

National Electricity Rules Version 18

Status Information

This is a draft consolidation based on the latest electronically available version of the National Electricity Rules as at 1 January 2008.

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

National Electricity Amendment (Integration of NEM Metrology Requirements) Rule 2008 No.1.

This version of the National Electricity Rules only contains the Chapters of the National Electricity Rules that will be amended by Rule No.1.

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CHAPTER 7

7. Metering

7.1 Introduction to the Metering Chapter

7.1.1 Purpose

- (a) The purpose of this Chapter is to set out the rights and obligations of *Registered Participants* and the rights, obligations and qualifications of *Metering Providers* associated with the measurement of electrical *energy*, and the provision of *metering data* and *B2B Data* and the performance of *B2B Communications*.
- (b) This Chapter sets out provisions relating to:
 - (1) *revenue metering installations* and *check metering installations* used for the measurement of *active energy* and, where appropriate, *reactive energy*;
 - (2) collection and provision of *metering data* and *B2B Data*;
 - (3) provision, installation and maintenance of *metering installations* and the provision and servicing of *data collection systems*;
 - (4) accuracy of *metering installations*;
 - (5) inspection, testing and audit requirements;
 - (6) security of, and rights of access to, *metering data* and *B2B Data*;
 - (7) competencies and standards of performance; and
 - (8) the *metering database*, including *metering register* requirements.
- (c) Nothing in this Chapter precludes the application of evolving technologies and processes as they become available in accordance with the *Rules*.

7.1.2 Obligations of Market Participants to establish metering installations

- (a) Before participating in the *market* in respect of a *connection point*, a *Market Participant* must ensure that:
 - (1) the *connection point* has a *metering installation* and that the *metering installation* is registered with *NEMMCO*;
 - (2) either:
 - (i) it has become the *responsible person* under clause 7.2.2 and has advised the *Local Network Service Provider*; or
 - (ii) it has sought an offer and, if accepted, entered into an agreement under clause 7.2.3; and
 - (3) prior to registration, a *NMI* has been obtained by the *responsible person* for that *metering installation*.

- ~~(b) NEMMCO may refuse to permit a Market Participant to participate in the market in respect of any connection point in relation to which that Market Participant is not in compliance with its obligations under paragraph (a).~~

~~7.1 Introduction to the Metering Chapter~~

~~7.1.1 Application to Market Customers and Local Retailers~~

- ~~(a) This Chapter only applies to a Market Customer in respect of:~~
- ~~(1) connection points through which it purchases any market load; and~~
 - ~~(2) connection points through which it sells any second tier load.~~
- ~~(b) This Chapter only applies to a Local Retailer in respect of connection points at which load may be classified as a first tier load (whether so classified or not) and then only to the extent required by the Market Settlement and Transfer Solution Procedures and B2B Procedures.~~

~~7.1.2 Purpose~~

- ~~(a) The purpose of this Chapter is to set out the rights and obligations of Registered Participants and the rights, obligations and qualifications of Metering Providers associated with the measurement of electrical energy, and the provision of metering data and B2B Data and the performance of B2B Communications.~~
- ~~(b) This Chapter sets out provisions relating to:~~
- ~~(1) revenue metering installations and check metering installations used for the measurement of active energy and where appropriate, reactive energy;~~
 - ~~(2) collection and provision of metering data and B2B Data;~~
 - ~~(3) provision, installation and maintenance of metering installations and the provision and servicing of data collection systems;~~
 - ~~(4) accuracy of metering installations;~~
 - ~~(5) inspection, testing and audit requirements;~~
 - ~~(6) security of, and rights of access to, metering data and B2B Data;~~
 - ~~(7) competencies and standards of performance; and~~
 - ~~(8) the metering database, including metering register requirements.~~
- ~~(c) Nothing in this Chapter precludes the application of evolving technologies and processes as they become available in accordance with the Rules.~~

~~7.1.3 [Deleted]~~

~~7.1.4 Obligations of Market Participants to establish metering installations~~

- ~~(a) Before participating in the market in respect of a connection point, a Market Participant must ensure that:~~

- ~~(1) the connection point has a metering installation and that the metering installation is registered with NEMMCO;~~
- ~~(2) either:~~
 - ~~(i) it has become the responsible person under clause 7.2.2 and has advised the Local Network Service Provider; or~~
 - ~~(ii) it has sought an offer and, if accepted entered into an agreement under clause 7.2.3, and~~
- ~~(3) prior to registration, a NMI has been obtained by the responsible person for that metering installation.~~
- ~~(b) NEMMCO may refuse to permit a Market Participant to participate in the market in respect of any connection point in relation to which that Market Participant is not in compliance with its obligations under clause 7.1.4(a).~~

7.2 Responsibility for Metering Installation

7.2.1 Responsible person

The *responsible person* is the person responsible for the provision, installation and maintenance of a *metering installation* in accordance with:

- (1) this Chapter 7; and
- (2) the metrology procedure.
- ~~(1) this rule 7.2;~~
- ~~(2) the metrology procedure; and~~
- ~~(3) Chapter 7 of the Rules.~~

7.2.2 Responsibility of the Market Participant

- (a) A Market Participant may elect to be the responsible person for a metering installation that is a type 1, 2, 3 or 4 metering installation.
- ~~(a) A Market Participant may elect to be the responsible person for a type 1, 2, 3 or 4 metering installation except for a joint metering installation where:~~
 - ~~(1) an agreement has been reached for another Market Participant; or~~
 - ~~(2) NEMMCO has nominated another Market Participant,~~
 - ~~to be the responsible person in accordance with clause 7.2.4.~~
- (b) A Market Participant is the *responsible person* for a type 1, 2, 3 or 4 *metering installation* if:
 - (1) the *Market Participant* elects not to request an offer from, or does not accept the offer of, the *Local Network Service Provider* for the provision of a *metering installation* under clause 7.2.3; or
 - (2) an agreement under clause 7.2.3 is terminated due to a breach by the *Market Participant*.

7.2.3 Responsibility of the Local Network Service Provider

- (a) The Local Network Service Provider is the responsible person for:
- (1) a type 1, 2, 3 or 4 metering installation connected to, or proposed to be connected to, the Local Network Service Provider's network where the Market Participant has accepted the Local Network Service Provider's offer in accordance with paragraphs (b) and (c); and
 - (2) a type 5, 6 or 7 metering installation connected to, or proposed to be connected to, the Local Network Service Provider's network in accordance with paragraphs (d) to (i).

Types 1 - 4 metering installations

- (b) A Market Participant may request in writing an offer from the Local Network Service Provider to act as the responsible person where a type 1, 2, 3 or 4 metering installation is, or is to be, installed.
- (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 responsible person in respect of that metering installation; and
 - (2) provide the Market Participant with the terms and conditions on which the offer is made,
- no later than 15 business days after the Local Network Service Provider receives the written request from the Market Participant.

Types 5 -7 metering installations

- (d) The Local Network Service Provider may provide a Market Participant with a standard set of terms and conditions on which it will agree to act as the responsible person for a type 5, 6 or 7 metering installation.
- (e) Where the Local Network Service Provider has not provided the Market Participant with the standard set of terms and conditions referred to in paragraph (d), the Market Participant must request an offer from the Local Network Service Provider to act as the responsible person where a type 5, 6 or 7 metering installation is, or is to be, installed.
- (f) The Local Network Service Provider must, within 15 business days of receipt of the request under paragraph (e), make an offer to a Market Participant setting out the terms and conditions on which it will agree to act as the responsible person.
- (g) The terms and conditions of an offer made under paragraphs (d) or (f) must:
- (1) be fair and reasonable; and
 - (2) not have the effect of unreasonably discriminating between Market Participants, or between the customers of a Market Participant.
- (h) In relation to an offer made under paragraphs (d) or (f), a Market Participant:

- (1) must accept the offer; or
 - (2) may dispute the offer in accordance with rule 8.2.
- (i) If a *Market Participant* accepts the offer in accordance with paragraph (h), the *Local Network Service Provider*:
 - (1) becomes the *responsible person*; and
 - (2) must provide *NEMMCO* with the *NMI* for the *metering installation* within 10 *business days* of entry into a *connection agreement* under clause 5.3.7 with that *Market Participant*.

~~7.2.3 Responsibility of the Local Network Service Provider~~

- ~~(a) The *Local Network Service Provider* is the *responsible person* for:~~
 - ~~(1) any type 1, 2, 3 or 4 *metering installation* connected to, or proposed to be connected to, the *Local Network Service Provider's network* where the *Market Participant* has accepted the *Local Network Service Provider's* offer in accordance with paragraphs (b) and (c); and~~
 - ~~(2) any type 5, 6 or 7 *metering installations* connected to, or proposed to be connected to, the *Local Network Service Provider's network* in accordance with paragraphs (d) to (h).~~

~~Types 1–4 metering installations~~

- ~~(b) A *Market Participant* may request in writing an offer from the *Local Network Service Provider* to act as the *responsible person* where a type 1, 2, 3 or 4 *metering installation* is, or is to be, installed.~~
- ~~(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 *responsible person* in respect of that *metering installation*; and~~
 - ~~(2) provide to the *Market Participant* the terms and conditions on which the offer is made,~~

~~no later than 15 *business days* after the *Local Network Service Provider* receives the written request from the *Market Participant*.~~

~~Types 5–7 metering installations~~

- ~~(d) A *Market Participant* must request an offer from the *Local Network Service Provider* to act as the *responsible person* where a type 5, 6 or 7 *metering installation* is, or is to be, installed.~~
- ~~(e) The *Local Network Service Provider* must, within 15 *business days* of receipt of the request under paragraph (d), make an offer to a *Market Participant* setting out the terms and conditions on which it will agree to act as the *responsible person*.~~
- ~~(f) The terms and conditions of an offer made under paragraph (e) must:~~

- ~~(1) be fair and reasonable; and~~
- ~~(2) not unreasonably discriminate, or have the effect of discriminating unreasonably, between Market Participants, or between the customers of any Market Participant.~~
- ~~(g) A Market Participant must, in relation to an offer made under paragraph (e):~~
 - ~~(1) accept the offer; or~~
 - ~~(2) dispute the offer in accordance with rule 8.2.~~
- ~~(h) If a Market Participant accepts the offer under paragraph (e), the Local Network Service Provider:~~
 - ~~(1) becomes the responsible person; and~~
 - ~~(2) must provide NEMMCO with the NMI for the metering installation within 10 business days of entry into a connection agreement under clause 5.3.7 with that Market Participant.~~

7.2.4 Joint metering installations

- (a) Where more than one *Market Participant* wishes to use a *metering installation* at a particular *connection point* for the purpose of satisfying its obligations, then each of them may separately enter into the agreements referred to in clause ~~7.2.2 or~~ 7.2.3 or some or all of them may jointly enter into those agreements for the use of a shared *metering installation*.
- (b) Where more than one *Market Participant* uses a *metering installation* which is provided, installed and maintained by a person other than the *Local Network Service Provider*, they must agree and notify *NEMMCO* as to which of them is the *responsible person* for that *metering installation*.
- (c) In the absence of such agreement, *NEMMCO* may nominate one of the *Market Participants* to be the *responsible person* for that *metering installation*.

7.2.5 Role of the responsible person

Engagement of a Metering Provider

- (a) A *responsible person* must for each *metering installation* for which it is responsible:
 - (1) engage a *Metering Provider* for the provision, installation and maintenance of that installation unless the *responsible person* is the *Metering Provider*; or
 - (2) subject to the *metrology procedure*, allow another person to engage a *Metering Provider* to install that installation.
- (b) The *responsible person* must:
 - (1) enter into an agreement with a *Metering Provider*:

- (i) for the provision, installation and maintenance of the *metering installation* by the *Metering Provider*, where the *responsible person* has engaged the *Metering Provider* under paragraph (a)(1); or
 - (ii) for the maintenance of the *metering installation*, where another person has engaged the *Metering Provider* under paragraph (a)(2); and
- (2) provide *NEMMCO* with the relevant details of the *metering installation* as specified in schedule 7.5 within 10 *business days* of obtaining a *NMI* in accordance with 7.3.1(e).
- (c) The *responsible person* may elect to terminate an agreement entered into under paragraph (b)(1)(i) after the *metering installation* is installed and if such an agreement is terminated, the *responsible person* must enter into a new agreement with another *Metering Provider* for the maintenance of the *metering installation*.

Metering installations

- (d) The *responsible person* must, for each of its *metering installations*:
 - (1) ensure that the installation is provided, installed and maintained in accordance with the *metrology procedure*;
 - (2) ensure that the components, accuracy and testing of the installation complies with the requirements of the *Rules* and the *metrology procedure*;
 - (3) provide and maintain the security control of the installation in accordance with clause 7.8.2;
 - (4) ensure that a *communications link* is installed and maintained to the *telecommunications network* and includes, where required for the connection to that *telecommunications network*, a modem and *isolation* equipment approved under telecommunications regulations;
 - (5) provide access to a *telecommunications network* to facilitate the requirement of rules 7.7 and 7.12(aa);
 - (6) provide to *NEMMCO* (when requested), the information specified in schedule 7.5 for new or modified installations;
 - (7) not replace a device that is capable of producing *interval energy data* and is already installed in a *metering installation*, with a device that only produces *accumulated energy data* unless the *metrology procedure* permits the replacement to take place;
 - (8) ensure for any type 5 *metering installation* where the annual flow of electricity through the *connection point* is greater than the *type 5 accumulation boundary*, that the *metering data* is extracted or emanates from the *data logger* as *interval energy data*; and

- (9) allow the alteration of the installation for which that person is responsible with another installation in accordance with clause 7.3.4.
- (e) The *Market Settlements and Transfer Solution Procedures* may specify that an incoming *responsible person* is responsible for the *metering installation*:
 - (1) on the day that a *market load* transfers from one *financially responsible Market Participant* to another *financially responsible Market Participant* for the period within that day; or
 - (2) on any other day.
- (f) NEMMCO must establish guidelines, in accordance with the *Rules consultation procedures* in relation to the role of the *responsible person* consistent with this Chapter 7.

7.2.6 [Deleted]

7.2.7 Registration of metering installations

- (a) NEMMCO must establish and *publish* a registration process to facilitate the application of this Chapter 7 to *Market Participants* and *Network Service Providers* in respect of:
 - (1) new *metering installations*;
 - (2) modifications to existing *metering installations*; and
 - (3) decommissioning of *metering installations*,including the provision of information on matters such as application process, timing, relevant parties, fees and *metering installation* details.

7.2.8 Market Settlement and Transfer Solution Procedures

- (a) NEMMCO, in consultation with *Registered Participants* in accordance with the *Rules consultation procedures*, must develop and *publish Market Settlement and Transfer Solution Procedures*.
- (b) NEMMCO may from time to time amend the *Market Settlement and Transfer Solution Procedures* in consultation with *Registered Participants* in accordance with the *Rules consultation procedures*. NEMMCO must *publish* any such amendment to the *Market Settlement and Transfer Solution Procedures*.
- (c) The *Market Settlement and Transfer Solution Procedures* may include roles and responsibilities for *Metering Providers*.
- (d) All *Registered Participants* and *Metering Providers* must comply with the *Market Settlement and Transfer Solution Procedures*.
- (e) If a *Registered Participant* or *Metering Provider* breaches the requirements of the *Market Settlement and Transfer Solution Procedures*, NEMMCO may send to that *Registered Participant* or *Metering Provider* a notice in writing setting out the nature of the breach.

- (f) If the *Registered Participant* or *Metering Provider* remains in breach for more than 5 *business days* after receipt of the notice from NEMMCO, NEMMCO must advise:
 - (1) the authority responsible for administering *jurisdictional electricity legislation* in the *participating jurisdiction* in which the *connection point* to which the breach relates is located; and
 - (2) the *AER*.

7.2A.1 B2B e-Hub

NEMMCO must provide and operate a *B2B e-Hub*. As required by *B2B Procedures* and subject to clause 7.2A.4(k), *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* must use the *B2B e-Hub* for *B2B Communications*.

7.2A.2 Information Exchange Committee

- (a) NEMMCO must establish the *Information Exchange Committee* in accordance with the *Information Exchange Committee Election Procedures*.
- (b) The *Information Exchange Committee* must only be constituted by:
 - (1) three *Distribution Network Service Provider Members*;
 - (2) three *Local Retailer/Market Customer Members*; and
 - (3) two *Independent Members*.

Local Retailers and *Market Customers* together and *Distribution Network Service Providers* must, in relation to categories of *Members* in relation to which they are entitled to vote under the *Information Exchange Committee Election Procedures*, use their reasonable endeavours to ensure that the *Information Exchange Committee* is established in accordance with the *Information Exchange Committee Election Procedures*. 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*.

- (c) *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* must ensure that the *Information Exchange Committee Election Procedures* include provisions in respect of *Member* qualifications, procedures for voting for *Members*, the term of a *Member*, determination and publication of results of elections and the removal and resignation of a *Member*.
- (d) The first *Information Exchange Committee Election Procedures* must be published by the time this clause 7.2A.2 comes into operation. 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:

- (1) not less than 75% of all *Registered Participants* registered by NEMMCO as *Distribution Network Service Providers* under clause 2.5.1; and
- (2) not less than 75% of that class of *Registered Participants* comprising:
 - (A) *Registered Participants* who are included on the list of *Local Retailers* published by NEMMCO; and
 - (B) *Market Customers* who are not included on the list of *Local Retailers* published by NEMMCO and who are not a *related body corporate* of a *Local Retailer*.

Neither a *Registered Participant* nor NEMMCO is obliged to comply with an amendment to the *Information Exchange Committee Election Procedures* unless that amendment is made in accordance with this clause. NEMMCO must *publish* the current version of the *Information Exchange Committee Election Procedures*.

- (e) A *Registered Participant* must ensure that a person it nominates as a *Member* for a category satisfies the requirements for that particular category of *Member* as set out in the *Information Exchange Committee Election Procedures*.
- (f) The first *Information Exchange Committee Operating Manual* must be *published* by the time this clause 7.2A.2 comes into operation. 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:
 - (1) not less than 75% of all *Registered Participants* registered by NEMMCO as *Distribution Network Service Providers* under clause 2.5.1; and
 - (2) not less than 75% of that class of *Registered Participants* comprising:
 - (A) *Registered Participants* who are included on the list of *Local Retailers* published by NEMMCO; and
 - (B) *Market Customers* who are not included on the list of *Local Retailers* published by NEMMCO and who are not a *related body corporate* of a *Local Retailer*.

