the event for so long as the event continues; and
- (b) the affected party must use its best endeavours to give the other prompt notice of that fact including full particulars of the event, an estimate of its likely duration, the extent to which its obligations are affected and the steps taken to remove, overcome or minimise those effects.

17.2 Deemed prompt notice

If the effects of a force majeure event are widespread we will be taken to have given you prompt notice if we make the necessary information available by way of a 24 hour telephone service within 30 minutes of being advised of the event or otherwise as soon as practicable.

17.3 Obligation to overcome or minimise effect of force majeure event

A party that claims a force majeure event must use its best endeavours to remove, overcome or minimise the effects of that event as soon as practicable.

17.4 Settlement of industrial disputes

Nothing in this clause requires a party to settle an industrial dispute that constitutes a force majeure event in any manner other than the manner preferred by that party.

18 APPLICABLE LAW

The laws of [required alteration: insert name of participating jurisdiction in which the distributor's distribution system is located] govern this contract.

19 GENERAL

19.1 Our obligations

Some obligations placed on us under this contract may be carried out by another person. If an obligation is placed on us to do something under this contract, then:

- (a) we are taken to have complied with the obligation if another person does it on our behalf; and
- (b) if an obligation is not complied with, we are still liable to you for the failure to comply with this contract.

19.2 GST

- (a) Amounts specified in the standing offer prices from time to time and other amounts payable under this contract may be stated to be exclusive or

inclusive of GST. Paragraph (b) applies unless an amount payable under this contract is stated to include GST.

- (b) Where an amount paid by you or by us under this contract is payment for a “taxable supply” as defined for GST purposes, to the extent permitted by law, that payment will be increased so that the cost of the GST payable on the taxable supply is passed on to the recipient of that taxable supply.

19.3 Amending this contract

- (a) This contract may only be amended from time to time in accordance with the procedures set out in the National Energy Retail Law.
- (b) We must inform you of any material amendments to this contract as required by the National Energy Retail Law.

Simplified explanation of terms

billing cycle means the regular recurrent period for which we charge for customer connection services;

business day means a day other than a Saturday, a Sunday or a public holiday;

connection point means the point at which a distribution system connects to an energy installation or equipment that serves the premises of one or more customers;

customer means a person who buys or wants to buy energy from a retailer;

customer connection services include services relating to the flow of energy to your premises;

disconnection means an action to prevent the flow of energy to the premises, but does not include an *interruption*;

distributor planned interruption means an *interruption* of the supply of energy for:

- (a) the planned maintenance, repair or augmentation of the transmission system; or
- (b) the planned maintenance, repair or augmentation of the distribution system, including planned or routine maintenance of a *meter* (excluding a *retailer planned interruption*); or
- (c) the installation of a new connection or a connection alteration;

embedded network means a distribution network that is connected to the main part of the grid through another distribution network or through another embedded network;

embedded network planned interruption means an interruption to supply in an embedded network due to an interruption to its connection to a distribution network or another embedded network;

emergency means an emergency due to the actual or imminent occurrence of an event that in any way endangers or threatens to endanger the safety or health of any person, or normal operation of the distribution system or transmission system, or that destroys or damages, or threatens to destroy or damage, any property;

energy means electricity or gas (as relevant to this contract);

energy laws means national and State and Territory laws and rules relating to energy and the legal instruments made under those laws and rules;

force majeure event means an event outside the control of a party;

GSL scheme has the meaning given in the National Energy Retail Law;

GST has the meaning given in the GST Act(*A New Tax System (Goods and Services Tax) Act 1999* (Cth));

interruption means a temporary unavailability or temporary curtailment of the supply of energy from a distribution system to a customer, but does not include disconnection;

medical confirmation means certification from a registered medical practitioner of the requirement for *life support equipment* at your premises;

National Energy Retail Law means *the Law* of that name that is applied by each participating State and Territory;

National Electricity Rules means the rules made under the National Electricity Law;

National Gas Rules means the rules made under the National Gas Law;

premises means the address at which customer connection services are provided to you and, to avoid doubt, may include your electrical or gas installation;

relevant authority means any person or body who has the power under law to direct us, including the Australian Energy Market Operator and State or Federal Police;

retailer means a person that is authorised to sell energy to customers;

retailer planned interruption means an *interruption* that:

- (a) is for the purposes of the installation, maintenance, repair or replacement of your electricity *meter*; and
- (b) does not involve the distributor effecting the *interruption*; and
- (c) is not a *distributor planned interruption*.

