

## National Electricity Rules

### Proposed Rule: Application and Operation of Administered Price Periods

**Note:** The Australian Energy Market Commission (**AEMC**) has prepared the proposed amendments to the National Electricity Rules set out below for the purposes of section 95(1a)(b) of the National Electricity Law (**NEL**). The proposed amendments are based on the description of a proposed Rule set out in the Rule change request dated 4 January 2011 from Australian Energy Market Operator Limited. The AEMC will consider the Rule change request in accordance with the rule making process under the NEL.

A tracked change version of clauses 3.14.2(c) to (d2) is attached to this proposed Rule for information purposes.

### Amendments to the National Electricity Rules

#### [1] Various clauses References to market ancillary service prices

In each of clauses 3.8.24(b), 3.9.2A(d), 3.13.7(e)(3), 3.13.7(e)(4) and 3.9.2B(e)(i), omit "*market ancillary services prices*" and substitute "*ancillary service prices*" in each case.

#### [2] Clause 3.14.1 Cumulative Price Threshold and Administered Price cap

In clause 3.14.1(a), omit "and *market ancillary service prices*" and substitute ", *dispatch prices* and *ancillary service prices*".

#### [3] Clause 3.14.2 Application of administered price cap

Omit clause 3.14.2(c) and substitute:

- (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]

**[4] Clause 3.14.2 Application of administered price cap**

In clause 3.14.2(d1), omit "clauses 3.14.2(c)(1), (2) or (3)" and substitute "clauses 3.14.2(c)(1) or (2)".

**[5] Clause 3.14.2 Application of administered price cap**

In clause 3.14.2(d2), omit "for a *market ancillary service*" and substitute "for any *market ancillary service*".

**[6] Clause 3.15.7 Payment to Directed Participants**

In clause 3.15.7(c), omit "*market ancillary services prices*" and substitute "*ancillary service prices*".

**[7] Clause 3.15.10 Administered price, market price cap or market floor price compensation payments**

In clause 3.15.10(c), omit "15 *business days*" and substitute "25 *business days*".

**[8] Clause 9.45.2 Administered Price Cap (clause 3.14.1)**

Omit clause 9.45.2, including the heading, and substitute "[Deleted]".

# Savings and Transitional Amendments to the National Electricity Rules

## [1] Chapter 11 Savings and Transitional Rules

After Part [xx], insert:

### Part Z[x] Application and Operation of Administered Price Periods

#### 11.[xx] Rules consequential on the making of National Electricity Amendment (Application and Administration of Administered Price Periods) Rule 2011

##### 11.[xx].1 Definitions

For the purposes of this rule 11.[xx]:

**Amending Rule** means the National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011.

**APC Schedule** means the schedule the *AEMC* is required to publish under clause 3.14.1(a).

**commencement date** means the date the Amending Rule commences operation.

**First APC Schedule** means the Administered Price Cap Schedule dated 20 May 2008 published by the *AEMC* under clause 3.14.1(a).

##### 11.[xx].2 Administered Price Cap Schedule

- (a) As soon as practicable, but in any event within [20] business days of the commencement date, the *AEMC* must amend the First APC Schedule in accordance with paragraph (b) and *publish* the amended APC Schedule on its website.
- (b) The *AEMC* must amend the First APC Schedule by:
  - (1) omitting "20 May 2008" and substituting the date on which the amended APC Schedule is *published* by the *AEMC*;
  - (2) omitting "and market ancillary service prices" and substituting ", *dispatch prices* and *ancillary service prices*";
  - (3) omitting "This schedule will become effective" and substituting "The *administered price cap* specified in this schedule became effective"; and
  - (4) including at the end of the Schedule notes to the effect that:

- (i) the First APC Schedule developed and *published* by the *AEMC* under clause 3.14.1(a) was dated 20 May 2008; and
  - (ii) the First APC Schedule was varied by the *AEMC* under the Amending Rule.
- (c) The requirement in clause 3.14.1(a) that the *AEMC* comply with the *Rules consultation procedures* when developing, authorising and *publishing* an APC Schedule does not apply to amendments made to the APC Schedule in accordance with this clause 11.[xx].2.

## For information purposes

### Tracked change version of clause 3.14.2(c) to (d2) of the National Electricity Rules

- (c) Each of the following periods is an administered price period in a region:
- (1) a trading interval, where 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) a dispatch interval, where 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) 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) 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.

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