Neither a *Registered Participant* nor NEMMCO is obliged to comply with an amendment to the *Information Exchange Committee Operating Manual* unless that amendment is made in accordance with this clause. NEMMCO must *publish* the current version of the *Information Exchange Committee Operating Manual*.

- (g) 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*.
- (h) The *Information Exchange Committee* must provide to NEMMCO the current version of the *B2B Procedures* and the *Information Exchange Committee Works Programme*.
- (i) NEMMCO must publish the *B2B Procedures* and the *Information Exchange Committee Works Programme* provided to it by the *Information Exchange Committee*.
- (j) The *Information Exchange Committee*, NEMMCO, *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* must comply with the *Information Exchange Committee Election Procedures* and the *Information Exchange Committee Operating Manual*.
- (k) The *Information Exchange Committee* must meet at least once every three months.
- (l) The quorum for a meeting of the *Information Exchange Committee* is five *Members* comprising two *Distribution Network Service Provider Members*, two *Local Retailer/Market Customer Members* and one *Independent Member*.
- (m) A decision of the *Information Exchange Committee* is not valid and enforceable unless it is made as follows:
- (1) an *Information Exchange Committee Recommendation* requires the support of six or more *Members*;
 - (2) any decision that a proposal under clause 7.2A.3(a) should not be considered further after initial consideration under clause 7.2A.3(b), and any decision to not recommend *B2B Procedures* or a *change* to the *B2B Procedures* for approval by NEMMCO requires the support of six or more *Members*;
 - (3) any decision to approve the *Information Exchange Committee Works Programme* requires the support of six or more *Members*; and
 - (4) any other decision by the *Information Exchange Committee* requires the support of five or more *Members*.
- (n) Each *Member* in performing his or her duties or in exercising any right, power or discretion must have regard to the *B2B Objective* and 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 *Registered Participants* by which he or she is employed and/or which nominated him or her to be a *Member*; and
 - (4) not make improper use of his or her position to gain, directly or indirectly, an advantage for himself or herself or the *Registered Participants* by which he or she is employed and/or which nominated him or her to be a *Member*.
- (o) Subject to clause 7.2A.2(n), a *Distribution Network Service Provider Member* may take into account the interests of *Distribution Network Service Providers* in performing his or her duties or in exercising any right, power or discretion.
 - (p) Subject to clause 7.2A.2(n), a *Local Retailer/Market Customer Member* may take into account the interests of *Local Retailers* and *Market Customers* in performing his or her duties or in exercising any right, power or discretion.
 - (q) The *Information Exchange Committee* must prepare the *Information Exchange Committee Annual Report* for the period ended 31 December in the first calendar year following the establishment of the *Information Exchange Committee* and the year ended 31 December in each year thereafter. The *Information Exchange Committee* must provide the *Information Exchange Committee Annual Report* to NEMMCO by the following 31 March and NEMMCO must publish that *Information Exchange Committee Annual Report*.
 - (r) The *Information Exchange Committee Annual Report* must contain the information required by the *Information Exchange Committee Operating Manual*.
 - (s) 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 NEMMCO. Following discussion with NEMMCO the *Information Exchange Committee* must prepare a budget by 31 March and provide that budget to NEMMCO. When NEMMCO publishes its budget pursuant to clause 2.11.3, NEMMCO must advise the *Information Exchange Committee* of the final budget for the *Information Exchange Committee* for that *financial year*.

7.2A.3 Method of making and changing B2B Procedures

- (a) NEMMCO, a *Local Retailer*, a *Market Customer* or a *Distribution Network Service Provider* may propose *B2B Procedures*, or a *change* to the *B2B Procedures*, to the *Information Exchange Committee*. The proposal must be

submitted in writing to the *Information Exchange Committee* and must provide details of the proposal and supporting information, including reasons for any *change* or *B2B Procedure*.

- (b) Within 25 *business days* of receipt by the *Information Exchange Committee* of a proposal under clause 7.2A.3(a), the *Information Exchange Committee* must meet to determine whether on a *prima facie* basis making new *B2B Procedures* and/or *changing* the *B2B Procedures* is warranted having regard to the *B2B Objective* and the *B2B Principles*.
- (c) If, after its consideration under clause 7.2A.3(b), the *Information Exchange Committee* decides that the proposal made under clause 7.2A.3(a) should not be considered further, the *Information Exchange Committee* must within five *business days* provide written reasons for that decision to whichever of *NEMMCO*, the *Local Retailer*, *Market Customer* or *Distribution Network Service Provider* who made the proposal.
- (d) If, after its consideration under clause 7.2A.3(b), the *Information Exchange Committee* decides that the proposal made under clause 7.2A.3(a) should be considered further, the *Information Exchange Committee* must develop the proposal into a *B2B Proposal* (which may differ from the proposal originally made) and an accompanying *B2B Procedures Change Pack* for consultation. The *Information Exchange Committee* must seek *NEMMCO's* advice on whether a conflict with the *Market Settlement and Transfer Solution Procedures* arises from the *B2B Proposal* and include any such advice in the *B2B Procedures Change Pack*.
- (e) 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 *Local Retailers*, *Market Customers*, *Distribution Network Service Providers* and *NEMMCO*. For the purposes of the notice, the particulars of the matters under consultation must include a copy of the *B2B Procedures Change Pack*.
- (f) *NEMMCO* must *publish* the notice of consultation within 3 *business days* of its receipt and must notify all *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* of the consultation.
- (g) In addition to the matters which rule 8.9(g) requires be included in the draft report, the draft report must contain details of the *Information Exchange Committee's* consideration of the *B2B Objective* and each of the *B2B Principles* and how the *Information Exchange Committee* has considered each submission made having regard to the *B2B Objective* and the *B2B Principles*.
- (h) In addition to the matters which rule 8.9(k) requires be included in the final report, the final report must contain details of the *Information Exchange Committee's* consideration of the *B2B Objective* and each of the *B2B Principles* and how the *Information Exchange Committee* has considered each submission having regard to the *B2B Objective* and the *B2B Principles*.

- (i) The *Information Exchange Committee* can conclude not to recommend the proposed *B2B Procedures* be made or not to recommend a *change* to the *B2B Procedures*. Alternatively, the *Information Exchange Committee* may make an *Information Exchange Committee Recommendation* and in doing so may recommend a different *B2B Procedure* or *change* to the *B2B Procedures* from that originally proposed under clause 7.2A.3(a). A conclusion not to recommend the proposed *B2B Procedures* be made or not to recommend a *change* to the *B2B Procedures*, or the making of an *Information Exchange Committee Recommendation*, must be included in the final report required under rule 8.9(k).
- (j) In coming to a conclusion not to recommend the proposed *B2B Procedures* or not to recommend a *change* to the *B2B Procedures*, or in making an *Information Exchange Committee Recommendation*, the *Information Exchange Committee* must seek to achieve the *B2B Objective* and, in seeking to achieve the *B2B Objective*, must have regard to the *B2B Principles*. 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.
- (k) If the *Information Exchange Committee* recommends not to make the proposed *B2B Procedures* or not to *change* the *B2B Procedures*, NEMMCO must take no further action in respect of the proposal. If the *Information Exchange Committee* makes an *Information Exchange Committee Recommendation*, NEMMCO must consider the *Information Exchange Committee Recommendation* and must approve that *Information Exchange Committee Recommendation*, unless it concludes that:
 - (1) the *Information Exchange Committee* has failed to have regard to the *B2B Objective* and/or the *B2B Principles*;
 - (2) the *Information Exchange Committee Recommendation* would conflict with the *Market Settlement and Transfer Solution Procedures*; or
 - (3) the *Information Exchange Committee* has not followed the *Rules consultation procedures* (as supplemented by this clause 7.2A.3).
- (l) In considering an *Information Exchange Committee Recommendation*, NEMMCO must not consider:
 - (1) the manner in which the *Information Exchange Committee* considered the *B2B Objective* and the *B2B Principles* or the weight given by the *Information Exchange Committee* to the different *B2B Principles* or the balancing between them; or
 - (2) the merits of the *Information Exchange Committee Recommendation*.
- (m) NEMMCO 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*.

- (n) *NEMMCO* 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*.
- (o) If *NEMMCO* decides not to approve an *Information Exchange Committee Recommendation*, the reasons for the *B2B Decision* which are to be *published* and made available in accordance with clause 7.2A.3(n) must include an explanation of the following, where applicable:
 - (1) to which of the *B2B Objective* and/or the *B2B Principles* *NEMMCO* considers the *Information Exchange Committee* failed to have regard;
 - (2) how the *Information Exchange Committee Recommendation* would give rise to a conflict with the *Market Settlement and Transfer Solution Procedures*; or
 - (3) how the *Information Exchange Committee* did not follow the *Rules consultation procedures* (as supplemented by this clause 7.2A.3).

7.2A.4 Content of the B2B Procedures

- (a) The *B2B Procedures* may provide for *B2B Communications*.
- (b) For each *B2B Communication*, the *B2B Procedures* must contain:
 - (1) the required *B2B Data* inputs and *B2B Data* outputs;
 - (2) the required business process flows and related timing requirements;
 - (3) the required content and format;
 - (4) the required delivery method; and
 - (5) the back-up delivery method to be used where the required delivery method cannot be used.
- (c) The *B2B Procedures* may include obligations in relation to the information to be maintained and provided to support *B2B Communications*.
- (d) For each *B2B Communication* the *B2B Procedures* may also include:
 - (1) details for testing and certification;
 - (2) provisions relating to contingency arrangements;
 - (3) examples of how a *B2B Communication* may operate in practice; and
 - (4) the method for dealing with a dispute (which may include provisions deferring the use of the dispute resolution procedures in the *Rules* and access to the courts).
- (e) The *B2B Procedures* or a *change* to the *B2B Procedures* must also include a date for the commencement of the *B2B Procedures* or the *change*. That date must be not less than 10 *business days* after the related *B2B Decision* is *published*. The *Information Exchange Committee* may extend that date following consultation with *NEMMCO* and affected *Registered Participants*. If the date is extended by the *Information Exchange*

Committee, the *Information Exchange Committee* must provide NEMMCO with that date and NEMMCO must *publish* that date.

- (f) 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 NEMMCO with that date and NEMMCO must *publish* that date.
- (g) The *B2B Procedures* may be constituted by one or more separate documents.
- (h) The *B2B Procedures* may include roles and responsibilities for *Metering Providers*.
- (i) Subject to the *Information Exchange Committee* following the requirements placed upon it in the *Rules* in relation to the *B2B Procedures*, *Local Retailers*, *Market Customers*, *Distribution Network Service Providers*, NEMMCO and *Metering Providers* must comply with the *B2B Procedures*.
- (k) *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* may, on such terms and conditions as agreed between them, communicate a *B2B Communication* on a basis other than as set out in the *B2B Procedures*, in which case the parties to the agreement need not comply with the *B2B Procedures* to the extent that the terms and conditions agreed between them are inconsistent with the *B2B Procedures*.
- (l) *B2B Data* is *confidential information* and may only be disclosed as permitted by the *Rules*.
- (m) If a *change* to the *B2B Procedures* is of a minor or procedural nature or is necessary to correct a manifest error in the *B2B Procedures*, the *Information Exchange Committee* may recommend the *change* to NEMMCO and need not consult on the *change* in accordance with the *Rules consultation procedures*. Clauses 7.2A.3(i) to (o) (inclusive) and clauses 7.2A.4(e) and (f) apply to such a *change* (with any necessary modifications). In addition to *publishing* its *B2B Decision* in relation to such a *change*, NEMMCO must notify all *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* of the *change*.

7.2A.5 Transition of B2B Communications from the Market Settlement and Transfer Solution Procedures

- (a) At 9.00am (EST), on the day immediately following the day on which the *Information Exchange Committee* is established pursuant to clause 7.2A.2(a) ("**transition day**"):
 - (1) those *Market Settlement and Transfer Solution Procedures* entitled "MSATS Procedures: B2B Procedures" are deemed to have been the subject of an *Information Exchange Committee Recommendation*

under clause 7.2A.3(i) and to have been approved by *NEMMCO* in accordance with clause 7.2A.3(k), and are deemed to be *B2B Procedures*. Such a deemed *Information Exchange Committee Recommendation* and deemed *B2B Decision* are not within the scope of clauses 8.2.5(d1) to (d4) (see clause 8.2A.2(i)); and

- (2) any proposed new *Market Settlement and Transfer Solution Procedures* entitled "MSATS Procedures: B2B Procedures", or a change to any *Market Settlement and Transfer Solution Procedures* entitled "MSATS Procedures: B2B Procedures", which is the subject of consultation by *NEMMCO* in accordance with the *Rules consultation procedures* on the transition day is deemed to be a valid *B2B Proposal* and, to the extent the *Rules consultation procedures* have been complied with by *NEMMCO*, is deemed to comply with the consultation requirements detailed in clause 7.2A.3(e).
- (b) All things done in relation to a *B2B Communication* the subject of those *Market Settlement and Transfer Solution Procedures* entitled "MSATS Procedures: B2B Procedures" immediately before the transition day must under the *B2B Procedures* continue to have the same status, operation and effect as they would have under the *Market Settlement and Transfer Solution Procedures* entitled "MSATS Procedures: B2B Procedures". In particular, this clause 7.2A.5 does not disturb the status, operation or effect of any *B2B Communication* or any proceeding, liability, rights or other matter or thing made, done, effected, obtained, given, accrued, incurred, acquired, existing or continuing before the transition day.

7.2A.6 Cost Recovery

- (a) The costs of the development of the *B2B Procedures*, the costs of the establishment and operation of the *Information Exchange Committee* (including the engagement costs of specialist advisers, and the remuneration and payment of the reasonable expenses of the *Independent Members*), all of which must be set out in the budget prepared by the *Information Exchange Committee* pursuant to clause 7.2A.2(s) and the *Information Exchange Committee Annual Report*, and the operational costs associated with any service provided by *NEMMCO* to facilitate *B2B Communications* (including providing and operating a *B2B e-Hub*) must be paid by *NEMMCO* in the first instance and recouped by *NEMMCO* as *Participant fees*.
- (b) Subject to clause 7.2A.6(a), the cost of any *Member* (other than an *Independent Member*) and involvement of individuals in the *Information Exchange Committee Working Groups* is not to be borne by *NEMMCO*.
- (c) The cost to a *Local Retailer*, *Market Customer* and *Distribution Network Service Provider* of implementing and maintaining the necessary systems and processes to ensure compliance with *B2B Procedures* must be met by that *Local Retailer*, *Market Customer* or *Distribution Network Service Provider*.

7.3 Metering Installation Arrangements

7.3.1A Metering Installation Requirements

- (a) Each *connection point* must have a *metering installation*.
- (b) *Energy data* is to be based on units of watthour (*active energy*) and where required varhour (*reactive energy*).

7.3.1 Metering installation components

- (a) A *metering installation* must:
 - (1) either contain a device that has a visible or an equivalently accessible display of the cumulative total *energy* measured by that *metering installation* (at a minimum) or, be classified as an *unmetered connection point* in accordance with schedule 7.2 and in which case such a device is not required;
 - (2) be accurate in accordance with clause 7.3.4;
 - (3) have *electronic data transfer* facilities from the *metering installation* to the *metering database* in accordance with clause 7.3.5;
 - (4) contain a *communications link* in accordance with clause 7.2.5(d)(4);
 - (5) be secure in accordance with rule 7.8;
 - (6) have electronic data recording facilities such that *active energy* can be collated in accordance with clause 7.9.3;

[**Note:** For the avoidance of doubt, clause 7.3.1(a)(6) relates to a metering installation and not a meter.]

- (7) be capable of separately registering and recording flows in each direction where bi-directional *active energy* flows occur;
- (8) if a device is used in accordance with subparagraph (1), have a *measurement element* for *active energy* and if required in accordance with schedule 7.2 a *measurement element* for *reactive energy*, both of which have an internal or external *data logger*;
- (9) be capable of delivering data from the site of the *metering installation* to the *metering database*;
- (10) include facilities on site for storing the *interval energy data* for a period of at least 35 *days* if the *communications link* has a capability for actual *metering data* as required by clause 7.11.1(b) from the site of the *metering point* and the *metering installation* includes the *measurement element(s)* and the *data logger* at the same site;
- (11) include facilities on site for storing the *interval energy data* for a period of at least 200 *days* or such other period as specified in the *metrology procedure* if the *communications link* does not have a capability for actual *metering data* as required by clauses 7.11.1(c) or

- (d) and the *metering installation* includes the *measurement element(s)* and the *data logger* at the same site;
- (12) include *metering installation* database facilities for storing *energy data* for a period of at least 35 days where the *metering installation* provides for a remote *data logger*; ~~and~~
- (13) include *metering installation* database facilities for storing *energy data* for a period of at least 35 days where *metering data* is determined for an *unmetered connection point*; ~~and-~~
- (14) if a type 6 metering installation, include facilities capable of continuously recording by a visible display, the total accumulated energy supplied through it over a period of at least 12 months, in accordance with subparagraph (1).
- (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) an appropriately constructed panel on which the *meter* and the *data logger* are mounted;
 - (5) a *meter* and a *data logger* which may be either internal or external to the *meter* where a *data logger* may be located at a site remote from the site of a *meter* and a *data logger* may consist of a *metering installation* database that is under the control of the *Metering Provider*;
 - (6) communication interface equipment such as a modem, isolation requirements, telephone service, radio transmitter and data link equipment;
 - (7) one or more *communications links* which facilitate the collection of *energy data* from a *data logger* or a *measurement element* so as to enable a remote interface to the *telecommunications network* to be established;
 - (8) data processing facilities, including algorithms for the preparation of a load pattern(s), for the conversion of *accumulated energy data* or *estimated energy data* into *metering data*;
 - (9) techniques for the estimation of *market loads* in accordance with schedule 7.2;
 - (10) auxiliary electricity supply to the *meter*;
 - (11) an alarm circuit and monitoring facility;
 - (12) a facility to keep the *metering installation* secure from interference;
 - (13) test links and fusing;

- (14) summation equipment; or
- (15) several *metering points* to derive the *metering data* for a *connection point*.

(c) Either a *Local Network Service Provider* or a *Market Participant* may, with the agreement of the *responsible person* (which cannot be unreasonably withheld), arrange for a *metering installation* to contain features in addition to, or which enhance, the features specified in paragraph (b).