Rules means the National Energy Retail Rules made under the National Energy Retail Law;

small customer means:

- (a) a residential customer; or
- (b) a business customer who consumes energy at or below a level determined under the National Energy Retail Law;

small generator means an embedded generating unit of the kind contemplated by Australian Standard AS 4777 (Grid connection of energy systems via inverters);

standard connection contract means a contract on the terms and conditions and in the form of this document.

Schedule 3 Savings and Transitional Rules

Part 1 Transitional Rules—NSW gas distributors

Division 1 Application and definitions

1 Application

During the transition period the Rules apply to, and in relation to, a NSW gas distributor, subject to the exclusions, qualifications and modification in this Part.

2 Definitions

In this Part:

access arrangement has the same meaning as in the NGL.

current access arrangement means an access arrangement that:

- (a) applies to a NSW gas distributor with respect to pipelines located in NSW; and
- (b) is in force on the start date.

expiry date means the date when the current access arrangement no longer applies.

interim deemed standard connection contract means a deemed standard connection contract prepared by a NSW gas distributor in accordance with Division 2 of this Part.

interim NSW connection contract rules means the rules prescribed in this Part.

model deemed standard connection contract means the model terms and conditions for a deemed standard connection contract set out in Schedule 2.

NSW gas distributor means a service provider within the meaning of the NGL that holds a reticulator's authorisation under the *Gas Supply Act 1996* of New South Wales in respect of a pipeline located in NSW, excluding ActewAGL Distribution (partnership of ACTEW Distribution Ltd ACN 073 025 224 and Jemena Networks (ACT) Pty Ltd ACN 008 552 663).

reference services agreement means a contract between a user and a NSW gas distributor, whether described in the relevant current access arrangement as:

- (a) a reference service agreement;
- (b) a standard user agreement;
- (c) a service agreement; or
- (d) a gas transportation agreement.

start date means the date when these interim NSW connection contract rules come into operation.

transition period means the period from the start date to the expiry date.

Division 2 Interim deemed standard connection contract

3 Required Alterations

- (1) During the transition period, a NSW gas distributor must adopt a form of deemed standard connection contract under section 69 of *the Law* in accordance with Schedule 2 of the Rules and subject to this Division (an **interim deemed standard connection contract**).
- (2) The amendments made to an interim deemed standard connection contract under this Division are required alterations as contemplated by section 69(5) of *the Law*.

4 Inconsistency with access arrangements and reference services agreements

- (1) This rule applies where there is an inconsistency between rights and obligations of a NSW gas distributor in relation to:
 - (a) a customer under the model deemed standard connection contract; and
 - (b) the customer's retailer under the distributor's current access arrangement and/or reference services agreement with that retailer.
- (2) Subject to subrule (3), the terms and conditions of the current access arrangement or reference services agreement prevail over the terms and conditions of the model deemed standard connection contract to the extent of the inconsistency.
- (3) If the application of the inconsistent term or condition of the distributor's current access arrangement or reference services agreement would result, or is likely to result, in less favourable terms and conditions for the customer, the terms and conditions of the model deemed standard connection contract prevail over the current access arrangement or reference services agreement (as the case may be) to the extent of the inconsistency.
- (4) During the transition period, a NSW gas distributor must ensure that at all times, its interim deemed standard connection contract complies with subrule (3) including making an amendment to address an inconsistency and must ensure that the effect of the amendment does not result in less favourable terms and conditions for customers.

