National Electricity Rules Version 45

Information

This version of the National Electricity Rules includes the following amendment:

> National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011

This version of the National Electricity Rules is provided for information purposes only and contains only those sections of Chapter 3 that will be amended by the above Rule.

Note: Amendments to the following clauses will commence on 2 July 2012: clause 3.9.5(c), 3.9.6A(c), 3.14.2(e)(2) and (4) and clause 3.14.5(m). All other amendments commence on 10 November 2011.

3.8.24   Scheduling errors

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(b)   *Spot* prices and ~~*market ancillary service* prices~~*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.

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3.9.2A   Determination of ancillary services prices

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(d)   If a test is being conducted on a *generating unit* or *scheduled load* in accordance with clause 3.11.7 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 ~~*market ancillary service* prices~~*ancillary service prices*.

3.9.2B   Pricing where AEMO determines a manifestly incorrect input

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(e)   Where *AEMO* determines an affected *dispatch interval*, *AEMO* must:

    (1)   replace all *dispatch prices* and ~~*market ancillary services prices*~~*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*.

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3.9.5   Application of the Market Price Cap

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(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).

3.9.6A   Application of the Market Floor Price

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(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).

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

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(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 ~~market ancillary service prices~~*ancillary service prices* exceeding $5,000/MWh;

(4) identifies any linkages between *spot prices* in the *energy market* and ~~market ancillary service prices~~*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.

3.14 Administered Price Cap and Market Suspension

3.14.1 Cumulative Price Threshold and Administered Price Cap

(a) In conjunction with each *participating jurisdiction*, and after consulting *Market Participants* in accordance with the *Rules consultation procedures*, the *AEMC* must develop, authorise and *publish* and may vary from time to time a schedule to specify an *administered price cap* for each *region* to apply to *spot prices* ~~and market ancillary service prices~~, *dispatch prices and ancillary service prices* and to be used as described in this rule 3.14.

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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)~~ ~~A *trading interval* is to be an *administered price period* if in a *region*:~~

~~(1) the sum of the *spot price* in the previous 336 *trading intervals*, calculated as if this clause did not apply, exceeds the *cumulative price threshold*;~~

~~(1A) the sum of the *ancillary service price* 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) the *trading interval* occurs in a *trading day* in which a prior *trading interval* is an *administered price period* under this clause 3.14.2; or~~

~~(3) the previous *trading interval* was an *administered price period* and in *AEMO's* opinion one or more *trading intervals* in the next *business day* will be an *administered price period* and *AEMO* deems, with the consent of the *AER*, the *trading interval* to be an *administered price period*.~~

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(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 ~~clauses 3.14.2(c)(1), (2) or (3)~~ 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 a market ancillary service~~ 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*.

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3.14.5   Pricing during market suspension

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(m)   If a *spot price* is set in accordance with clause 3.14.5(g) or clause 3.14.5(j) at a *regional reference node* (**suspension node**), then *spot prices* at all other *regional reference nodes connected* by an *interconnector* that has an actual flow towards the suspension node must not exceed the *spot price* in the *suspended region* divided by the average *loss factor* that applies for *energy* flow in that direction for that *trading interval.*

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3.15.7   Payment to Directed Participants

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(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 ~~*market ancillary service prices*~~*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*.

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3.15.10 Administered price, market price cap or market floor price compensation payments

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(c) Within ~~15 business days~~ 25 *business days* of being notified by the *AEMC* that compensation is to be paid to a *Scheduled Generator*, *Market Participant* which submitted a *dispatch bid* or *Scheduled Network Service Providers* 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.

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