~~(e) Either a *Local Network Service Provider* or a *Market Participant* may with the agreement of the *responsible person* arrange for a *metering installation* to contain features in addition to those specified in paragraph (b).~~

(d) The *responsible person* for a *metering installation* must apply to the *Local Network Service Provider* for a National Metering Identifier ('*NMI*').

(e) The *Local Network Service Provider* must issue for each *metering installation* a unique *NMI*.

(f) The *responsible person* must register the *NMI* with *NEMMCO* in accordance with procedures from time to time specified by *NEMMCO*.

(g) Where a *metering installation* is used for purposes in addition to the provision of *metering data* to *NEMMCO* then:

- (1) that use must not cause an infringement of the requirements of the *Rules*;
- (2) the *responsible person* must co-ordinate with the persons who use the *metering installation* for such other purposes; and
- (3) the *metering installation* must comply with the requirements for operational *metering* as detailed in Chapter 4 of the *Rules*.

(h) A *Metering Provider* is entitled to physical access to the site of a *metering installation* in accordance with clause 5.3.7(g) and schedule 5.6.

Requirements for metering installations for non-market generating units

(i) In addition to the requirements in paragraphs (a) to (g), a *metering installation* for a *non-market generating unit* must:

- (1) be capable of separately registering and recording flows in each direction where bi-directional *active energy* flows occur;
- (2) where payments for the purchase of electricity generated by that unit are based on different rates according to the time of the day, be capable of recording *interval energy data*;
- (3) where a *current transformer*, a *voltage transformer* or a *measurement element* for *reactive energy*, is installed, meet the requirements in Schedule 7.2 for the type of *metering installation* appropriate to that *connection point*;
- (4) for units with a *nameplate rating* greater than 1 MW, meet:

- (i) the accuracy requirements specified in schedule 7.2; and
 - (ii) the measurement requirements in paragraph (a)(8);
- (5) in relation to new accumulation *metering equipment* for units with a *nameplate rating* equal to or less than 1 MW, meet the minimum standards for *active energy* class 1.0 watt-hour or 2.0 watt-hour *meters* in accordance with clause S7.2.6.1(f);
- (6) for units with a *nameplate rating* of equal to or less than 1 MW that are capable of recording *interval energy*, meet the minimum standards of accuracy for the *active energy meter* in accordance with schedule 7.2 for a type 3 or 4 *metering installation* which is based on projected sent out annual *energy volumes*; and
- (7) 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*, have the *active energy* and *reactive energy* measured where the unit has a *nameplate rating* of less than 1 MW.

7.3.2 Connection and metering point

- (a) The *responsible person* must ensure that:
 - (1) the *revenue 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 *revenue metering data*.
- (b) The *Market Participant*, the *Local Network Service Provider* and *NEMMCO* 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*, *NEMMCO* 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 7.2.

7.3.3 Use of metering data

- (a) *Revenue metering data* must be used by *NEMMCO* as the primary source of *metering data* for billing purposes.
- (b) *Check metering data*, where available, must be used by *NEMMCO* for:
 - (1) validation;

- (2) substitution; and
 - (3) account estimation,
- of revenue metering data as required by clause 7.9.4.

7.3.4 Metering installation types and accuracy

- (a) The type of *metering installation* and the accuracy requirements for a *metering installation* which must be installed in respect of each *connection point* are to be determined in accordance with schedule 7.2.
- (b) A *check metering installation* is not required to have the degree of accuracy required of a *revenue metering installation* but must have a mathematical correlation with the *revenue metering installation*, and be consistent with the requirements of schedule 7.2.
- (c) *Metering installations* in use at *market commencement* must conform with the provisions of Chapter 9.
- (d) The accuracy of a type 6 *metering installation* must be in accordance with regulations issued under the *National Measurement Act* or, in the absence of any such regulations, with the *metrology procedure*.
- (e) Subject to the *metrology procedure* and this clause 7.3.4, a *financially responsible Market Participant* or a *Local Network Service Provider* may make arrangements with the *responsible person* to alter any type 5, 6 or 7 *metering installation*.
- (f) A *Local Network Service Provider* may alter a *metering installation* in accordance with paragraph (e) to make it capable of *remote acquisition* where the *Local Network Service Provider* decides that operational difficulties reasonably require the *metering installation* to be capable of *remote acquisition*.
- (g) An alteration of a *metering installation* by a *Local Network Service Provider* in accordance with paragraph (f), does not alter the classification of that installation to a type 4 *metering installation*.
- ~~(e) Subject to the *metrology procedure* and this clause 7.3.4, a *financially responsible Market Participant* and a *Local Network Service Provider* may make arrangements with the *responsible person* to alter any type 5, 6 or 7 *metering installation* to make the installation capable of *remote acquisition*.~~
- ~~(f) A *Local Network Service Provider* may only alter a *metering installation* in accordance with paragraph (e) where the provider decides that operational difficulties reasonably require the *metering installation* to be capable of *remote acquisition*.~~
- ~~(g) An alteration of a *metering installation* by a *Local Network Service Provider* in accordance with paragraphs (e) and (f) does not alter the classification of that installation to a type 4 *metering installation*.~~
- (h) For the purposes of paragraph (f), operational difficulties may include locational difficulties where the *metering installation* is:

- (1) at a site where access is difficult; or
- (2) on a remote rural property.
- (i) A type 5, 6 or 7 *metering installation* must not be altered by the *financially responsible Market Participant* under paragraph (e) until the transfer of the relevant *market load* has been effected by NEMMCO in accordance with the *Market Settlement and Transfer Solution Procedures*.
- (j) NEMMCO must develop and *publish* in accordance with the *Rules consultation procedures*, guidelines for the *financially responsible Market Participant* to consider in managing the alteration of a metering installation where one or more devices are to be replaced (**‘meter churn guidelines’**).
- (k) NEMMCO may from time to time and in accordance with the *Rules consultation procedures*, amend or replace the meter churn guidelines referred to in paragraph (j).
- (l) NEMMCO must develop and *publish* the first meter churn guidelines under paragraph (j) by 1 January 2008 and there must be such guidelines available at all times after that date.
- (m) A *financially responsible Market Participant* who is not the *responsible person* for a *metering installation* that is altered under paragraph (e), must:
 - (1) consider and manage meter churn consistently with the meter churn guidelines developed by NEMMCO under paragraph (j); and
 - (2) advise the *responsible person* of the proposed date of alteration:
 - (i) prior to that alteration being made; and
 - (ii) in accordance with any time specified in the *Market Settlement and Transfer Solution Procedures*.

7.3.5 Data collection system

- (a) **[Deleted]**
- (b) NEMMCO must establish processes for the collection of *metering data* for the *metering database* from each *metering installation* in accordance with the requirements of rule 7.9.
- (c) NEMMCO may use *agency data collection systems* to collect *metering data*, process *metering data* into *settlements ready data* and to transfer *metering data* to the *metering database*.
- (d) NEMMCO may obtain *metering data* directly from a *metering installation* for the *settlements* process.
- (e) Rules and protocols in respect of use of a *data collection system* and its connection to a *metering system* must be approved by NEMMCO and NEMMCO must not unreasonably withhold such approval.
- (f) Data formats used in respect of a *data collection system* must allow access to *metering data* at a *metering installation* and from the *metering database*.

7.3.6 Payment for metering

- (a) Subject to paragraph (b), the financially responsible Market Participant is responsible for payment of all costs associated with the provision, installation, maintenance, routine testing and inspection of the metering installation and includes:
 - (1) the cost of providing *metering data* and *settlements ready data* to the *Local Network Service Provider* and to the *Local Retailer* to enable these parties to fulfill their obligations under the *Rules*;
 - (2) the cost of providing *metering data* to NEMMCO; ~~and~~
 - (3) the cost of preparing *settlements ready data* where such costs will not be recovered by NEMMCO in accordance with paragraph (c); ~~and~~
 - (4) the cost of additions and enhancements to metering installations undertaken in accordance with clause 7.3.1(bc).
- (b) If a *responsible person* allows another person to engage a *Metering Provider* to install a *metering installation* in accordance with clause 7.2.5(a)(2), the *financially responsible Market Participant* is not responsible for the payment of the costs of installation of the relevant *metering installation* under paragraph (a).
- (c) When NEMMCO 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), NEMMCO'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 NEMMCO must not recover the costs through *Participant fees*.
- (d) Subject to paragraph (a), any costs incurred in gaining access to *metering data* must be paid by the party who obtained the *metering data*.
- (e) The cost of requisition testing and audits must be paid by the party requesting the test or audit, except where the *metering installation* is shown not to comply with this Chapter 7, in which case the *responsible person* in relation to that *metering installation* must bear the cost.
- (f) Paragraph (a) does not apply to the recovery of costs by a *Local Network Service Provider* that are associated with the provision, installation, maintenance, routine testing and inspection of type 5, 6 or 7 *metering installations*, to the extent that these costs can be recovered by the *Local Network Service Provider* in accordance with a determination made by the AER.
- (g) Where:
 - (1) a financially responsible Market Participant alters a type 5, 6 or 7 metering installation under clause 7.3.4 that leads to a change in the classification of that metering installation; and

~~(2) the Local Network Service Provider is no longer the responsible person for that metering installation.~~

~~the parties must negotiate in good faith to ensure the Local Network Service Provider is reasonably compensated for the alteration to the metering installation.~~

~~(g) Where:~~

~~(1) a financially responsible Market Participant alters a type 5, 6 or 7 metering installation to make it capable of remote acquisition under clause 7.3.4;~~

~~(2) the alteration under clause 7.3.4 leads to a change in the classification of that metering installation; and~~

~~(3) the Local Network Service Provider was the responsible person for that metering installation;~~

~~the parties must negotiate in good faith to ensure the Local Network Service Provider is reasonably compensated for the alteration to the metering installation.~~

7.4 Metering Providers

7.4.1 Responsibility

- (a) Installation and maintenance of *metering installations* must be carried out only by a *Metering Provider*.
- (b) A *Metering Provider* is responsible for providing and maintaining the security controls of a *metering installation* in accordance with clause 7.8.2.

7.4.2 Qualifications and registration of Metering Providers

- (a) A *Metering Provider* is a person who:
 - (1) meets the requirements set out in schedule 7.4; and
 - (2) is accredited by and registered by *NEMMCO* in that capacity in accordance with the qualification process established under clause S7.4.1(b).
- (b) Any person may apply to *NEMMCO* for accreditation and registration as a *Metering Provider*.
- (ba) *NEMMCO* must, in accordance with *Rules consultation procedures*, prepare and *publish* guidelines in respect of the accreditation of *Metering Providers*. The adoption of the guidelines by *Metering Providers* is to be included in the qualification process in accordance with clause S7.4.1(b). The guidelines must include a dispute resolution process.
- (bb) A *Metering Provider* must comply with the provisions of the *Rules* and of procedures authorised under the *Rules*, and with any requirements

established by *NEMMCO* under clause 7.4.2(bc), that are expressed to apply to *Metering Providers*.

(bc) The requirements referred to in clause 7.4.2(bb):

- (1) must include the service level requirements with which the different categories of *Metering Providers* referred to in schedule 7.4 must comply; and
- (2) may include, among other things, requirements relating to cooperation with *NEMMCO* and any person engaged by *NEMMCO* to operate any relevant *agency metering database*, the confidentiality of information collected by *Metering Providers*, the resolution of disputes between *NEMMCO* and *Metering Providers*, the access of *NEMMCO* to and inspection by *NEMMCO* of any equipment or database maintained by *Metering Providers*, the insurance which must be taken out by or on behalf of *Metering Providers*, subcontracting by *Metering Providers*, the software and systems that are used by *Metering Providers*, the ownership of intellectual property that is developed or used by *Metering Providers*, and the delivery up to *NEMMCO* of data, works, material and other property in the event of the deregistration of a *Metering Provider*.

As at the date the *Rules* commence operation, the requirements referred to in clause 7.4.2(bb) that apply in respect of a category of *Metering Providers* referred to in schedule 7.4 must be the same as those that applied in respect of that category of *Metering Providers* immediately prior to that date, but *NEMMCO* may from time to time amend such requirements in accordance with the *Rules consultation procedures*.

- (c) *Network Service Providers* must either register as a *Metering Provider* or enter into agreements with *Metering Providers* for the provision of *metering services*.
- (ca) A *Network Service Provider* must allow a person other than a *Market Participant* to engage a *Metering Provider* to install a *metering installation* where the person does so in accordance with the *metrology procedure*.
- (d) Subject to clause 7.4.2(e), a *Market Generator* or *Market Customer* 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*.
- (e) 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* as specified in clause 7.4.2(d), 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*.

7.4.3 Deregistration of Metering Providers

- (a) If a *Metering Provider* materially breaches the requirements of clause 7.4.2(bb), *NEMMCO* must send to that *Metering Provider* notice in writing setting out the nature of the breach and, if the *Metering Provider* remains in breach for a period of more than 7 days after notice from *NEMMCO*, *NEMMCO* may deregister the *Metering Provider*.
- (aa) If *NEMMCO* reasonably determines that a *Metering Provider* may have breached the requirements of clause 7.4.2(bb), it must conduct a review of the *Metering Provider's* capability to install and maintain a *metering installation*. The outcome of the review may be deregistration, suspension of some categories of registration or continued operation under constraints agreed with *NEMMCO*.
- (b) If, in the reasonable opinion of *NEMMCO*, a *Metering Provider* has acted in any way which is unethical, *NEMMCO* may deregister that *Metering Provider*.
- (c) This clause 7.4.3 sets out the only action that can be taken against a *Metering Provider*:
 - (1) for a breach by that *Metering Provider* of provisions of the *Rules* or of procedures authorised under the *Rules*, or of any requirements established by *NEMMCO* under clause 7.4.2(bc), that are expressed to apply to *Metering Providers*; or
 - (2) by *NEMMCO* as a result of that *Metering Provider* acting in a way which is unethical.

7.5 Register of Metering Information

7.5.1 Metering register

- (a) As part of the *metering database*, *NEMMCO* must maintain a *metering register* of all *revenue metering installations* and *check metering installations* which provide *metering data* used for *NEMMCO* account statements.
- (b) The *metering register* referred to in clause 7.5.1(a) must contain the information specified in schedule 7.5.

7.5.2 Metering register discrepancy

- (a) If the information in the *metering register* indicates that the *revenue metering installation* or the *check metering installation* does not comply with the requirements of the *Rules*, *NEMMCO* must advise affected *Registered Participants* of the discrepancy.
- (b) If a discrepancy under clause 7.5.2(a) occurs, then the *responsible person* must arrange for the discrepancy to be corrected within 2 *business days* unless exempted by *NEMMCO*.

7.6 Inspection, Testing and Audit of Metering Installations

7.6.1 Responsibility for testing

- (a) Testing of a *metering installation* carried out under this clause 7.6.1 must be carried out in accordance with:
 - (1) this clause 7.6.1; and
 - (2) the relevant inspection and testing requirements set out in schedule 7.3.
- (b) A *Registered Participant* may request that the *responsible person* make arrangements for the testing of a *metering installation* and if the request is reasonable, the *responsible person* must:
 - (1) not refuse the request; and
 - (2) make arrangements for the testing.
- (c) Where the *responsible person* does not undertake the testing requested under paragraph (b), the *responsible person* must advise NEMMCO that the requested testing has not been undertaken and NEMMCO must make the arrangements for the testing where, in NEMMCO's reasonable opinion, it is practicable for NEMMCO to do so.
- (d) The *Registered Participant* who requested the tests under paragraph (b) may make a request to the *responsible person* to witness the tests.
- (e) The *responsible person* 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) where the *Local Network Service Provider* is the *responsible person*, the *financially responsible Market Participant*,

of:

 - (3) the location and time of the tests; and
 - (4) the method of testing to be undertaken.
- (f) The *responsible person* and NEMMCO must co-operate for the purpose of making arrangements for NEMMCO to inspect or test the *metering installation* where:
 - (1) the *responsible person* must give NEMMCO access to the *metering installation*; and
 - (2) NEMMCO must:
 - (i) no later than seven *business days* prior to the testing or inspection, give the *responsible person* 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 *NEMMCO*; 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 *responsible person*.
- (g) Where *NEMMCO* or the *responsible person* has undertaken testing of a *metering installation* under this clause 7.6.1, *NEMMCO* or the *responsible person* ~~or *NEMMCO*~~ (as the case may be) must 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 results must be made available as soon as practicable to the persons who are entitled to that *metering data* under rules 7.7(a)(1) to (7).
- (i) If the test results referred to in paragraph (g), indicate compliance with the technical requirements for that *metering installation*, the test results must be made available as soon as practicable:
 - (1) in circumstances where the tests were requested by a *Registered Participant*, to the *Registered Participant* and persons who are entitled to that *metering data* under rules 7.7(a)(1) to (7); or
 - (2) to a *Registered Participant* if requested by that *Registered Participant*, where the tests are not the result of a request for testing.
- (j) *NEMMCO* 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 *responsible person* must store the test results in accordance with clause 7.6.4 and provide a copy to *NEMMCO* upon request or as part of an audit.

~~7.6.1~~ Responsibility for testing

- ~~(a) Testing of a *metering installation* must be carried out in accordance with the inspection and testing requirements detailed in schedule 7.3.~~
- ~~(b) A *Registered Participant* may request that *NEMMCO* arrange for the testing of any *metering installation* and *NEMMCO* must not refuse any reasonable request.~~
- ~~(c) *NEMMCO* must check test results recorded in the *metering register* of every *metering installation* and arrange for sufficient audit testing of *metering installations* so as to satisfy itself that the accuracy of each *metering installation* conforms with the requirements of this Chapter 7.~~
- ~~(d) The *responsible person* must ensure *NEMMCO* has unrestrained access to the *metering installation* for the purpose of testing the *metering installation*~~

~~where NEMMCO agrees to comply with the responsible person's reasonable security and safety requirements and has first given the responsible person at least two business days' notice of its intention to access the metering installation for the purpose of testing the metering installation, which notice must include:~~

- ~~(1) the name of the representative who will be conducting the test on behalf of NEMMCO; and~~
- ~~(2) the time when the test will commence and the expected time when the inspection will conclude.~~

~~(e) The responsible person or NEMMCO, whichever undertook testing of a metering installation for the purpose of this clause 7.6.1, must make the results of all tests in respect of that metering installation available as soon as practicable to any person NEMMCO considers to have a sufficient interest in the results.~~

7.6.2 Actions in event of non-compliance

- (a) If the accuracy of the *metering installation* does not comply with the requirements of the *Rules*, the *responsible person* must:
 - (1) advise NEMMCO 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 NEMMCO.
- (b) NEMMCO may make appropriate corrections to the *metering data* to take account of errors referred to in clause 7.6.2(a) and to minimise adjustments to the final *settlements* account.