5 Retailer interface

- (1) This rule applies where the terms and conditions of a current access arrangement or reference services agreement make it necessary for the rights and obligations of a customer under the model deemed standard connection contract to be exercised and discharged for and on behalf of the customer by customer's retailer for the premises.
- (2) The rights and obligations of a customer under the NSW gas distributor's interim deemed standard connection contract must be exercised and discharged for and on behalf of the customer by the customer's retailer.

- (3) A NSW gas distributor must deal with the financially responsible retailer in relation to any matter where the retailer is acting for or on behalf of the customer under subrule (1).
- (4) A retailer will not be liable for any act or omission of the customer when acting in accordance with subrules (2) and (3).
- (5) A retailer will not be liable for any act or omission of a NSW gas distributor when acting in accordance with subrule (2).
- (6) A NSW gas distributor must amend its interim deemed standard connection contract to address the matters referred to in this rule 5.

Division 3 Deemed and existing contractual arrangements with customers and NSW gas distributors

6 Formation of interim deemed standard connection connect contracts on start date

Subject to rule 7 of this Part, if the premises of a customer in NSW are being supplied with gas immediately before the start date without the customer being a party to a contract with a NSW gas distributor in relation to that supply, an interim deemed standard connection contract between the customer and the NSW gas distributor is taken to exist between the customer and the NSW gas distributor from the start date.

7 Existing contracts with large customers

- (1) An interim deemed standard connection contract in existence on or after the start date does not apply to a large customer who immediately before the start date, has a contract in place between that customer and a NSW gas distributor for provision of customer connection services.
- (2) A deemed AER approved standard connection contract in existence immediately after the start date does not apply to a large customer who immediately before the transition date, has a contract in place between that customer and a NSW gas distributor for provision of customer connection services.
- (3) A deemed standard connection contract in existence on or after the expiry date does not apply to a large customer who immediately before the start date has a contract in place between the customer and a NSW gas distributor for provision of customer connection services.

Division 4 Transitional arrangements after the expiry date

8 Deemed standard connection contract to replace interim contract

- (1) Before the expiry date, a NSW gas distributor must prepare a form of deemed standard connection contract in accordance with *the Law* and these Rules to replace the interim deemed standard connection contract after the expiry date.

- (2) Immediately after the expiry date, the terms and conditions of the NSW gas distributor's interim deemed connection contract are taken to be replaced by the terms and conditions of the NSW gas distributor's deemed standard connection contract prepared under subrule 1.

Part 2 Transitional Rules —ACT gas distributor

Division 1 Application and definitions

1 Application

During the transition period the Rules apply to, and in relation to, the ACT gas distributor, subject to the exclusions, qualifications and modification in this Part.

2 Definitions

In this Part:

access arrangement has the same meaning as in the NGL.

ACT gas distributor means ActewAGL Distribution, a partnership of ACTEW Distribution Ltd (ACN 073 025 224) and Jemena Networks (ACT) Pty Ltd (ACN 008 552 663).

current access arrangement means an access arrangement that:

- (a) applies to the ACT gas distributor; and
- (b) is in force on the start date.

expiry date means the date when the current access arrangement no longer applies.

interim deemed standard connection contract means a deemed standard connection contract prepared by an ACT gas distributor in accordance with Division 2 of this Part.

interim ACT connection contract rules means the rules prescribed in this Part.

start date means the date when these interim ACT connection contract rules come into operation.

transition period means the period from the start date to the expiry date.

Transport Services Agreement has the same meaning as in the current access arrangement.

Division 2 Interim deemed standard connection contract

3 Required Alterations

- (1) During the transition period, the ACT gas distributor must adopt a form of deemed standard connection contract under section 69 of *the Law* in accordance with Schedule 2 of the Rules and subject to this Division (an **interim deemed standard connection contract**).

- (2) The amendments made to an interim deemed standard connection contract under this Division are required alterations as contemplated by section 69(5) of *the Law*.