7.6.3 Audits of metering data

- (aa) NEMMCO is responsible for auditing *metering installations*.
- (a) A *Registered Participant* may request NEMMCO to conduct an audit to determine the consistency between the data held in the *metering database* and the data held in the *Registered Participant's metering installation*.
- (b) If there are inconsistencies between data held in a *metering installation* and data held in the *metering database* the affected *Registered Participants* must liaise together to determine the most appropriate way to resolve the discrepancy.
- (c) 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*.
- (d) NEMMCO must carry out periodic random audits of *metering installations* to confirm compliance with the *Rules* and must be given unrestrained access by *Registered Participants* to *metering installations* for the purpose of

carrying out such random audits where *NEMMCO* agrees to comply with the *Registered Participant's* reasonable security and safety requirements and has first given the *Registered Participant* 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 *NEMMCO*; and
- (2) the *time* when the audit will commence and the expected *time* when the audit will conclude.

7.6.4 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 7.6.4.
- (b) The *responsible person* 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 responsible person must ensure records of type tests and pattern approvals carried out or obtained in accordance with clause S7.2.6.1(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.

7.7 Entitlement to metering data

- (a) The only persons entitled to receive metering data, NMI Standing Data or data from the metering register for a metering installation are:
- (1) Registered Participants with a financial interest in the metering installation or the energy measured by that metering installation;
 - (2) Metering Providers who have an agreement to service the metering installation, in which case the entitlement to access is restricted to allow authorised work only;
 - (3) financially responsible Market Participants in accordance with the meter churn guidelines developed under clause 7.3.4(j);
 - (4) the Network Service Provider or providers associated with the connection point;
 - (5) NEMMCO and its authorised agents;
 - (6) an Ombudsman in accordance with paragraphs (d), (e) and (f);
 - (7) a financially responsible Market Participant's customer upon request by that customer to the financially responsible Market Participant for information relating to that customer's metering installation; and
 - (8) the AER or Jurisdictional Regulators upon request to NEMMCO.

7.7 Rights of Access to Data

- ~~(a) The only persons entitled to have either direct or remote access to metering data from a metering installation, the metering database or the metering register in relation to a connection point are:~~
- ~~(1) Registered Participants whose NEMMCO account statement relates to energy flowing through that connection point;~~
 - ~~(2) the Metering Provider(s) who has an agreement to service the metering installation, in which case access is to be restricted only to allow authorised work;~~
 - ~~(3) the Network Service Providers associated with the connection point;~~
 - ~~(4) NEMMCO and the AER and their authorised agents;~~
 - ~~(5) any Customer who is registered by NEMMCO and who purchases electricity at the associated connection point; and~~
 - ~~(6) Registered Participants as provided for in the Market Settlement and Transfer Solution Procedures and B2B Procedures.~~

- (b) Electronic access to *metering data* from a *metering installation* must only be provided where passwords in accordance with clause 7.8.2 are allocated, otherwise access to *metering data* shall be from the *metering database*.
- (c) The *responsible person* must ensure that access to *metering data* from the *metering installation* by persons referred to in rule 7.7(a) is scheduled appropriately to ensure that congestion does not occur.
- (d) Despite anything to the contrary in this rule 7.7 and subject to clause 8.6, NEMMCO may provide *metering data* relating to a *Registered Participant* from a *metering installation*, the *metering database* or the *metering register* to an Ombudsman acting under a duly constituted industry dispute resolution ombudsman scheme of which the *Registered Participant* is a participant, if the Ombudsman has requested the data for the purpose of carrying out a function of that scheme in respect of a complaint made by a customer of the *Registered Participant* against that *Registered Participant* under that scheme.
- (e) NEMMCO must notify the relevant *Registered Participant* of any information requested by an Ombudsman under rule 7.7(d) and, if it is requested by that *Registered Participant*, supply the *Registered Participant* with a copy of any information provided to the Ombudsman.
- (f) NEMMCO must, acting jointly with industry Ombudsmen, develop procedures for the efficient management of timely access to data by Ombudsmen in consultation with *Registered Participants* in accordance with the *Rules consultation procedures*.

7.8 Security of Metering Installations and Data

7.8.1 Security of metering installations

- (a) The *responsible person* must ensure that a *metering installation* is secure and that associated links, circuits and information storage and processing systems are protected by security mechanisms acceptable to NEMMCO.
- (b) NEMMCO may override any of the security mechanisms fitted to a *metering installation* with prior notice to the *responsible person*.
- (c) If a *Local Network Service Provider*, *financially responsible Market Participant*, or *Metering Provider* becomes aware that a seal protecting *metering equipment* has been broken, it must notify the *responsible person* within 5 business days.
- (d) If a broken seal has not been replaced by the person who notified the *responsible person* under paragraph (c), the *responsible person* must replace the broken seal 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 its customer;

(2) a Registered Participant if the seal was broken by the Registered Participant; or

(3) by the Metering Provider if the seal was broken by the Metering Provider.

and otherwise by the responsible person.

(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 responsible person must ensure that the metering equipment is tested.

7.8.1 — Security of metering equipment

~~(a) The responsible person must ensure that the metering installation is secure and that associated links, circuits and information storage and processing systems are secured by means of seals or other devices approved by NEMMCO.~~

~~(b) NEMMCO may override any of the security devices fitted to a metering installation with prior notice to the responsible person.~~

7.8.2 Security controls

(a) The responsible person must ensure that metering data held in the metering installation is protected from direct local or remote electronic access by suitable password and security controls in accordance with clause 7.8.2(c).

(b) The Metering Provider must keep records of electronic access passwords secure.

(c) The Metering Provider must allocate 'read-only' passwords to Market Participants, Local Network Service Providers and NEMMCO, except where separate 'read-only' and 'write' passwords are not available, in which case the Metering Provider must allocate a password to NEMMCO only.

(d) The Metering Provider must hold 'read-only' and 'write' passwords.

(e) The Metering Provider must forward a copy of the passwords held under clause 7.8.2(d) to NEMMCO.

(f) Subject to rule 7.12(aa), NEMMCO must hold a copy of the passwords referred to in clause 7.8.2(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 *responsible person*, if a 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*; and
 - (2) provide a 'read-only' password to the customer within 10 *business days*,in accordance with paragraph (c).
- (h) The *responsible person* referred to in paragraph (g) must not unreasonably withhold the authorisation required by the *financially responsible Market Participant*.

7.8.3 Changes to metering equipment, parameters and settings

Changes to parameters or settings within a *metering installation* must be:

- (a) authorised by *NEMMCO* prior to the alteration being made;
- (b) implemented by a *Metering Provider*;
- (c) confirmed by the *responsible person* within 2 *business days* after the alteration has been made; and
- (d) recorded by *NEMMCO* in the *metering register*.

7.8.4 Changes to metering data

- (a) The original stored *energy data* in a *meter* must not be 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 *responsible person* 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* in accordance with paragraph (c).to ensure that the *metering data* in the *metering database* is not materially different from the *energy volumes* flowing through the *connection point* during the period of the test.
- (c) If a *responsible person* considers alterations are necessary under paragraph (b)(2), the *responsible person* must:
 - (1) for a type 1, 2 3 or 4 *metering installation*, advise *NEMMCO* of the variation and *NEMMCO* must arrange for the *metering database* to be altered in accordance with the validation, substitution and estimation procedures in the *metrology procedure*; or
 - (2) for a type 5, 6 or 7 *metering installation*, alter the *energy data* in accordance with the validation, substitution and estimation procedures in the *metrology procedure* and submit the altered data to *NEMMCO*.

- (d) If a test referred to in paragraph (b) is based on actual *connection point* loads, no adjustment is required.

~~7.8.4 Changes to metering data~~

~~Alteration to the original stored data in a *meter* must not be made except during on-site accuracy testing of a *metering installation*.~~

7.9 Processing of Metering Data for Settlements Purposes

7.9.1 Metering databases

- (a) *NEMMCO* 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 *NEMMCO*.
- (b) *NEMMCO* may use *agency metering databases* to form part of the *metering database*.
- (b1) A person engaged by *NEMMCO* to provide *agency data collection systems* and *agency metering databases* must meet and comply with the service level requirements and any other criteria that *NEMMCO* establishes from time to time in relation to those functions, including accreditation requirements.
- (c) The *metering database* must have the capacity for electronic access by relevant *Market Participants* and *Network Service Providers*.
- (d) The *metering database* must include original *energy* readings and, where relevant, *metering data* and *settlements ready data*.
- (e) Rights of access to data held within the *metering database* are set out in rule 7.7.
- (f) The person who is required under this Chapter 7 to collect the *metering data* from the *metering installation* for the purpose of *settlements* must ensure that:
 - (1) the data is stored separately from the *metering database* and retained for a period of 7 years in the form in which it was collected; and
 - (2) a record of each adjustment or substitution to the *metering data* in respect of a *metering installation* is stored separately from the *metering database* and retained for a period of 7 years.
- (g) For all types of *metering installations*, the *metering database* must contain *metering data* that is retained:
 - (1) online for 13 months in an accessible format; and
 - (2) following the retention under subparagraph (1), in archive in a form that is accessible independently of the format in which the data is stored for a period of 5 years and 11 months.
- ~~(f) The *metering database* must contain historical data that is:~~
 - ~~(1) held on line for 13 months in accessible format; and~~

- (2) ~~held for a further 5 years and 11 months in archive that is accessible independently of the format in which the data is stored.~~

7.9.2 Remote acquisition of data

- (a) NEMMCO is responsible for the *remote acquisition* of the *metering data* and for storing this data as *settlements ready data* in the *metering database*. Such data may be used:
- (1) by NEMMCO for *settlements* purposes in accordance with clause 7.9.1; or
 - (2) by *Distribution Network Service Providers* for the purpose of determining *distribution service* charges in accordance with clause 6.20.1.
- (b) If *remote acquisition* becomes unavailable, NEMMCO must arrange with the *responsible person* to obtain the relevant *metering data*.

7.9.3 Periodic energy metering

- (a) Where a device is used as a *data logger* (for types 1 to 5 *metering installations*), ~~metering data energy data~~ relating to:
- (1) the amount of *active energy*; and
 - (2) *reactive energy* (where relevant) passing through a *connection point*,
must be collated in *trading intervals* within a *metering installation* unless it has been agreed between NEMMCO, the *Local Network Service Provider* and the *Market Participant* that ~~metering data energy data~~ may be recorded in sub-multiples of a *trading interval*.
- (b) Where a *metering installation database* is used as a *data logger* (*metering installation* types 6 and 7), the ~~metering data energy data~~ relating to the amount of *active energy* passing through a *connection point* must be collated or determined in *trading intervals* within a *metering installation* unless it is specified in the *metrology procedure* that the data may be converted into *trading interval* data in the NEMMCO substitution process referred to in clause 7.9.4(a), in which case the *metrology procedure* must specify:
- (1) the parameters to be used in preparing the *trading interval* data for each *market load*, including the algorithms;
 - (2) the first-tier *energy data* that is to be used in the conversion process;
 - (3) the quality and timeliness of the first-tier ~~metering data energy data~~;
 - (4) the party responsible for providing the first-tier ~~metering data energy data~~; and
 - (5) if required, the method of cost recovery in accordance with clause 7.3.6(c).

7.9.4 Data validation, substitution and estimation

- (a) *NEMMCO is responsible for the validation and substitution of metering data for a type 1, 2, 3 and 4 metering installation in accordance with the metrology procedure.*
- (b) *The responsible person is responsible for the validation, substitution and estimation of metering data for a type 5, 6 and 7 metering installation in accordance with the metrology procedure.*

7.9.4 Data validation and substitution

- ~~(a) *NEMMCO is responsible for the validation and substitution of metering data which must be undertaken in accordance with the procedures developed by NEMMCO under clause 7.9.4(b).*~~
- ~~(b) *NEMMCO must develop procedures for settlements ready data in accordance with the Rules consultation procedures on the following matters:*~~
 - ~~(1) *data validation and substitution;*~~
 - ~~(2) *data estimation for the purposes of rule 7.11; and*~~
 - ~~(3) *in relation to matters specified in the metrology procedure in accordance with clause 7.9.3, the method:*~~
 - ~~(i) *by which accumulated metering data is to be converted into trading interval data; and*~~
 - ~~(ii) *of managing the first tier energy data that is necessary to enable this conversion to take place.*~~
- (c) *Check metering data, where available, must be used by NEMMCO to validate metering data provided that the check metering data has been appropriately adjusted for differences in metering installation accuracy.*
- (d) *If check metering data is not available or metering data cannot be recovered from the check metering installation within the time required for settlements, then a substitute value is to be prepared by NEMMCO using a method agreed with the Market Participant and the Local Network Service Provider.*
- (e) *If NEMMCO detects a loss of metering data or incorrect metering data from a metering installation, it must notify the Market Participant and Local Network Service Provider within 24 hours of detection.*

7.9.5 Errors found in metering tests, inspections or audits

- (a) *If a metering installation test, inspection or audit, carried out in accordance with rule 7.6, demonstrates errors in excess of those prescribed in schedule 7.2 and NEMMCO is not aware of the time at which that error 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.

- (b) 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 7.2, no substitution of readings is required unless in *NEMMCO's* reasonable opinion a particular party would be significantly affected if no substitution were made.
- (c) If any substitution is required under clause 7.9.5(b), then *NEMMCO* must provide substitute readings to effect a correction for that error in respect of the period since the error was deemed to have occurred.

7.10 Confidentiality

Metering data and passwords are confidential data and are to be treated as *confidential information* in accordance with the *Rules*.

7.11 Performance of Metering Installation

7.11.1 Metering data

- (a) Subject to paragraphs (b) and (c), *metering data* is required for all *trading intervals* where the *metering installation* has the capability for *remote acquisition* of actual *metering data*.
- (b) Where *NEMMCO* requires actual *metering data* to ensure compliance with Chapter 3, the *metering data* required under paragraph (a) must be:
 - (1) at the level of accuracy prescribed in schedule 7.2;
 - (2) within the timeframe required for *settlements* and *prudential requirements* specified in the *metrology procedure*, and at a level of availability of at least 99% per annum for *instrument transformers* and other components of the *metering installations*, not including the *communication link*;
 - (3) within the timeframe required for *settlements* and *prudential requirements* specified in the procedures established in the *metrology procedure*, and at a level of availability of at least 95% per annum for the *communication link*, and
 - (4) actual or substituted in accordance with the procedures established by *NEMMCO* under clause 7.14.1(c)(6) ~~clause 7.9.4(b)~~;or as otherwise agreed between *NEMMCO* and the *responsible person*.
- (c) Where *NEMMCO* does not require actual *metering data* to ensure compliance with Chapter 3, the *metering data* required under paragraph (a) must be:
 - (1) at the level of accuracy prescribed in schedule 7.2;
 - (2) within the timeframe required for *settlements* specified in the *metrology procedure*;

- (3) actual, substituted or estimated in accordance with the procedures established by NEMMCO under clause 7.14.1(c)(6) ~~clause 7.9.4(b)~~; and
 - (4) in accordance with the performance standards specified in the *metrology procedure*.
- (d) Where the *metering installation* does not have the capability for *remote acquisition* of actual *metering data*, *metering data* is required:
- (1) at the level of accuracy prescribed in schedule 7.2;
 - (2) within the timeframe required for *settlements* specified in the *metrology procedure*;
 - (3) as actual, substituted or estimated in accordance with the procedures established by NEMMCO under clause 7.14.1(c)(6) ~~clause 7.9.4(b)~~; and
 - (4) in accordance with the performance standards specified in the *metrology procedure*.

7.11.2 Metering installation malfunctions

- (a) Unless an exemption is obtained from NEMMCO under this clause 7.11.2, in respect of a *connection point* with:
- (1) a type 1, 2 and 3 *metering installation*, if a malfunction occurs to the installation, repairs must be made to it as soon as practicable but no later than 2 *business days* after the malfunction was detected or should reasonably have been detected; or
 - (2) a *metering installation* other than the installations referred to subparagraph (1), if a malfunction occurs to the installation, repairs must be made to it as soon as practicable but no later than 10 *business days* after the malfunction was detected or ought reasonably to have been detected.
- (b) NEMMCO must establish and *publish* a procedure applicable to the provision of exemptions for the purpose of paragraph (a) and NEMMCO may revise the procedure from time to time.
- (c) If an exemption is provided by NEMMCO under this clause 7.11.2 then the *Metering Provider* must provide NEMMCO with a plan for the rectification of the *metering installation*.
- (d) A *Registered Participant* who becomes aware of an *outage* or malfunction of a *metering installation* must advise NEMMCO as soon as practicable.

7.11.2 Outages and malfunctions

- ~~(a) If an *outage* or malfunction occurs to a *metering installation*, repairs must be made to the *metering installation* as soon as practicable and in any event within 2 *days* of detection or at such time as detection should have reasonably occurred, unless an exemption is obtained from NEMMCO.~~

- ~~(b) NEMMCO must establish and publish a procedure applicable to the provision of exemptions in accordance with paragraph (a) and NEMMCO may revise the procedure from time to time.~~
- ~~(c) If an exemption is provided by NEMMCO under this clause 7.11.2 then the Metering Provider must provide NEMMCO with a plan for the rectification of the metering installation.~~
- ~~(d) A Registered Participant who becomes aware of an outage or malfunction of a metering installation must advise NEMMCO as soon as practicable.~~

7.12 Time settings

- ~~(a) The responsible person must ensure that all metering installations and data logger clocks are referenced to Eastern Standard Time and maintained to a standard of accuracy in accordance with schedule 7.2 relevant to the load through the metering point.~~
- ~~(b) In relation to a type 1, 2, 3 and 4 metering installation, the responsible person must provide to NEMMCO suitable remote data access to set the time function of the installation.~~
- ~~(c) In relation to a type 5, and 6 and 7 metering installation, the responsible person must set the time function of the metering installation.~~
- ~~(d) NEMMCO must ensure that the metering database clock is maintained within -1 second and +1 second of Eastern Standard Time for a type 1, 2, 3 and 4 metering installation.~~
- ~~(e) The responsible person must ensure that the metering installation database clock is maintained within - 1 second and + 1 second of Eastern Standard Time for types 5, 6 and 7 metering installations.~~

7.12 Meter Time

- ~~(a) All metering installation and data logger clocks are to be referenced to Australian Eastern Standard Time and maintained to a standard of accuracy in accordance with the load through the metering point in accordance with schedule 7.2.~~
- ~~(aa) The responsible person must provide to NEMMCO suitable remote data access to set the time function of the metering installation.~~
- ~~(b) The metering database must be set within an accuracy of ± 1 seconds of Australian Eastern Standard Time.~~

7.13 Evolving Technologies and Processes and Development of the Market

- (a) Evolving technologies or processes that:
 - (1) meet or improve the performance and functional requirements of this Chapter; or

- (2) facilitate the development of the *market*,
may be used if agreed between the relevant *Market Participant(s)*, the *Local Network Service Provider* and *NEMMCO*, and the agreement of the *Local Network Service Provider* and *NEMMCO* must not be unreasonably withheld.
- (b) No agreement contemplated by rule 7.13(a) can be entered into if it materially and adversely affects the interests of persons other than the *Market Participant(s)* and the *Local Network Service Provider* who are parties to the agreement.
- (c) *NEMMCO* must, at least annually, *publish* a report on the application of evolving technologies and processes.
- (d) *NEMMCO* must, at least annually, submit a written report to the *AEMC* on the extent to which this Chapter 7 may need to be amended in order to accommodate the evolving technologies and processes or the development of the *market*.
- (e) *NEMMCO* must, at least annually, prepare and *publish* a report on the impact of the introduction of retail competition on the wholesale market, including:
 - (1) the scope for improvement in the operation of wholesale *market settlements*;
 - (2) developments in metering technology suited to more timely operation of the *market*; and
 - (3) the effectiveness of the provisions of this Chapter 7.
- (f) Having regard to the need to remove barriers to the adoption of economically efficient metering solutions and other economically efficient technology ('**efficient solutions**'), *NEMMCO* must:
 - (1) monitor developments in the Australian metering standards; and
 - (2) consult with the *participating jurisdictions* and other interested parties on any changes proposed to be made to the Australian metering standards that may have the potential to create such barriers,and include any relevant findings in its report under paragraph (c).
- (g) The *Ministers of participating jurisdictions* must, by 30 June 2009, conduct and complete a review of type 5 and 6 *metering installations* and the *metrology procedure*.
- (h) In undertaking the review referred to in paragraph (g), the *Ministers of the participating jurisdictions* may:
 - (1) review the outcomes from the Joint Jurisdictional Review of Metrology Procedures: Final Report of October 2004 ('the **JJR report**') and identify any outstanding issues from the JJR report;

- (2) make recommendations to resolve any outstanding issues from the JJR report;
- (3) identify any additional barriers to the adoption of efficient solutions and make recommendations to reduce those barriers; and
- (4) have regard to the need to maintain the regulatory certainty, in recognition that regulatory uncertainty is itself a major barrier to the adoption of efficient solutions.

7.14 Metrology procedure

7.14.1 Requirements of the metrology procedure

- (a) *NEMMCO* must develop and *publish* the *metrology procedure* that will apply to *metering installations* in accordance with this rule 7.14 and this Chapter 7.
- (b) The *metrology procedure* must be prepared, revised and *published* by *NEMMCO* in accordance with the *Rules consultation procedures* and 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 7.14.4(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 using *communication link(s)*;
 - (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 *responsible persons* and *Metering Providers*;
 - (4) details on:
 - (i) the parameters that determine the circumstances when *metering data* must be delivered to *NEMMCO* for the purposes of Chapter 3 and such parameters must include, but are not limited to, the volume limit per annum below which *NEMMCO* will not require *metering data* for those purposes;

- (ii) the timeframe obligations for the extraction or delivery of *metering data* from 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 7.14.2(d)(2), zero MWh as the specification for the *type 5 accumulation boundary*; ~~and~~
- ~~(6) procedures for the preparation of *settlements ready data* on the following matters:~~
 - ~~(i) data validation and substitution in accordance with clause 7.9.4;~~
 - ~~(ii) data estimation for the purposes of clause 7.11.1; and~~
 - ~~(iii) in relation to the matters specified in clause 7.9.3, the method:~~
 - ~~(A) by which accumulated *metering data* is to be converted into *trading interval data*; and~~
 - ~~(B) of managing the *first-tier load energy data* that is necessary to enable the conversion referred to in subparagraph (1) to take place; and~~
- ~~(7) other matters in the *Rules* required to be included in the *metrology procedure*.~~
- ~~(6) any other requirements provided for in this Chapter 7.~~

7.14.2 Jurisdictional metrology material in metrology procedure

- (a) Subject to this clause 7.14.2, *NEMMCO* 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 *NEMMCO* for inclusion in the *metrology procedure* by the *Ministers of the MCE*.

[**Note:** For the period until 1 January 2009, a *Minister of a participating jurisdiction*, on behalf of a particular participating jurisdiction, may provide to *NEMMCO* jurisdictional metrology material in accordance with clause 11.5.5]

- (c) *Jurisdictional metrology material* submitted to *NEMMCO* under paragraph (b) must:
 - (1) be in writing;
 - (2) be provided to *NEMMCO* within sufficient time for *NEMMCO* to meet its obligations under this clause 7.14.2;
 - (3) be consistent with the matters contained in clauses 7.14.1 and 7.14.3;

- (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*, *NEMMCO* must undertake the *Rules consultation procedures* in relation to that material, including in that consultation the reasons referred to paragraph (c)(5).
- (f) At the conclusion of the *Rules consultation procedures* under paragraph (e), *NEMMCO* 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 *NEMMCO* of any amendments to the *jurisdictional metrology material*, *NEMMCO* must incorporate that material into a separate part of the *metrology procedure*; or
 - (2) in the case where the *Ministers of the MCE* advise *NEMMCO* of amendments to the *jurisdictional metrology material*, *NEMMCO* 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 *NEMMCO*, expires on the review date unless the *Ministers of the MCE* submit to *NEMMCO* new *jurisdictional metrology material* in accordance with this clause 7.14.2.
- (h) The *jurisdictional metrology material* must not prevent the *metering data* from being extracted or emanating from a *data logger* as *interval energy data* if required by the *financially responsible Market Participant* or a *Local Network Service Provider* for any purpose other than for *settlements*.

7.14.3 Additional 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 *energy 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*; and
 - (vi) the obligations of *responsible persons*, *NEMMCO*, and *Metering Providers*;
 - (2) specify in greater detail:
 - (i) the accuracy of *metering installations*;
 - (ii) *data logger* standards;
 - (iii) inspection and testing standards;
 - (iv) *Metering Provider* accreditation standards;
 - (v) the technical requirements for the database of the *metering installation*; and
 - (vi) 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 5 and 6 *metering installations*, contain requirements:
 - (i) for the engagement and payment of *Metering Providers*; and
 - (ii) for the provision of relevant details of the *metering installation* to the *responsible person*, where applicable;
 - (5) in relation to type 5, 6 and 7 *metering installations* specify in what circumstances *energy data* held in *metering installations* 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
 - (6) contain information to ensure consistency in practice between the *metrology procedure* and other instruments developed and published by *NEMMCO*, including the practices adopted in the *Market Settlement and Transfer Solution Procedures*.
- (b) The *metrology procedure* may not include information relating to consumer protection.

7.14.4 Amendment of the metrology procedure

- (a) Any person ('the **proponent**') may submit to *NEMMCO* a proposal to amend the *metrology procedure* except in relation to the *jurisdictional*

metrology material ('the **proposal**'), and must include reasons for the proposed change.

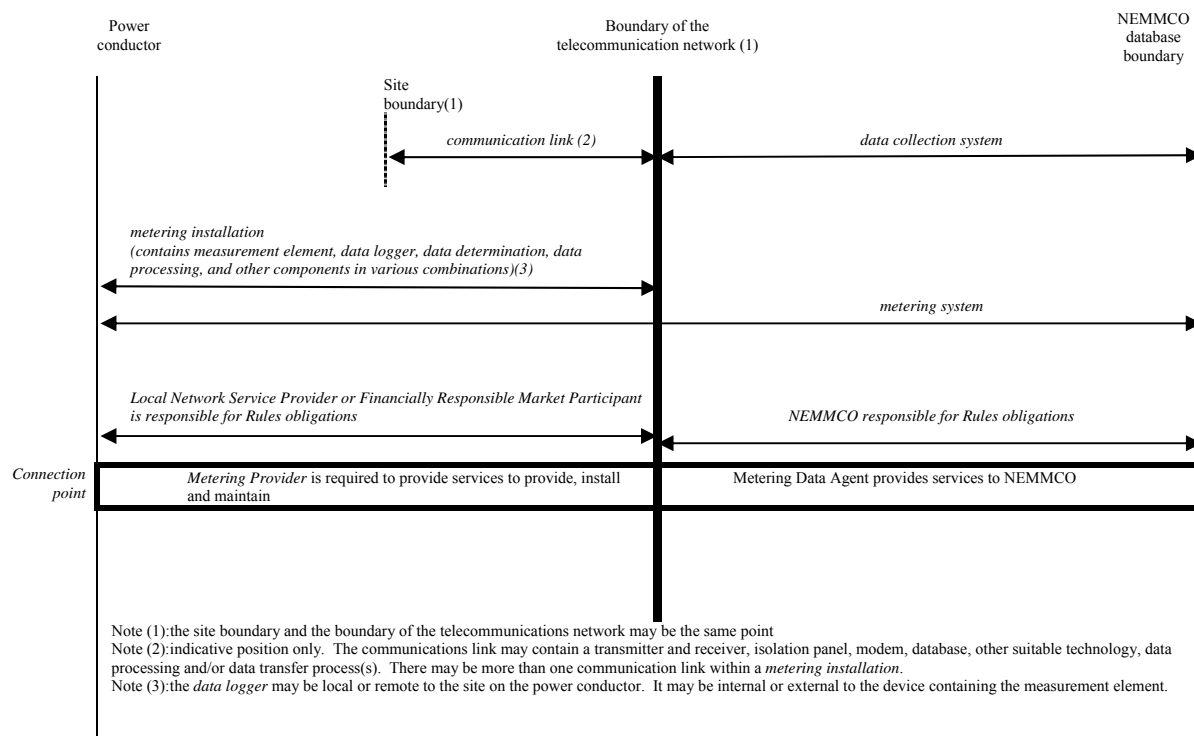
- (b) For proposals submitted under paragraph (a), *NEMMCO* must:
 - (1) give notice of receipt of the proposal to the proponent; and
 - (2) advise the proponent of the action that *NEMMCO* proposes to undertake under paragraphs (c) or (e).
- (c) Where *NEMMCO*:
 - (1) accepts the proposal, *NEMMCO* 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 *NEMMCO* must either accept, or reject the proposal; or
 - (3) rejects a proposal, *NEMMCO* must advise the proponent of its decision and reasons for the decision in writing.
- (d) *NEMMCO* may at the conclusion of the *Rules consultation procedures* amend the *metrology procedure* (if necessary).
- (e) Where in *NEMMCO*'s reasonable opinion, a proposal referred to in paragraph (a) relates to amendments that are of a minor or administrative nature, *NEMMCO* 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*, *Ministers* and the *AER* advising that the amendment to the *metrology 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* or *Metering Provider*;
 - (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 *metrology procedure*, reasons for the amendments to the *metrology procedure*.

7.15 Miscellaneous

- (a) *NEMMCO* 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.

Schedule 7.1 - Responsibility for Metering



Schedule 7.2 - Types and Accuracy of Metering Installations

S7.2.1 General requirements

- (a) The following are the minimum requirements for *metering installations*.
- (b) A *Registered Participant* may install a *metering installation* with a higher level of accuracy, with the full costs of this work being met by that *Registered Participant*.

S7.2.2 Metering installations commissioned prior to 13 December 1998

- (aa) This clause provides conditions that are to apply to *metering installations* that were commissioned prior to 13 December 1998.
- (a) The use of *metering class current transformers* and *voltage transformers* that are not in accordance with Table S7.2.3.1 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.
- (b) 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.
- (c) Where the requirements of clauses S7.2.2(a) and S7.2.2(b) cannot be achieved then the *responsible person* is required to comply with transitional arrangements or obtain an exemption from *NEMMCO* or upgrade the *metering installation* to comply with this schedule 7.2.
- (d) The arrangements referred to in clause S7.2.2(c) may remain in force while the required accuracy and performance can be maintained within the requirements of the *Rules*.
- (e) The purchase of new *current transformers* and *voltage transformers* must comply with the *Rules*.

S7.2.3 Accuracy requirements for metering installations

Table S7.2.3.1 Overall Accuracy Requirements of Metering Installation Components (Item 1)

<u>Type</u>	<u>Volume limit per annum per connection point</u>	<u>Maximum allowable overall error (±%) (refer Tables 2 - 6) at full load</u>		<u>Minimum acceptable class or standard of components</u>	<u>Metering installation or data logger Clock Error (Seconds) in reference to EST</u>
		<u>aActive</u>	<u>reactive</u>		
<u>1</u>	<u>greater than 1000 GWh</u>	<u>0.5</u>	<u>1.0</u>	<u>0.2 CT/VT/Meter Wh</u> <u>0.5 Meter varh</u>	<u>±5</u>
<u>2</u>	<u>100 to – 1000 GWh</u>	<u>1.0</u>	<u>2.0</u>	<u>0.5 CT/VT/ Meter Wh</u> <u>1.0 Meter varh</u>	<u>±7</u>
<u>3</u>	<u>0.75 to less than 100 GWh</u>	<u>1.5</u>	<u>3.0</u>	<u>0.5 CT/VT</u> <u>1.0 Meter Wh</u> <u>2.0 Meter varh</u>	<u>±10</u>
<u>4</u>	<u>less than 750 MWh (Item 2)</u>	<u>1.5</u>	<u>NAn/a</u>	<u>Either 0.5 CT and 1.0 Meter Wh; or whole current connected General Purpose meter MWh:</u> <ul style="list-style-type: none"> <u>with a data logger; and</u> <u>meets the requirements of clauses 7.11.1(a) and (b) or 7.11.1(a) or (c).</u> 	<u>±20 (Item 2a)</u>
<u>5</u>	<u>Less than x MWh (Item 3)</u>	<u>1.5 (Item 3b)</u>	<u>NAn/a</u>	<u>Either 0.5CT and 1.0 meter Wh; or whole current connected General Purpose meter Wh;</u> <ul style="list-style-type: none"> <u>with a data logger; and</u> <u>meets the requirements of clause 7.11.1(d)</u> 	<u>±20 (Item 3a)</u>

<u>Type</u>	<u>Volume limit per annum per connection point</u>	<u>Maximum allowable overall error (±%) (refer Tables 2 - 6) at full load</u>		<u>Minimum acceptable class or standard of components</u>	<u>Metering installation or data logger Clock Error (Seconds) in reference to EST</u>
		<u>aActive</u>	<u>reactive</u>		
<u>6</u>	<u>Less than y MWh (Item 4)</u>	<u>2.0 (Item 4b)</u>	<u>NAn/a</u>	<u>CT or whole-current connected General Purpose meter Wh with data processing used to convert accumulated energy data into metering data and to provide estimated energy data where necessary.</u>	<u>(Item 4a)</u>
<u>7</u>	<u>Volume limit not specified (Item 5)</u>	<u>(Item 6)</u>	<u>n/aNA</u>	<u>No meter Techniques for determination of estimated energy data to be included in the metrology procedure.</u>	<u>NAn/a</u>

Table S7.2.3.1 Overall Accuracy Requirements of Metering Installation Components (Item 1)

<u>Type</u>	<u>Volume limit per annum per connection point</u>	<u>Maximum allowable overall error (±%) (refer Tables 2 - 5) at full load</u>		<u>Minimum acceptable class or standard of components</u>	<u>Metering installation or data logger Clock Error (Seconds) in reference to EST</u>
		<u>Active</u>	<u>reactive</u>		
<u>1</u>	<u>greater than 1000 GWh</u>	<u>0.5</u>	<u>1.0</u>	<u>0.2 CT/VT/Meter Wh 0.5 Meter varh</u>	<u>±5</u>
<u>2</u>	<u>100 to— 1000 GWh</u>	<u>1.0</u>	<u>2.0</u>	<u>0.5 CT/VT/ Meter Wh 1.0 Meter varh</u>	<u>±7</u>
<u>3</u>	<u>0.75 to less</u>	<u>1.5</u>	<u>3.0</u>	<u>0.5 CT/VT</u>	<u>±10</u>

		Maximum allowable overall error ($\pm\%$) (refer Tables 2-5) at full load			
	than 100 GWh			1.0 Meter Wh 2.0 Meter varh	
4	less than 750 MWh (Item 2)	1.5	NA	Either 0.5 CT and 1.0 Meter Wh; or whole current connected <i>General Purpose meter MWh</i> : <ul style="list-style-type: none"> with a <i>data logger</i>; and meets the requirements of clauses 7.11.1(a) and (b) or 7.11.1(a) or (c). 	± 20 (Item 2a)
5	Less than x MWh (Item 3)	1.5 (Item 3b)	NA	Either 0.5 CT and 1.0 meter Wh; or whole current connected <i>General Purpose meter Wh</i> ; <ul style="list-style-type: none"> with a <i>data logger</i>; and meets the requirements of clause 7.11.1(d) 	± 20 (Item 3a)
6	Less than y MWh (Item 4)	1.5 (Item 4b)	NA	CT or whole current connected <i>General Purpose meter Wh</i> with data processing used to convert <i>accumulated energy data</i> into <i>metering data</i> and to provide <i>estimated energy data</i> where necessary.	(Item 4a)
7	Volume limit not	(Item 6)	NA	No meter Techniques for determination of	NA

		Maximum allowable overall error (±%) (refer Tables 2- 5) at full load			
	specified (Item 5)			<i>estimated energy data to be included in the metrology procedure.</i>	

Item 1: (a) For a type 3, 4, 5 and 6 metering installation, direct connected 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 1: For types 3, 4, 5 and 6 metering installations, it is acceptable to use direct connected meters meeting the relevant requirements of AS 1284.1 "Electricity Metering - General Purpose Watt-hour Meters". The metering installation must comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurements Act.~~

Item 2: *High Voltage* customers that require a VT and whose annual consumption is below 750MWh, must meet the relevant accuracy requirements of Type 3 metering for active energy only.