4 Retailer interface

- (1) This rule applies where the terms and conditions of a current access arrangement or reference services agreement make it necessary for the rights and obligations of a customer under the interim deemed standard connection contract to be exercised and discharged for and on behalf of the customer by customer's retailer for the premises.
- (2) The rights and obligations of a customer under the ACT gas distributor's interim deemed standard connection contract must be exercised and discharged for and on behalf of the customer by the customer's retailer.
- (3) The ACT gas distributor must deal with the financially responsible retailer in relation to any matter where the retailer is acting for or on behalf of the customer under subrule (1).
- (4) A retailer will not be liable for any act or omission of the customer when acting in accordance with subrules (2) and (3).
- (5) A retailer will not be liable for any act or omission of the ACT gas distributor when acting in accordance with subrule (2).
- (6) The ACT gas distributor must amend its interim deemed standard connection contract to address the matters referred to in this rule 4.

Division 3 Deemed and existing contractual arrangements with customers and ACT gas distributors

5 Formation of interim deemed standard connection connect contracts on start date

Subject to rule 6 of this Part, if the premises of a customer are being supplied with gas immediately before the start date without the customer being a party to a contract with an ACT gas distributor in relation to that supply, an interim deemed standard connection contract between the customer and the ACT gas distributor is taken to exist between the customer and the ACT gas distributor from the start date.

6 Existing contracts with large customers

- (1) An interim deemed standard connection contract in existence on or after the start date does not apply to a large customer who immediately before the start date, has a contract in place between that customer and the ACT gas distributor for provision of customer connection services.
- (2) A deemed AER approved standard connection contract in existence immediately after the start date does not apply to a large customer who immediately before the

transition date, has a contract in place between that customer and the ACT gas distributor for provision of customer connection services.

- (3) A deemed standard connection contract in existence on or after the expiry date does not apply to a large customer who immediately before the start date has a contract in place between the customer and the ACT gas distributor for provision of customer connection services.

Division 4 Transitional arrangements after the expiry date

7 Deemed standard connection contract to replace interim contract

- (1) Before the expiry date, the ACT gas distributor must prepare a form of deemed standard connection contract in accordance with *the Law* and these Rules to replace the interim deemed standard connection contract after the expiry date.
- (2) Immediately after the expiry date, the terms and conditions of the ACT gas distributor's interim deemed connection contract are taken to be replaced by the terms and conditions of the ACT gas distributor's deemed standard connection contract prepared under subrule 1.

Part 3 Billing-related transitional rules

1 Definitions

In this Part:

billing-related transitional rules means the rules prescribed by this Part.

start date means the date when these billing-related transitional rules come into operation.

transitional liability means a liability incurred before, but continuing after, the start date.

2 Bill smoothing arrangement (Rule 23 NERR)

- (1) A bill smoothing arrangement that was in force immediately before the start date continues in force.
- (2) Rule 23 of the Rules applies to a transitional bill smoothing arrangement as if:
 - (a) the Rules had been in force when the bill smoothing arrangement was made; and
 - (b) the bill smoothing arrangement had then been made with the explicit informed consent of the small customer.
- (3) This rule applies in relation to standard retail contracts but not in relation to market retail contracts.

3 Bill frequency (Rule 24)

- (1) A bill issued to a small customer within 3 months after the start date is taken to have been issued in accordance with rule 24 of the Rules although it may relate to a period of more than 3 months.
- (2) This rule applies in relation to standard retail contracts but not in relation to market retail contracts.

4 Undercharging (Rule 30)

- (1) The provisions of the Rules for recovery by a retailer of amounts the retailer has undercharged a small customer (Rule 30) extend to undercharging occurring before the start date if:
 - (a) the undercharging began before but continued after the start date; or
 - (b) the undercharging occurred wholly before the start date but, as of that date, the retailer had given the small customer no notice of the undercharge, nor had the retailer taken any other action to recover the amount of the undercharge.
- (2) The provision of the Rules limiting recovery to undercharging occurring within 9 months before the date the retailer notifies the customer of the undercharge (rule 30(2)(a)) applies to transitional liabilities as well as liabilities arising after the start date.
- (3) This rule applies in relation to standard retail contracts and also in relation to market retail contracts (other than prepayment meter market retail contracts).

5 Overcharging (Rule 31 NERR)

- (1) The provisions of the Rules requiring a retailer to reimburse amounts the retailer has overcharged a small customer (rule 31) extend to overcharging occurring before the start date if:
 - (a) the overcharging began before but continued after the start date; or
 - (b) the overcharging occurred wholly before the start date but, as of that date:
 - (i) the retailer had not given the small customer notice of the overcharge, nor had the retailer taken any other action to reimburse the amount overcharged; and
 - (ii) the small customer had taken no formal action to recover the amount overcharged.
- (2) It follows that, if overcharging occurred before and after the start date, the references in rule 31 to the amount overcharged is a reference to the aggregate of the amounts overcharged before and after the start date.
- (3) This rule applies in relation to standard retail contracts and also in relation to market retail contracts (other than prepayment meter market retail contracts).

6 Payment methods (Rule 32 NERR)

- (1) If a small customer was using Centrepay as a payment option immediately before the start date, the retailer will be taken to have elected, on the start date, to permit the small customer to use Centrepay as a payment option under rule 32(2) of the Rules.
- (2) This rule applies in relation to standard retail contracts and also in relation to market retail contracts (other than prepayment meter market retail contracts).

7 Shortened collection cycles (Rule 34 NERR)

- (1) If, before the start date, a small customer was placed on a shortened collection cycle and the arrangement was in force immediately before the start date, the arrangement will continue as if made under rule 34 of the Rules.
- (2) In deciding, for the purposes of rule 34(4) whether the customer has paid 3 consecutive bills, payments made before, as well as after, the start date must be taken into consideration.
- (3) This rule applies in relation to standard retail contracts and also in relation to market retail contracts (other than prepayment meter market retail contracts).

8 Enforcement of payment

- (1) The procedures laid down by the Rules for billing and collection of debts owed by a small customer to a retailer extend to transitional liabilities.
- (2) If:
 - (a) the retailer had, before the start date, commenced an action or process to recover the amount of a transitional liability under provisions then in force for the billing and collection of debts; and
 - (b) as at the start date, the action or process remained incomplete,the retailer may continue and complete the action or process under the Rules.
- (3) For the purposes of subrule (2), an action or process for the billing or collection of debts, prescribed by provisions in force before the start date, will be taken to be an action or process under analogous provisions of the Rules.
- (4) This rule does not derogate from other provisions for the recovery of transitional liabilities.
- (5) This rule applies in relation to standard retail contracts and also in relation to market retail contracts (other than prepayment meter market retail contracts).

Part 4 Miscellaneous transitional rules—initial NERR

1 Definitions

In this Part:

miscellaneous transitional rules means the rules prescribed by this Part 4.

start date means the date when these miscellaneous transitional rules come into operation.

2 Life support arrangements

- (1) Any *life support equipment* registered or otherwise identified or notified under jurisdictional energy legislation, or a jurisdictional administrative arrangement, immediately before the start date will be taken to have been the subject of a confirmation provided to the relevant retailer or distributor (or both) under Part 7 of the Rules.
- (2) The premises at which any *life support equipment* is located (as advised in connection with a registration, identification or notification referred to in subrule (1)) will be taken to be the premises to which the arrangements apply for the purposes of Part 7 of the Rules.

3 Classification of customers

A retailer or distributor of gas is not required to comply with the requirements of Division 3 of Part 1 of the Rules relating to the classification of customers until 1 August 2012.