Item 2a: For the purpose of clarification, the clock for a type 4 metering installation may be relaxed in the metrology procedure to accommodate evolving whole-current technologies that are acceptable in accordance with rule 7.13(a).

Item 3: The following requirements apply in relation to a type 5 metering installation:

- (1) the installation must comply with the metrology procedure when converting active energy into metering data;
- (2) the value of "x" must be determined by each Minister of a participating jurisdiction and must be provided to NEMMCO for inclusion in the metrology procedure;
- (3) the maximum acceptable value of "x" determined under subparagraph (2) must be 750 MWh per annum;

- (4) the installation may provide delays in transferring the *interval energy data* to a remote location where access to a *telecommunications network* has been established;
- (5) delays under subparagraph (4) must be approved by the relevant *Minister of the participating jurisdiction* and the approval provided to NEMMCO for inclusion in the *metrology procedure*; and
- (6) the *metrology procedure* must record the value of “x” for each *participating jurisdiction*, and indicate how *interval energy data* will be established for a type 5 *metering installation* in that *participating jurisdiction* during the period of delay.

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 that are acceptable in accordance with rule 7.13(a).

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 be provided to NEMMCO for inclusion in the *metrology procedure*;
- (3) the maximum acceptable value of “y” determined under subparagraph (2) must be 750 MWh per annum;
- (4) *accumulated energy data* can be transferred to a remote location where access to a *telecommunication network* has been established;
- (5) the *metrology procedure* must:
 - (i) record the value of “y” for each *participating jurisdiction*;
 - (ii) identify the method by which *accumulated energy data* is to be converted into *trading interval data* in accordance with clause 7.9.3(b), and
 - (iii) the method by which *estimated energy data* is to be prepared during the period when the *accumulated energy data* is not available; and
- (6) devices within the installation may provide *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 *energy data* that is deemed to flow in the power conductor.~~

~~(b) The condition referred to in paragraph (a) will only be allowed for *connection points* where NEMMCO in consultation with the *Local Network Service Provider* 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 limit that connection point from being metered in the future.~~

~~Item 5: A type 7 *metering installation* applies to the condition where it has been determined by NEMMCO that 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 *energy data* that is deemed to flow in the power conductor. This condition will only be allowed for a *market load* that is supplied with electricity and has a load pattern which is the same as or similar to one of the following arrangements:~~

~~(a) street, traffic, park, community, security lighting;~~

~~(b) traffic parking meters, community watering systems;~~

~~(c) special telephone service requirements;~~

~~(d) devices requiring minuscule loads.~~

~~The metrology procedure must include each market load arrangement that has been classified as a type 7 metering installation.~~

~~The initial use of a type 7 classification does not remove the requirement for these second tier loads to be measured using a meter at some future time.~~

- Item 6: The accuracy of the calculated *energy data* is to be in accordance with approved techniques for determining the flow of electricity in power conductors. The techniques, including algorithms, are to be included in the *metrology procedure*.

Table S7.2.3.2 Type 1 Installation – Annual Energy Throughput greater than 1,000 GWh

<u>% Rated Load</u>	<u>Power Factor</u>					
	<u>Unity</u>	<u>0.866 lagging</u>		<u>0.5 lagging</u>		<u>Zero</u>
	<u>active</u>	<u>active</u>	<u>reactive</u>	<u>active</u>	<u>reactive</u>	<u>reactive</u>
<u>10</u>	<u>1.0%</u>	<u>1.0%</u>	<u>2.0%</u>	<u>n/a</u>	<u>n/a</u>	<u>1.4%</u>
<u>50</u>	<u>0.5%</u>	<u>0.5%</u>	<u>1.0%</u>	<u>0.7%</u>	<u>1.4%</u>	<u>1.0%</u>
<u>100</u>	<u>0.5%</u>	<u>0.5%</u>	<u>1.0%</u>	<u>n/a</u>	<u>n/a</u>	<u>1.0%</u>

Table S7.2.3.3 Type 2 Installation – Annual Energy Throughput between 100 and 1,000 GWh

<u>% Rated Load</u>	<u>Power Factor</u>					
	<u>Unity</u>	<u>0.866 lagging</u>		<u>0.5 lagging</u>		<u>Zero</u>
	<u>active</u>	<u>active</u>	<u>reactive</u>	<u>active</u>	<u>reactive</u>	<u>reactive</u>
<u>10</u>	<u>2.0%</u>	<u>2.0%</u>	<u>4.0%</u>	<u>n/a</u>	<u>n/a</u>	<u>2.8%</u>
<u>50</u>	<u>1.0%</u>	<u>1.0%</u>	<u>2.0%</u>	<u>1.5%</u>	<u>3.0%</u>	<u>2.0%</u>
<u>100</u>	<u>1.0%</u>	<u>1.0%</u>	<u>2.0%</u>	<u>n/a</u>	<u>n/a</u>	<u>2.0%</u>

Table S7.2.3.4 Type 3 Installation – Annual Energy Throughput from 0.75GWh to less than 100GWh

<u>% Rated Load</u>	<u>Power Factor</u>					
	<u>Unity</u>	<u>0.866 lagging</u>		<u>0.5 lagging</u>		<u>Zero</u>
	<u>active</u>	<u>active</u>	<u>reactive</u>	<u>active</u>	<u>reactive</u>	<u>reactive</u>

<u>10</u>	<u>2.5%</u>	<u>2.5%</u>	<u>5.0%</u>	<u>n/a</u>	<u>n/a</u>	<u>4.0%</u>
<u>50</u>	<u>1.5%</u>	<u>1.5%</u>	<u>3.0%</u>	<u>2.5%</u>	<u>5.0%</u>	<u>3.0%</u>
<u>100</u>	<u>1.5%</u>	<u>1.5%</u>	<u>3.0%</u>	<u>n/a</u>	<u>n/a</u>	<u>3.0%</u>

Table S7.2.3.5 Type 4 or 5 Installation – Annual Energy Throughput less than 0.75 GWh

<u>% Rated Load</u>	<u>Power Factor</u>		
	<u>Unity</u>	<u>0.866 lagging</u>	<u>0.5 lagging</u>
	<u>Active</u>	<u>active</u>	<u>active</u>
<u>10</u>	<u>2.5%</u>	<u>2.5%</u>	<u>n/a</u>
<u>50</u>	<u>1.5%</u>	<u>1.5%</u>	<u>2.5%</u>
<u>100</u>	<u>1.5%</u>	<u>1.5%</u>	<u>n/a</u>

Table S7.2.3.6 Type 6 Installation – Annual Energy Throughput less than 0.75 GWh

<u>% Rated Load</u>	<u>Power Factor</u>		
	<u>Unity</u>	<u>0.866 lagging</u>	<u>0.5 lagging</u>
	<u>active</u>	<u>active</u>	<u>active</u>
<u>10</u>	<u>3.0%</u>	<u>n/a</u>	<u>n/a</u>
<u>50</u>	<u>2.0%</u>	<u>n/a</u>	<u>3.0%</u>
<u>100</u>	<u>2.0%</u>	<u>n/a</u>	<u>n/a</u>

(NOTE: All measurements in Tables S7.2.3.2 – S7.2.3.-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 system error shall be as close as practicable to zero.

~~Table S7.2.3.2 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	0.7%	0.7%	1.4%	n/a	n/a	1.4%
50	0.5%	0.5%	1.0%	0.5%	1.0%	1.0%
100	0.5%	0.5%	1.0%	n/a	n/a	1.0%

~~Table S7.2.3.3 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	1.4%	1.4%	2.8%	n/a	n/a	2.8%
50	1.0%	1.0%	2.0%	1.0%	2.0%	2.0%
100	1.0%	1.0%	2.0%	n/a	n/a	2.0%

~~Table S7.2.3.4 Type 3 Installation – Annual Energy Throughput from 0.75GWh to less than 100GWh~~

% 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	4.0%
50	1.5%	1.5%	3.0%	1.5%	3.0%	3.0%
100	1.5%	1.5%	3.0%	n/a	n/a	3.0%

~~Table S7.2.3.5 Type 4 Installation – Annual Energy Throughput less than 0.75 GWh~~

% Rated Load	Power Factor		
	Unity	0.866 lagging	0.5 lagging
	active	active	active
10	2.0%	2.0%	n/a

50	1.5%	1.5%	1.5%
100	1.5%	1.5%	n/a

~~(NOTE: All measurements in Tables 2-5 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, ie $a + b + c$, where:~~

~~— a = the error of the Voltage Transformer and wiring~~

~~— b = the error of the Current Transformer and wiring~~

~~— c = the error of the Meter.~~

~~(b) If compensation is carried out then the resultant metering system error shall be as close as practicable to zero.~~

S7.2.4. Check metering

(a) *Check metering* is to be applied in accordance with the following Table:

Type	Energy (GWh pa) per metering point	Check Metering Requirements
1	greater than 1000	<i>Check metering installation</i>
2	100 to 1000	<i>Partial check metering</i>
3	0.75 to less than 100	No requirement
4, 5 and 6	Less than 0.75	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 *NEMMCO*'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 *revenue 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 *NEMMCO* in 30 min electronic format as part of a validation process in accordance with clause 7.9.4.

(e) The physical arrangement of *partial check metering* shall be agreed between the *responsible person* and *NEMMCO*.

- (f) *Check metering installations* may be supplied from secondary circuits used for other purposes and may have a lower level of accuracy than the *revenue metering installation*, but must not exceed twice the level prescribed for the *revenue metering installation*.

S7.2.5. Resolution and accuracy of displayed or captured data

Programmable settings available within a *metering installation*, *data logger* 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*.

~~**S7.2.5. Resolution and accuracy of displayed or captured data**~~

~~Any programmable settings available within a *metering installation*, *data logger* or any peripheral device, which may affect the resolution of displayed or stored data, must meet the relevant requirements of AS 1284 or IEC 1036 and must comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Standards Institute under the *National Measurements Act*.~~

S7.2.6. General design standards

S7.2.6.1 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 *metering point*, the *current transformer* core and secondary wiring associated with the *revenue meter* shall not be used for any other purpose unless otherwise agreed by NEMMCO.
- (b) For *metering installations* less than 1000 GWh pa per *metering point* the *current transformer* core and secondary wiring associated with the *revenue meter* may be used for other purposes (e.g. local *metering* or protection) provided the *responsible person* demonstrates to the satisfaction of NEMMCO 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.

~~(f) *Meters must meet the relevant requirements of AS 1284 or IEC 1036 and must also comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Standards Institute under the *National Measurements Act*.*~~

~~(g) *New instrument transformers must meet the relevant requirements of AS 1675 for current transformers and AS 1243 for voltage transformers and must also comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Standards Institute under the *National Measurements Act*.*~~

- (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.

S7.2.6.2 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 7.3 - Inspection and Testing Requirements

S7.3.1. General

- (a) The *responsible person* 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 S7.3.1.
- (b) The *responsible person* must ensure appropriate test certificates of the tests referred to in paragraph (a) are retained.
- (c) The *responsible person* (or any other person arranging for testing) must ensure that testing of the *metering installation* is carried out:
 - (1) in accordance with clause 7.6.1 and this schedule, or
 - (2) in accordance with an asset management strategy that defines an alternative testing practice (other than time-based) determined by the *responsible person* and approved by NEMMCO,
- and:
- (3) in accordance with a test plan which has been registered with NEMMCO;
- (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) NEMMCO must review the prescribed testing requirements in this schedule 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 S7.3.1.

Table S7.3.1 Maximum Allowable Level of Testing Uncertainty (\pm)

<u>Description</u>		<u>Metering Equipment Class</u>				
		<u>Class 0.2</u>	<u>Class 0.5</u>	<u>Class 1.0</u>	<u>General Purpose</u>	<u>Class 2.0</u>
<u>In Laboratory</u>	<u>CTs ratio</u>	<u>0.05%</u>	<u>0.1%</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
	<u>phase</u>	<u>0.07 crad</u>	<u>0.15 crad</u>			
	<u>VTs ratio</u>	<u>0.05%</u>	<u>0.1%</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
	<u>Phase</u>	<u>0.05 crad</u>	<u>0.1 crad</u>			

	<u>Meters Wh</u>	<u>0.05/cosφ%</u>	<u>0.1/cosφ%</u>	<u>0.2/cosφ%</u>	<u>0.2/cosφ%</u>	<u>n/a</u>
	<u>Meters varh</u>	<u>n/a</u>	<u>0.2/sinφ%</u>	<u>0.3/sinφ%</u>	<u>n/a</u>	<u>0.4/sinφ%</u>
<u>In Field</u>	<u>CTs ratio</u>	<u>0.1%</u>	<u>0.2%</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
	<u>Phase</u>	<u>0.15 crad</u>	<u>0.3 crad</u>			
	<u>VTs ratio</u>	<u>0.1%</u>	<u>0.2%</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
	<u>Phase</u>	<u>0.1 crad</u>	<u>0.2 crad</u>			
	<u>Meters Wh</u>	<u>0.1/cosφ%</u>	<u>0.2/cosφ%</u>	<u>0.3/cosφ%</u>	<u>0.3/cosφ%</u>	<u>n/a</u>
	<u>Meters varh</u>	<u>n/a</u>	<u>0.3/sinφ%</u>	<u>0.4/sinφ%</u>	<u>n/a</u>	<u>0.5/sinφ%</u>

Where cosφ is the power factor at the test point under evaluation.

Table S7.3.2 Maximum Period Between Tests

Unless the *responsible person* has developed an asset management strategy that defines practices that meet the intent of this [Schedule 7.3](#) and is approved by *NEMMCO*, the maximum period between tests must be in accordance with this table S7.3.2.

<u>Description</u>	<u>Metering Installation Type</u>				
	<u>Type 1</u>	<u>Type 2</u>	<u>Type 3</u>	<u>Type 4</u>	<u>Types 5 & 6</u>
<u>CT</u>	<u>10 years</u>	<u>10 years</u>	<u>10 years</u>	<u>10 years</u>	<u>10 years</u>
<u>VT</u>	<u>10 years</u>	<u>10 years</u>	<u>10 years</u>		<u>N/A/n/a</u>
<u>Burden tests</u>	<u>When <i>meters</i> are tested or when changes are made</u>				
<u>CT connected Meter (electronic)</u>	<u>5 years</u>	<u>5 years</u>	<u>5 years</u>	<u>5 years</u>	<u>5 years</u>
<u>CT connected Meter (induction)</u>	<u>2.5 years</u>	<u>2.5 years</u>	<u>5 years</u>	<u>5 years</u>	<u>5 years</u>
<u>Whole-current (Direct Connected Meter)</u>	<u>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>.</u>				

Table S7.3.3 Period Between Inspections

Unless the responsible person has developed an asset management strategy that meets the intent of this Schedule 7.3 and is approved by NEMMCO, the period between inspections must be in accordance with this Table S7.3.3.

<u>Description</u>	<u>Metering Installation Type</u>			
	<u>Type 1</u>	<u>Type 2</u>	<u>Type 3</u>	<u>Type 4, 5 & 6</u>
<u>Metering installation equipment inspection</u>	<u>2.5 years</u> <u>Note: increased inspection period allowed because of check metering installation requirements.</u>	<u>12 months</u> <u>(2.5 years if check metering installed)</u>	<u>> 10 GWh:</u> <u>2 years</u> <u>2 <= <= 10 GWh:</u> <u>3 years</u> <u>< 2 GWh: when meter is tested.</u>	<u>When meter is tested.</u>

S7.3.2. Technical Guidelines

- (a) Current transformer and voltage transformer tests are primary injection tests or other testing procedures as approved by NEMMCO.
- (b) The calculations of accuracy based on test results are to include all reference standard errors.
- (c) An "estimate of testing uncertainties" must be calculated in accordance with the ISO "Guide to the Expression of Uncertainty for Measurement".
- (d) Where operational metering is associated with settlements metering then a shorter period between inspections is recommended.
- (e) 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.
- (f) A typical inspection may include:
 - (1) check the seals;
 - (2) compare the pulse counts;
 - (3) compare the direct readings of meters;
 - (4) verify meter parameters and physical connections; and
 - (5) current transformer ratios by comparison.

Schedule 7.3 – Inspection and Testing Requirements

S7.3.1. General

- (a) ~~The responsible person must ensure that metering equipment purchased has National Standards Institute pattern approval from an accredited laboratory recognised under the International Certification Scheme in accordance with specifications or guidelines (including transitional arrangements) specified by the National Standards Institute under the *National Measurements Act*. The responsible person must provide the relevant approval certificates to NEMMCO on request.~~
- (b) ~~The responsible person must ensure that equipment comprised in a metering installation purchased has been tested to the required class accuracy with less than the following uncertainties:~~

Class 0.2 CT/VT	$\pm 0.05\%$
Class 0.2 Wh meters	$\pm 0.05/\cos\Phi\%$
Class 0.5 CT/VT	$\pm 0.1\%$
Class 0.5 Wh meters	$\pm 0.1/\cos\Phi\%$
Class 0.5 varh meters	$\pm 0.2/\sin\Phi\%$
Class 1.0 Wh meters	$\pm 0.2/\cos\Phi\%$
Class 1.0 varh meters	$\pm 0.3/\sin\Phi\%$
General Purpose meters	$\pm 0.3/\cos\Phi\%$
Class 2.0 varh meters	$\pm 0.4/\sin\Phi\%$

~~Appropriate test certificates are to be kept by the equipment owner.~~

- (c) ~~The responsible person must ensure that testing of the metering installation is carried out:~~
- ~~(1) in accordance with this schedule 7.3, or~~
 - ~~(2) in accordance with an asset management strategy that defines an alternative testing practice (ie other than time-based) determined by the responsible person and approved by NEMMCO;~~
 - ~~(3) in accordance with a test plan which has been registered with NEMMCO; and~~
 - ~~(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) ~~Other affected parties may witness the tests on request to the responsible person.~~

- (e) ~~NEMMCO must review the prescribed testing requirements in this schedule 7.3 every 5 years in accordance with equipment performance and industry standards.~~
- (f) ~~The responsible person must:~~
- ~~(1) provide the test results to NEMMCO;~~
 - ~~(2) advise each affected Market Participant of the outcome of the tests; and~~
 - ~~(3) provide the results of the test to each affected Registered Participant on request.~~
- (g) ~~The testing intervals may be increased if the equipment type/experience proves favourable.~~

Table S7.3.1 Maximum Allowable Level of Testing Uncertainty (\pm)

Description		Metering Installation Type				
		Type 1	Type 2	Type 3	Type 4	Type 5 & 6
In Laboratory	CTs / VTs	0.05%	0.1%	0.1%	0.1%	0.1%
	Meters Wh	0.05/cos ϕ %	0.1/cos ϕ %	0.2/cos ϕ %	0.2/cos ϕ %	0.3/cos ϕ %
	Meters varh	0.2/sin ϕ %	0.3/sin ϕ %	0.4/sin ϕ %		N/A
In Field	CTs / VTs	0.1%	0.2%	0.2%	0.2%	0.2%
	Meters Wh	0.1/cos ϕ %	0.2/cos ϕ %	0.3/cos ϕ %	0.3/cos ϕ %	0.3/cos ϕ %
	Meters varh	0.3/sin ϕ %	0.4/sin ϕ %	0.5/sin ϕ %		N/A

Table S7.3.2 ~~Maximum Period Between Tests~~

Description	Metering Installation Type				
	Type 1	Type 2	Type 3	Type 4	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 meters are tested or when changes are made				
CT-connected Meter (electronic)	5 years	5 years	5 years	5 years	5 years
CT-connected Meter (induction)	2.5 years	2.5 years	5 years	5 years	5 years
Whole-current (Direct Connected Meter)	The testing and inspection requirements must be by an asset management strategy. Guidelines for the development of the asset management strategy must be recorded in a <i>metrology procedure</i> .				

Table S7.3.3 ~~Period Between Inspections~~

Description	Metering Installation Type			
	Type 1	Type 2	Type 3	Type 4, 5 & 6
<i>Metering installation equipment inspection</i>	2.5 years Note: increased inspection period allowed because of <i>check metering installation</i> requirements.	12 months (2.5 years if <i>check metering</i> installed)	>10 GWh: 2 years 2 < <10 GWh: 3 years <2 GWh: when meter is tested.	When meter is tested.

S7.3.2. Notes (These are technical guidelines)

- (a) ~~Current transformer and voltage transformer tests are primary injection tests or other testing procedures as approved by NEMMCO.~~
- (b) ~~All reference/calibrated equipment shall be tested to ensure full traceability to Australian national measurement standards through verifying authorities or directly referenced to the National Measurement Institute.~~
- (c) ~~The calculations of accuracy based on test results are to include all reference standard errors.~~

- ~~(d) An "estimate of testing uncertainties" must be calculated in accordance with the ISO "Guide to the Expression of Uncertainty for Measurement".~~
- ~~(e) Where operational *metering* is associated with *settlements metering* then a shorter period between inspections is recommended.~~
- ~~(f) 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*.~~
- ~~(g) A typical inspection may include: Check the seals, compare the pulse counts, compare the direct readings of *meters*, verify *meter* parameters and physical connections, *current transformer* ratios by comparison.~~

Schedule 7.4 - Metering Provider

S7.4.1 General

- (a) A *Metering Provider* must be accredited by and registered by *NEMMCO*. *NEMMCO* must accredit and register a *Metering Provider* only for the type of work the *Metering Provider* is qualified to provide.
- (b) *NEMMCO* must establish a qualification process for *Metering Providers* that enables registration to be achieved in accordance with the requirements of this schedule 7.4.
- (c) **[Deleted]**
- (d) A *Metering Provider* must have the necessary licenses in accordance with appropriate State and Territory requirements.
- (e) 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.
- (f) A *Metering Provider* must ensure that the *metering installation* is installed and maintained in accordance with the *metrology procedure*.

S7.4.2 Categories of registration

- (a) Registrations, in relation to *metering installation* types 1, 2, 3 and 4, must be categorised in accordance with Tables S7.4.1, S7.4.2 and S7.4.3 or other procedures approved by *NEMMCO*.
- (b) In relation to *metering installation* types 5, 6 and 7, *NEMMCO* must establish categories of registration which are consistent with the service requirements established in the *metrology procedure*.
- (c) *NEMMCO* may establish *Accredited Service Provider categories* of registration for a *Metering Provider* in accordance with clause S7.4.5.

Table S7.4.1 Categories of registration for accreditation

Category	Competency
1C	Class 0.2 CTs with $< 0.1\%$ uncertainty.
1V	Class 0.2 VTs with $< 0.1\%$ uncertainty.
1M	Class 0.2 Wh meters with $< 0.1/\cos\phi\%$ uncertainty and class 0.5 varh meters with $< 0.3/\sin\phi\%$ 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 $< 0.2/\cos\phi\%$ uncertainty and class 1.0 varh meters with $< 0.4/\sin\phi\%$ 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 S7.4.2 Categories of registration for accreditation

Category	Competency
3M	Class 1.0 Wh meters with $< 0.3/\cos\phi\%$ uncertainty and class 2.0 varh meters with $< 0.5/\sin\phi\%$ 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 $< 0.3/\cos\phi\%$ uncertainty

Table S7.4.3 Categories of registration for accreditation

Category	Competency
L	Approved Communication Link Installer

S7.4.3 Capabilities of Metering Providers for metering installations types 1, 2, 3 and 4

Category 1A, 2A, 3A and 4M *Metering Providers* must be able to exhibit the following capabilities to the reasonable satisfaction of NEMMCO:

- (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, data loggers*, etc., 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 NEMMCO on request; and
 - ~~(5) all reference/calibration equipment to be tested to ensure full traceability to Australian Standards through verifying authorities or directly from the National Measurement Institute; 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* including the remote accessing of 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 *data loggers* or recorders to be used (6 monthly) and verification with *NEMMCO* 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 *revenue 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 *NEMMCO*;
 - Type 4 - implementation of AS/NZ ISO 9002 to a level agreed with *NEMMCO*;
 - (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*.

S7.4.4 Capabilities of Metering Providers for metering installations types 5, 6 and 7

Metering Providers, who apply for categories of *Metering Provider* accreditation of *metering installations* types 5, 6 and / or 7, must be able to exhibit, to the reasonable satisfaction of *NEMMCO*:

- (a) all of the capabilities relevant to that type of *metering installation* which are included in clause S7.4.3;
- (b) any relevant capabilities required for data processing specified in the *metrology procedure*; and
- (a) an acceptable standard of performance, determined by reference to the *metrology procedure*, for each of the processes and devices identified in the *metrology procedure*.

S7.4.5 Capabilities of the Accredited Service Provider category

- (a) The *Accredited Service Providers categories* established by NEMMCO under clause S7.4.2(c) may perform work relating to the installation of any types 1, 2, 3, 4, 5 or 6 *metering installations*.
- (b) NEMMCO must include *Accredited Service Provider categories* in the accreditation guidelines prepared and *published* under clause 7.4.2(ba).
- (c) NEMMCO may determine:
 - (1) the competencies of a *Metering Provider* registered in each *Accredited Service Provider category* provided that those competencies are consistent with any service requirements 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 7.5 - Metering Register

S7.5.1. 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.
- (c) The data in the *metering register* is to be regarded as confidential and would only be released to the appropriate party in accordance with rule 7.7.

S7.5.2. 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*;
 - (5) nomination of the *responsible person*; 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*, *revenue 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)* 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 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 ~~and substitution~~ 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.

CHAPTER 8

8. Administrative Functions

8.1.1 [Deleted]

8.1.2 [Deleted]

8.1.3 Purpose

This Chapter describes some of the key processes associated with the administration of the *Rules*, being the following:

- (a) the procedures for resolving certain disputes;
- (b) [Deleted]
- (c) [Deleted]
- (d) [Deleted]
- (e) confidentiality provisions governing *Registered Participants* and *NEMMCO*;
- (f) monitoring and reporting requirements; and
- (g) the structure and responsibilities of the *Reliability Panel*.

8.2 Dispute Resolution

8.2.1 Application and guiding principles

- (a) This rule 8.2 applies to any dispute which may arise between two or more *Registered Participants* about:
 - (1) the application or interpretation of the *Rules*;
 - (2) the failure of any *Registered Participants* to reach agreement on a matter where the *Rules* require agreement or require the *Registered Participants* to negotiate in good faith with a view to reaching agreement;
 - (3) [Deleted]
 - (4) the proposed access arrangements or *connection agreements* of an *Intending Participant* or a *Connection Applicant*;
 - (5) the payment of moneys under or concerning any obligation under the *Rules*;
 - (6) any other matter relating to or arising out of the *Rules* to which a contract between two or more *Registered Participants* provides that the dispute resolution procedures under the *Rules* are to apply;
 - (7) any other matter relating to or arising out of the *Rules* in respect of which two or more *Registered Participants* have agreed in writing that this rule 8.2 should apply; or

- (8) any other matter that the *Rules* provide may or must be dealt with under this rule 8.2,
- but does not apply to those disputes described in clause 8.2.1(h).
- (a1) For the purposes of this rule 8.2 only, "*Registered Participant*" is deemed to include not just *Registered Participants* but also *NEMMCO* and *Connection Applicants* who are not otherwise *Registered Participants*, except that this will not be the case where the term "*Registered Participant*":
- (1) is used in clauses 8.2.2(b)(4), 8.2.2(d), 8.2.3(a), 8.2.3(b)(5) and 8.2.5(e);
 - (2) first occurs in clauses 8.2.3(b), (b)(3), (b)(4) or (c); or
 - (3) last occurs in clauses 8.2.4(a) or 8.2.9(c).
- (b) **[Deleted]**
- (c) **[Deleted]**
- (d) The dispute resolution regime in this rule 8.2 provides procedures to resolve disputes between parties, not sanctions for breach of the *Rules*. The dispute resolution processes may indicate that a breach of the *Rules* has occurred and the resolution or determination of the dispute may take account of the damage thereby caused to a party. Any action for breach of the *Rules* may only be taken by the *AER* acting in accordance with the *National Electricity Law*.
- (e) It is intended that the dispute resolution regime set out in or implemented in compliance with the *Rules* and described in detail in this rule 8.2 should to the extent possible:
- (1) be guided by the *national electricity objective*;
 - (2) be simple, quick and inexpensive;
 - (3) preserve or enhance the relationship between the parties to the dispute;
 - (4) take account of the skills and knowledge that are required for the relevant procedure;
 - (5) observe the rules of natural justice;
 - (6) place emphasis on conflict avoidance; and
 - (7) encourage resolution of disputes without formal legal representation or reliance on legal procedures.
- (f) Except as provided in the *National Electricity Law* and clause 8.2.1(g), where any dispute of a kind set out in clause 8.2.1(a) arises, the parties concerned must comply with the procedures set out in clauses 8.2.4 to 8.2.10 and 8.2.12 and, where the dispute is referred to a *DRP*, a determination of the *DRP* is final and binding on the parties.
- (g) Notwithstanding clause 8.2.1(f), a party may seek an urgent interlocutory injunction from a court of competent jurisdiction.

(h) Rule 8.2 does not apply to:

- (1) a decision by *NEMMCO* regarding an exemption under clause 2.2.1(c);
- (2) a decision by *NEMMCO* under clause 2.2.2 not to approve the classification of a *generating unit* as a *scheduled generating unit*;
- (3) a decision by *NEMMCO* under clause 2.2.3 not to approve the classification of a *generating unit* as a *non-scheduled generating unit*;
- (4) a decision by *NEMMCO* under clause 2.9.2(c);
- (5) a decision by *NEMMCO* to reject a notice from a *Market Customer* under clause 2.10.1(d);
- (6) a determination by *NEMMCO* under clause 3.3.8 of the *maximum credit limit* for a *Market Participant*;
- (7) a decision by *NEMMCO* under clause 3.8.3 to refuse an application for aggregation;
- (8) a decision by *NEMMCO* under clause 3.15.11 to reject a *reallocation request*;
- (9) a decision by *NEMMCO* to issue a notice under clause 4.11.1(d);
- (10) a decision by *NEMMCO* under clause ~~7.1.2(b)~~ ~~7.1.4(b)~~ to refuse to permit a *Market Participant* to participate in the *market* in respect of a *connection point*;
- (11) a decision by *NEMMCO* whether or not to deregister a *Metering Provider* under clause 7.4.3(a), (aa) or (b), to suspend a *Metering Provider* from a category of registration under clause 7.4.3(aa) or to impose agreed constraints on the continued operation of a *Metering Provider*;
- (12) A dispute concerning the price of a *SRAS* agreement or a tender conducted by *NEMMCO* for the acquisition of *system restart ancillary services* under clause 3.11.5;
- (13) a dispute of a kind referred to in clause 5.6.6;
- (14) a *transmission services access dispute* to which Part K of Chapter 6A applies; or
- (15) a *distribution services access dispute* to which Part L of Chapter 6 applies.

8.2.2 The Dispute Resolution Adviser

- (a) The *AER* must appoint a person or persons from time to time to perform the functions of the Dispute Resolution Adviser (the "*Adviser*"), on such terms and conditions as the *AER* may determine.
- (b) The *Adviser* must:

- (1) have a detailed understanding and experience of dispute resolution practice and procedures which do not involve litigation (alternative dispute resolution);
 - (2) have the capacity to determine the most appropriate alternative dispute resolution procedures in particular circumstances;
 - (3) have an understanding of the electricity industry or the capacity to quickly acquire such an understanding; and
 - (4) not be a *Registered Participant* or *NEMMCO* or be associated, directly or indirectly, with a *Registered Participant*, *NEMMCO* or the *AER*.
- (c) The primary function of the *Adviser* is to attend to any matters necessary to ensure the effective operation of:
 - (1) the Stage 1 dispute resolution process set out in clause 8.2.4; and
 - (2) the Stage 2 dispute resolution process set out in clauses 8.2.5 and 8.2.6A to 8.2.6D.
- (d) The *Adviser* must take reasonable steps to keep *Registered Participants* and *NEMMCO* informed, and in any case must report at least quarterly to *Registered Participants* and *NEMMCO*, about the operation of the dispute resolution processes established under the *Rules*.
- (e) The *Adviser* must establish and maintain a pool of persons from which members of a *dispute resolution panel* (“*DRP*”) may be selected in accordance with clause 8.2.6A.
- (f) In selecting persons for the pool, the *Adviser* must have regard to:
 - (1) the need for members of a *DRP* to have an appropriate range of skills; and
 - (2) the need for persons in the pool to be drawn from all *participating jurisdictions*.
- (g) The *Adviser* must review the composition of the pool at least every two years.
- (h) The *Adviser* may issue guidance notes relating to:
 - (1) the form and content of a *dispute management system* (“*DMS*”); and
 - (2) the use and conduct of mediation in the Stage 1 dispute resolution process.

8.2.3 Dispute management systems of Registered Participants and NEMMCO

- (a) Each *Registered Participant* and *NEMMCO* must adopt and implement a *DMS*.
- (b) The *DMS* of a *Registered Participant* or *NEMMCO* must:

- (1) be consistent with guidance notes of the *Adviser* relating to the form and content of a *DMS*;
 - (2) nominate a *DMS Contact* to be the first point of contact for the notification of disputes;
 - (3) provide that the *Registered Participant* or *NEMMCO* (as the case may be) must respond to a request for information (being information that is relevant to any of the matters set out in clause 8.2.1(a)) from another *Registered Participant* within 5 *business days* of receiving the request;
 - (4) set out the procedures of the *Registered Participant* or *NEMMCO* (as the case may be) for responding to requests for information from other *Registered Participants*; and
 - (5) set out any requirements and procedures necessary to ensure that the *Registered Participant* or *NEMMCO* (as the case may be) is able to comply with the requirements and time limits set out in clause 8.2.4.
- (c) A *Registered Participant* or *NEMMCO* must provide a copy of its *DMS* upon being requested to do so by another *Registered Participant* or the *Adviser*.

8.2.4 Stage 1 - dispute resolution through Registered Participants' DMS

- (a) A *Registered Participant* may activate the dispute resolution mechanisms in this clause by serving a *DMS referral notice* on the *DMS Contact* of one or more other *Registered Participants* or *NEMMCO* (as the case may be).
- (b) Except where the *Rules* provides for another time period to apply, and subject to clause 8.2.4(k), a *DMS referral notice* must be served no later than 60 *business days* after the date on which the making of a disputed decision or the occurrence of disputed conduct could reasonably have become known to a *Registered Participant* affected by it.
- (c) A *DMS referral notice*:
- (1) must be in a form approved and *published* by the *Adviser*;
 - (2) must contain a statement setting out the circumstances giving rise to the dispute; and
 - (3) may request the person on whom it is to be served to provide information that is relevant to any of the matters set out in clause 8.2.1(a).
- (d) Within 5 *business days* of service of a *DMS referral notice*, representatives of:
- (1) the *Registered Participant* that served the notice; and
 - (2) every person on whom the notice was served,
- must meet to determine, by agreement, the further conduct of the dispute.

- (e) A meeting of *Registered Participants'* representatives:
 - (1) may be conducted in person, by telephone, video-conference or like method of real time communication;
 - (2) may agree that the dispute should be conducted by any consensual means, including by direct discussions between *Registered Participants* or by mediation; and
 - (3) must consider whether any other *Registered Participant* should be served with a *DMS referral notice*.
- (f) Subject to clause 8.2.4(g), a meeting of *Registered Participants'* representatives may agree to keep confidential:
 - (1) the fact that a dispute exists between them; and
 - (2) any information exchanged between them for the purposes of attempting to resolve the dispute.
- (g) *NEMMCO* must immediately notify the *Adviser* if:
 - (1) it serves a *DMS referral notice* on the *DMS Contact* of another *Registered Participant*, or
 - (2) it is served with a *DMS referral notice* by another *Registered Participant*.

The notification to the *Adviser* must include a list setting out each *Registered Participant* that *NEMMCO* considers may have an interest in the dispute, together with an indication as to whether *NEMMCO* has served a *DMS referral notice* in relation to the dispute on that *Registered Participant*, or has otherwise made the *Registered Participant* aware of the dispute.

- (h) If *Registered Participants'* representatives, meeting in accordance with clauses 8.2.4(d) and (e), all agree that a *Registered Participant* that was not previously a party to the dispute should be served with a *DMS referral notice*, any one or more of them may serve a *DMS referral notice* on that other *Registered Participant*. Where a *Registered Participant* is served with such a notice, that *Registered Participant* must meet with the other parties to the dispute to determine the further conduct of the dispute in accordance with clauses 8.2.4(d), (e) and (f).
- (i) If:
 - (1) a *Registered Participant* on whom a *DMS referral notice* is served does not agree to become a party to the dispute; or
 - (2) the dispute is not resolved within 20 *business days* (or such lesser period as is agreed by all the parties) after the day on which a *DMS referral notice* was last served on a *Registered Participant*,any *Registered Participant* that has served a *DMS referral notice* in relation to the dispute or that has agreed to become a party to the dispute may, no later than 60 *business days* after the day on which a *DMS referral notice*

was last served on a *Registered Participant*, refer the matter to the *Adviser* in accordance with clause 8.2.5.