4 Existing aggregation arrangements (Rule 5 NERR)

- (1) This rule applies where, before the start date, a retailer has an agreement with a customer for 2 or more premises to be aggregated so as to be treated as a large customer (an **existing aggregation arrangement**).
- (2) An existing aggregation arrangement continues in force according to its terms, and rule 5 applies to a transitional aggregation arrangement as if:
 - (a) the Rules had been in force when the existing aggregation arrangement was made; and
 - (b) the existing aggregation arrangement had then been made with the explicit informed consent of the customer.

5 Energy consumption benchmarks

A retailer is not required to comply with subrule 25(1)(o) and rule 170 of the Rules until 1 October 2012.

6 Electricity consumption benchmarks not to apply in NSW

In NSW, a retailer is not required to comply with subrule 25(1)(o) and rule 170 of the Rules until 28 February 2014, but is not prevented from doing so before that date.

7 Interim bill benchmarks where legacy billing arrangements

- (1) In this rule:

transition period means the period starting from the start date to 28 February 2014.

interim bill benchmark customer means a residential electricity customer located in Queensland, Victoria, South Australia and the ACT, whose bills are issued under legacy billing arrangements at the start date.

legacy billing arrangements means an agreement between a retailer and a legacy billing service provider under which the billing system is not enabled to include electricity bill benchmarking information on the bill itself.

legacy billing service provider means Essential Energy (established under the *Energy Services Corporation Act 1995* (NSW)).

retailer means the financially responsible retailer for an interim bill benchmark customer.

- (2) During the transition period, an affected retailer is taken to satisfy the requirements of rule 170 and subrule 25(1)(o) of the Rules in relation to an interim bill benchmark customer if the particulars required to be in a bill for those customers are included with their bill.

8 Application of start and end meter reads on small customer bills

- (1) In this rule:
interval meter is a *meter* that measures and records consumption of electricity derived from interval *metering data* (within the meaning of the NER).
- (2) Subrule 25(1)(j) applies without modification if a small customer's *meter* measures and records consumption of energy only on an accumulation basis.
- (3) If a small customer has an interval *meter*, the requirements of subrule 25(1)(j) do not apply unless the required *metering data* is reasonably available.

Part 5 Rules consequential on the making of National Energy Retail Amendment (Customer access to information about their consumption) Rule 2014

1 Definitions

Amending Rule means National Energy Retail Amendment (Customer access to information about their energy consumption) Rule 2014.

required alterations means the amendments set in Schedule 2 of the Amending Rule.

2 Variation date

Retailers and distributors must make the required alterations to their standard retail contracts and standard connection contracts respectively by 28 February 2016.

3 Effective date

The required alterations must take effect no later than 1 March 2016.

Part 6 Rules consequential on the making of the National Energy Retail Amendment (Expanding competition in metering and related services) Rule 2015

1 Definitions

In this Part:

Amending Rule means the National Energy Retail Amendment (Expanding competition in metering and related services) Rule 2015.

effective date means 1 December 2017.

required alterations means the amendments set out in Schedule 2 of the Amending Rule.

2 Variation Date

- (1) Retailers and distributors must make the required alterations to their standard retail contracts and standard connection contracts by the effective date.
- (2) Alterations made under subrule (1) must take effect on and from the effective date.

Part 7 Rules consequential on the making of the National Energy Retail Amendment (Improving the accuracy of customer transfers) Rule 2017

1 Definitions

In this Part:

Amending Rule means the National Energy Retail Amendment (Improving the accuracy of customer transfers) Rule 2017.

commencement date means the date of commencement of Schedule 1 of the Amending Rule.

2 Retail Market Procedures

- (1) By the commencement date AEMO must amend the Retail Market Procedures, as required, to take account of the Amending Rule.

Part 8 Rules consequential on the making of the National Energy Retail Amendment (Notification of end of fixed benefit period) Rule 2017

1 Definitions

In this Part:

Amending Rule means the National Energy Retail Amendment (Notification of end of fixed benefit period) Rule 2017.

2 Benefit change notice guidelines

- (1) By 1 July 2018, the AER must make the benefit change notice guidelines in accordance with the retail consultation procedures.

3 Benefit change notice requirements

- (1) A retailer is not required to comply with rule 48A in respect of a benefit change under any market retail contract if that benefit change will occur less than 20 business days after Schedule 1 of the Amending Rule commences operation.
- (2) Subject to subrule (3), a retailer is not required to comply with rule 48A(2)(c) or rule 48A(4) until 1 October 2018.
- (3) If the AER publishes its first benefit change notice guidelines under this Part 8 before 1 July 2018 a retailer must use its best endeavours to comply with rule 48A(2)(c) and rule 48A(4) as soon as practicable after the AER publishes those guidelines but in any event must comply with rule 48A(2)(c) and rule 48A(4) no later than 1 October 2018.

Part 9 Rules consequential on the making of the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017

1 Definitions

- (1) In this Part:

Amending Rule means the National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017.

deemed life support customer means a customer whose premises are registered as having *life support equipment* as at the start date, but who has not provided a distributor or a retailer with medical confirmation prior to the effective date.

effective date means 1 February 2019.

existing life support customer means a customer whose premises are registered as having *life support equipment* as at the effective date.

medical confirmation in respect of a customer, means confirmation from a registered medical practitioner that a person residing at that customer's premises requires *life support equipment*.

new Part 7 means Part 7 of the Rules as in force immediately after the effective date.

new subrule 124(1)(a) means subrule 124(1)(a) of the Rules as in force immediately after the effective date.

new subrule 124(1)(b) means subrule 124(1)(b) of the Rules as in force immediately after the effective date.

new subrule 124(1)(c) means subrule 124(1)(c) of the Rules as in force immediately after the effective date.

new subrule 124(4)(a) means subrule 124(4)(a) of the Rules as in force immediately after the effective date.

new subrule 124(4)(b) means subrule 124(4)(b) of the Rules as in force immediately after the effective date.

new subrule 124(4)(c) means subrule 124(4)(c) of the Rules as in force immediately after the effective date.

new rule 124A means rule 124A of the Rules as in force immediately after the effective date.

new subrule 125(4) means subrule 125(4) of the Rules as in force immediately after the effective date.

new subrule 125(5) means subrule 125(5) of the Rules as in force immediately after the effective date.

registered life support customer means a customer whose premises are registered as having *life support equipment* as at the start date, but who has not provided a distributor or a retailer with medical confirmation prior to the start date.

required alterations means the amendments set out in Schedule 2 of the Amending Rule.

start date means 1 February 2018.

transition period means the period starting from the start date until, but not including, the effective date.

transitional distributor life support customer means a customer who advises a distributor during the transition period that a person residing at the customer's premises requires *life support equipment*, but does not provide the distributor with medical confirmation prior to the effective date.

transitional retailer life support customer means a customer who advises a retailer during the transition period that a person residing at the customer's premises requires *life support equipment*, but does not provide the retailer with medical confirmation prior to the effective date.

- (2) Italicised terms used in this Part have the same meaning as in new Part 7.

2 Application of Part 7 of Rules during the transition period

- (1) During the transition period, a transitional retailer life support customer is taken to have provided the retailer with medical confirmation for the purposes of subrule 124(1A)(b).
- (2) During the transition period, a transitional distributor life support customer is taken to have provided the distributor with medical confirmation for the purposes of subrule 125(1)(b).
- (3) During the transition period:
 - (a) a registered life support customer is taken to have provided the retailer with medical confirmation for the purposes of subrule 124(1A)(b); and
 - (b) a registered life support customer's retailer is taken to have advised the distributor for the purposes of subrule 125(1)(a) that a person residing at the customer's premises requires *life support equipment*.
- (4) During the transition period, a retailer is not required to comply with subrules 124(1)(b) or 124(1)(e) in respect of registered life support customers.
- (5) During the transition period, a distributor is not required to comply with subrules 125(2)(b) or 125(2)(e) in respect of registered life support customers.

3 Application of new Part 7 of Rules to existing life support customers

- (1) Where an existing life support customer (other than a deemed life support customer, transitional distributor life support customer or transitional retailer life support customer) has provided a retailer with medical confirmation prior to the effective date, on and from the effective date:
 - (a) the customer's premises is taken to be registered in accordance with new subrule 124(1)(a);
 - (b) the retailer is taken to have notified the distributor for the purposes of new subrule 124(1)(c);
 - (c) the customer is taken to have given *medical confirmation* to the retailer for the purposes of new Part 7;
 - (d) the retailer is not required to comply with new subrule 124(1)(b) in respect of that existing life support customer; and
 - (e) new rule 124A and new subrule 125(4) do not apply in respect of that existing life support customer.
- (2) Where an existing life support customer (other than a deemed life support customer, transitional distributor life support customer or transitional retailer life support customer) has provided a distributor with medical confirmation prior to the effective date, on and from the effective date:
 - (a) the customer's premises is taken to be registered in accordance with new subrule 124(4)(a);

- (b) the distributor is taken to have notified the retailer for the purposes of new subrule 124(4)(c);
 - (c) the customer is taken to have given *medical confirmation* to the distributor for the purposes of new Part 7;
 - (d) the distributor is not required to comply with new subrule 124(4)(b) in respect of that existing life support customer; and
 - (e) new rule 124A and new subrule 125(5) do not apply in respect of that existing life support customer.
- (3) Where an existing life support customer is a deemed life support customer or a transitional retailer life support customer, on and from the effective date:
 - (a) the customer's premises is taken to be registered in accordance with new subrule 124(1)(a);
 - (b) the retailer is taken to have notified the distributor for the purposes of new subrule 124(1)(c);
 - (c) subject to subrule (3)(f), the retailer is not required to comply with new subrule 124(1)(b) in respect of that existing life support customer;
 - (d) the retailer may deregister a customer's premises pursuant to new subrule 125(4) where a deemed life support customer or transitional retailer life support customer has not provided *medical confirmation* to the retailer;
 - (e) other than where the retailer has determined to deregister the existing life support customer in accordance with subrule (3)(d), the retailer is not required to comply with new rule 124A in respect of that existing life support customer; and
 - (f) where the retailer is required to comply with new rule 124A under subrule (3)(e), the retailer must provide the customer with the information and documentation required by new subrule 124(1)(b)(i)-(vii) prior to seeking *medical confirmation* under new rule 124A.
- (4) Where an existing life support customer is a transitional distributor life support customer, on and from the effective date:
 - (a) the customer's premises is taken to be registered in accordance with new subrule 124(4)(a);
 - (b) the distributor is taken to have notified the retailer for the purposes of new subrule 124(4)(c);
 - (c) subject to subrule (4)(f), the distributor is not required to comply with new subrule 124(4)(b) in respect of that existing life support customer;
 - (d) the distributor may deregister a customer's premises pursuant to new subrule 125(5) where a transitional distributor life support customer has not provided *medical confirmation* to the distributor;
 - (e) other than where the distributor has determined to deregister the existing life support customer in accordance with subrule (4)(d), the distributor is not required to comply with new rule 124A in respect of that existing life support customer; and

- (f) where the distributor is required to comply with new rule 124A under subrule (4)(e), the distributor must provide the customer with the information and documentation required by new subrule 124(4)(b)(i)-(vii) prior to seeking *medical confirmation* under new rule 124A.

4 Variation date

- (1) Retailers and distributors must make the required alterations to their standard retail contracts and deemed standard connection contracts by the effective date.
- (2) Alterations made under subrule (1) must take effect on and from the effective date.

Part 10 Rules consequential on the making of the National Energy Retail Amendment (Advance notice of price changes) Rule 2018

1 Definitions

effective date means 1 February 2019.

2 Variation date

- (1) Retailers must make the required alterations to their standard retail contracts by the effective date.
- (2) Alterations made under subrule (1) must take effect on and from the effective date.