- (j) If the dispute has not been referred to the *Adviser* within 60 *business days* after the day on which a *DMS referral notice* was last served on a *Registered Participant*, any obligations or requirements arising under this clause 8.2.4 in relation to that dispute cease to have effect.
- (k) Despite clauses 8.2.4(b) and 8.2.4(i) and any other provision of the *Rules* that specifies a time limit for the raising of a dispute, where:
 - (1) a *DMS referral notice* has not been served within the period specified in clause 8.2.4(b);
 - (2) a dispute has not been referred to the *Adviser* within the time specified in clause 8.2.4(i); or
 - (3) any other dispute to which rule 8.2 applies has not been raised within the time limit specified in the *Rules* for the raising of such a dispute,

the dispute may be referred to the *Adviser*, and a *DRP* may determine the dispute if, in the opinion of the *DRP*, any prejudice suffered by any *Registered Participant* as a result of the dispute being referred outside the specified period would not, having regard to the circumstances giving rise to the failure to refer the dispute within the specified period, be unreasonable.

8.2.5 Stage 2 - dispute resolution process

- (a) A dispute may be referred to the *Adviser* by serving on the *Adviser* an *Adviser referral notice* in accordance with this clause 8.2.5. An *Adviser referral notice* must:
 - (1) be in a form approved and published by the *Adviser*;
 - (2) contain the names of all the parties to the dispute; and
 - (3) if the *Registered Participant* serving the *Adviser referral notice* does not agree to the *Adviser* attempting to resolve the dispute in accordance with clause 8.2.5(c)(1) and requires the *Adviser* to refer the dispute to a *DRP* for determination, must contain a statement to that effect.
- (b) Where a dispute is referred to the *Adviser*, the *Adviser* must immediately notify each *Registered Participant* that is party to the dispute of that fact. Each *Registered Participant* must, within 5 *business days* of being so notified, provide to the *Adviser* a statement setting out:
 - (1) a brief history of the dispute and the circumstances giving rise to it; and
 - (2) a statement of its issues in relation to the dispute.
- (c) The *Adviser* must, within 10 *business days* of being served with the *Adviser referral notice*, either:

- (1) if the parties so agree, attempt to resolve the dispute by any means the *Adviser*, having regard to the principles set out in clause 8.2.1(e), considers appropriate; or
 - (2) if the parties do not agree to the *Adviser* attempting to resolve the dispute in accordance with clause 8.2.5(c)(1), refer the dispute to a *DRP* for determination in accordance with clauses 8.2.6A to 8.2.6D.
- (d) If the *Adviser*, having attempted to resolve the dispute in accordance with clause 8.2.5(c)(1), considers that such attempt is unlikely to result in resolution of the dispute within a reasonable time, the *Adviser* may, at any time, refer the dispute to a *DRP* for determination in accordance with clauses 8.2.6A to 8.2.6D.
- (e) Where the *Adviser* refers a dispute to a *DRP*, the *Adviser* must promptly *publish* to all *Registered Participants*, as well as promptly notify *NEMMCO*, the *AER* and the *AEMC* of, the fact that the referral has been made.

8.2.6A Establishment of Dispute Resolution Panel

- (a) Where the *Adviser* decides to refer a dispute for resolution by a *DRP*, the *Adviser* must establish the *DRP* to determine the dispute.
- (b) **[Deleted]**
- (c) The *Adviser* must consult with the parties to the Stage 1 dispute resolution process on the composition of the *DRP*. For the avoidance of doubt, the requirement to consult on the composition of the *DRP* does not apply with respect to a party that is later joined as, or that later opts to become, a party to the dispute.
- (d) Despite the requirement to consult set out in clause 8.2.6A(c), a decision of the *Adviser* as to the composition of the *DRP* is final and binding upon all parties to the dispute.
- (e) A *DRP* must comprise three members or, if the parties agree that the circumstances and nature of the dispute warrant a panel comprised of one or two members, the number so agreed.
- (f) The *Adviser* may appoint as a member of the *DRP* any person who is a member of the pool established under clause 8.2.2(e) and who in the reasonable opinion of the *Adviser* is either:
 - (1) expert in the field to which the dispute relates; or
 - (2) experienced or trained in dispute resolution techniques.
- (g) A person, whether a member of the pool established under clause 8.2.2(e) or not, is not eligible for appointment to a *DRP* if that person has any interest which may conflict with, or which may be seen to conflict with, the impartial resolution of the dispute. Where a person becomes aware of such a conflict after the *DRP* commences the determination of a dispute, the person must advise the parties to that effect.

- (h) Where:
 - (1) a *Registered Participant* who is a party to the dispute believes that a person appointed to a *DRP* has an interest which may conflict with the impartial resolution of the dispute; or
 - (2) a person appointed to a *DRP* discloses the existence of such an interest:

the person must not continue as a member of the *DRP*, except with the written consent of all parties to the dispute.
- (i) The *Adviser* may, if in his or her reasonable opinion no member of the pool established under clause 8.2.2(e) is:
 - (1) eligible for appointment to a *DRP*; or
 - (2) sufficiently skilled and experienced to resolve the dispute,

appoint to the *DRP* another person whom he or she considers to be eligible and sufficiently skilled and experienced, but who is not a member of the pool. A person so appointed is deemed to be a member of the pool on and from his or her appointment to the *DRP*.
- (j) Any person who has previously been a member of a *DRP* is eligible for appointment to another *DRP*.
- (k) The *Adviser* must nominate one of the *DRP* members to be the chairperson.

8.2.6B Parties to *DRP* Proceedings

- (a) The following persons are parties to the dispute before a *DRP*:
 - (1) the parties to the Stage 1 dispute resolution process referred by the *Adviser* to the *DRP*;
 - (2) any other *Registered Participant* that the *DRP* directs to become a party to the dispute in accordance with clause 8.2.6B(b); and
 - (3) any other *Registered Participant* that has opted to become a party to the dispute in accordance with clause 8.2.6B(c).
- (b) If the *DRP* considers that a *Registered Participant* should become a party to the dispute, it may direct the *Registered Participant* to become a party by giving that *Registered Participant's DMS Contact* written notice setting out:
 - (1) the names of the other parties to the dispute;
 - (2) a brief history of the dispute and the circumstances giving rise to it;
 - (3) the results of any previous dispute resolution processes undertaken pursuant to the *Rules* in respect of the dispute; and
 - (4) the grounds on which the *DRP* considers the *Registered Participant* should be made a party to the dispute.
- (c) Any *Registered Participant* that has an interest in a dispute may opt to become a party to the dispute by giving notice to the *DRP* that it wishes to

do so. When a *Registered Participant* opts to become a party to the dispute in accordance with this clause 8.2.6B(c), the *DRP* must give that *Registered Participant's DMS Contact* written notice setting out:

- (1) the names of the other parties to the dispute;
- (2) a brief history of the dispute and the circumstances giving rise to it; and
- (3) the results of any previous dispute resolution processes undertaken pursuant to the *Rules* in respect of the dispute.

8.2.6C Proceedings of the DRP

- (a) The *DRP* may give to the parties such directions as it considers necessary for the proper conduct of the proceedings, including, without limitation, a direction:
 - (1) that the proceedings be conducted at a specified venue or venues (including the premises of a party) at a specified time or times;
 - (2) requiring the parties to prepare and exchange written submissions;
 - (3) requiring the parties to exchange documents; and
 - (4) limiting or prohibiting the cross examination of witnesses.
- (b) The *DRP* may direct the parties that the proceedings, or part of the proceedings, are to be conducted solely on the basis of documentary evidence and written submissions.
- (c) The *DRP* may give to the parties such directions relating to the use and disclosure of information obtained from other parties to the dispute (including a direction to keep information confidential) as it considers necessary in the circumstances.
- (d) At any time before it determines a dispute, the *DRP* may, with the consent of all parties, refer the dispute for mediation.
- (e) The *DRP* must observe the rules of natural justice.
- (f) Subject to clause 8.2.6C(e), the *DRP* is not bound by the rules of evidence and may inform itself in any manner it thinks fit.

8.2.6D Decisions of the DRP

- (a) A decision of a *DRP* on any matter may be made by a majority of the members comprising the *DRP*. Where a *DRP* comprising two members is unable to reach a unanimous decision, the decision of the chairperson will be the decision of the *DRP*.
- (b) Subject to clause 8.2.6D(c), a *DRP* must determine a dispute as quickly as possible, and in any case must do so:
 - (1) in the case of disputes involving two parties, within 30 *business days* after the dispute is referred to the *DRP*; and

- (2) in the case of disputes involving more than two parties, within 70 *business days* after the dispute is referred to the *DRP*.
- (c) A *DRP* may extend either of the periods specified in clause 8.2.6D(b) for determination of a dispute if:
 - (1) all parties to the dispute agree in writing;
 - (2) the *AER* agrees in writing; or
 - (3) the dispute is referred to mediation under clause 8.2.6C(d).
- (d) A determination of the *DRP* may, without limitation of the *DRP*'s power, require a party to do any or all of the following in such manner and within such time or times as is specified in the determination:
 - (1) take specified action;
 - (2) refrain from taking specified action; or
 - (3) pay a monetary amount to another party.
- (e) Each party to a dispute that is required by a determination of the *DRP* to take specified action, to refrain from taking specified action or to pay a monetary amount must:
 - (1) do so within such period after being notified of the determination as is specified in the determination; and
 - (2) report to the *Adviser* as soon as practicable after doing so.

8.2.6 [Deleted]

8.2.7 Legal representation

- (a) In any meeting, negotiation or mediation forming part of the Stage 1 dispute resolution process, a party is entitled to be legally represented, but must not use a legal representative as its primary advocate except with the agreement of all other parties.
- (b) A *DRP* may give any direction it considers appropriate in relation to the role the parties' legal representatives may take in the proceedings.

8.2.8 Cost of dispute resolution

- (a) The costs of any dispute resolution processes (other than legal costs of one or more parties), including the costs incurred by the *Adviser* in performing functions of the *Adviser* under clauses 8.2.5, 8.2.6A, 8.2.6B, 8.2.6C or 8.2.6D and the costs of the *DRP* and its members, are to be borne equally by the parties to the dispute unless:
 - (1) clause 8.2.8(b) applies; or
 - (2) otherwise agreed between the parties.
- (b) Costs of the dispute resolution processes (including legal costs of one or more parties) may be allocated by the *DRP* for payment by one or more

parties as part of any determination. Subject to clause 8.2.8(c), in deciding to allocate costs against one or more parties to a dispute, the *DRP* may have regard to any relevant matters, including (but not limited to) whether the conduct of that party or those parties unreasonably prolonged or escalated the dispute or otherwise increased the costs of the *DRP* proceedings.

- (c) A party that disagrees with another party about the number of persons comprising a *DRP* is not to be taken, by reason only of that disagreement, to have unreasonably prolonged or escalated a dispute or otherwise increased the costs of the *DRP* proceedings.

8.2.9 Effect of resolution

- (a) Where the parties to a dispute reach agreement (whether or not the matter is before a *DRP*), the parties may execute a written agreement recording that a party has or parties have agreed:
 - (1) to take certain action;
 - (2) not to take certain action; or
 - (3) to make a monetary payment.
- (b) An agreement that is recorded in accordance with clause 8.2.9(a) and a determination of the *DRP* are binding on the parties to the dispute.
- (c) A requirement that a *Registered Participant* pay moneys, imposed on the *Registered Participant* under:
 - (1) a determination of the *DRP*; or
 - (2) an agreement that is recorded in accordance with clause 8.2.9(a),is an obligation under the *Rules* to pay such amounts. A *Registered Participant* or *NEMMCO* entitled to such amount may recover the amount in accordance with section 72 of the *National Electricity Law*.
- (d) A *Registered Participant* must comply with a requirement or determination of the *DRP* and any agreement that is recorded in accordance with clause 8.2.9(a). Failure to do so is a breach of the *Rules* in respect of which the *AER* may take action in accordance with the *National Electricity Law*.

8.2.10 Recording and publication

- (a) Where a *DRP* makes a determination, a copy of the determination must be forwarded to the *Adviser*.
- (b) The *DRP* must provide a copy of its determination (save to the extent that it contains confidential information), to the *AER* for publication.
- (c) The *AER* must, in accordance with the *Rules consultation procedures*, develop and issue guidelines relating to the confidentiality of information obtained, used or disclosed for the purposes of resolving a dispute to which rule 8.2 applies.

8.2.11 Appeals on questions of law

A party to a dispute may appeal on a question of law against a decision or determination of a *DRP* in accordance with section 71 of the *National Electricity Law*.

8.2.12 Limitation of Liability

(a) To the extent permitted by law, none of:

- (1) the *Adviser*;
- (2) **[Deleted]**
- (3) a person serving as a member of a *DRP*; or
- (4) a person to whom a dispute is referred for mediation or other form of resolution under a provision of rule 8.2,

is liable for any loss, damage or liability suffered or incurred by a *Registered Participant* or any other person as a consequence of any act or omission of those persons which was done in good faith in connection with the dispute.

(b) Each of the *Adviser*, a person serving as a member of a *DRP* and a person to whom a dispute is referred for mediation or other form of resolution may, before acting in relation to the dispute, require the parties to the dispute (or any one of them) to execute a release and indemnity in relation to any loss, damage or liability that that person would, but for the release or indemnity, suffer or incur as a consequence of any act or omission done in good faith in connection with the dispute.

8.2A B2B Determination Disputes

8.2A.1 Application of rule 8.2

Rule 8.2 applies to *B2B Determination Disputes* but with the modifications set out in clause 8.2A.2.

8.2A.2 How rule 8.2 applies

For the purposes of its application to a *B2B Determination Dispute*, rule 8.2 is modified as follows:

(a) For clause 8.2.1(a) substitute:

"(a) This clause 8.2 applies to a *B2B Determination Dispute*."

(b) In clause 8.2.1(a1) delete "and *Connection Applicants* who are otherwise *Registered Participants*" and substitute "clause 8.2.9(c)" for "clauses 8.2.4(a) or 8.2.9(c)".

(c) For clause 8.2.1(e)(1) substitute:

"(1) be guided by the *B2B Objective* and the *B2B Principles*;"

(d) In clause 8.2.1(f):

- (i) after “clause 8.12” insert “(as modified by clause 8.2A.2)”; and
- (ii) insert a new sentence at the end of the clause as follows:

“The subject matter of a *B2B Determination Dispute* which has been determined by the *DRP* cannot be the subject of further review.”
- (e) For the avoidance of doubt, clause 8.2.3 does not apply to the *Information Exchange Committee*.
- (f) The contact for the *Information Exchange Committee* in relation to disputes will be the *DMS Contact* for *NEMMCO*.
- (g) Clause 8.2.4 does not apply.
- (h) Clauses 8.2.5(a), (b), (c) and (d) do not apply.
- (i) Insert new clauses 8.2.5(d1) to (d4) as follows:
 - “(d1) A *Market Customer*, *Local Retailer* or *Distribution Network Service Provider* adversely affected by an *Information Exchange Committee Recommendation* or a *B2B Decision* may apply to the *Adviser* for review of that *Information Exchange Committee Recommendation* or that *B2B Decision*. The application must be made within 10 *business days* of publication of the *Information Exchange Committee Recommendation* or the *B2B Decision*, state grounds for the review and give full particulars of where the applicant believes the *Information Exchange Committee Recommendation* or *B2B Decision* is in error.
 - (d2) Where an application for review of an *Information Exchange Committee Recommendation* is made, *NEMMCO* must not take any further action in relation to that *Information Exchange Committee Recommendation* until the *DRP* has made its decision in relation to the dispute.
 - (d3) An application for review of a *B2B Decision* stays the *B2B Decision*.
 - (d4) On receiving the application the *Adviser* must refer the dispute to a *DRP* for determination in accordance with clauses 8.2.6A to 8.2.6D.”.
- (j) In clause 8.2.6A(a), for “decides to refer” substitute “refers”.
- (k) In clause 8.2.6A(c), for “the parties to the Stage 1 dispute resolution process” substitute “the parties to the dispute”.
- (l) In clause 8.2.6A(h)(1) before “a *Registered Participant*” insert “the *Information Exchange Committee* or”.
- (m) For clause 8.2.6B(a)(1) substitute:

“(1) the *Registered Participant* making application for a review of the *Information Exchange Committee Recommendation* or the *B2B Decision*, a *Registered Participant* affected by the *Information Exchange Committee Recommendation* or the *B2B Decision* the subject of the application for review and the *Information Exchange*

Committee or, if the *Information Exchange Committee* is unable to act as a party, any other *Registered Participant* wishing to support the position of the *Information Exchange Committee*;"

- (n) At the end of clause 8.2.6B(a) insert:

"*NEMMCO* is a party to an application for review of a *B2B Decision* and may be a party, in accordance with clauses 8.2.6B(b) and 8.6.2(B)(c), to an application for review of an *Information Exchange Committee Recommendation*. In addition:

- (1) where the *Information Exchange Committee* is unable to act as a party to a *B2B Determination Dispute*, and another *Registered Participant* is a party to support the position of the *Information Exchange Committee*, the *Information Exchange Committee* must give to that party all assistance including access to both documents and *Members*. A *Registered Participant* of which a *Member* is an employee must ensure that *Member* is available to provide such assistance; and
- (2) where *NEMMCO* is a party to a *B2B Determination Dispute*, the *Information Exchange Committee* must give *NEMMCO* all assistance including access to both documents and *Members*. A *Registered Participant* of which a *Member* is an employee must ensure that *Member* is available to provide such assistance."

- (o) Clause 8.2.6C(d) does not apply.

- (p) Insert a new clause 8.2.6C(g) as follows:

"(g) In considering a *B2B Determination Dispute*, the *DRP* must conduct a full reconsideration of the *Information Exchange Committee Recommendation* or *B2B Decision* and:

- (1) can rely on any material available and is not confined to only considering material that was before the *Information Exchange Committee* in relation to an *Information Exchange Committee Recommendation* or *NEMMCO* in relation to a *B2B Decision*; and
- (2) may exercise all powers and discretions that are conferred on the *Information Exchange Committee* in relation to an *Information Exchange Committee Recommendation* or *NEMMCO* in relation to a *B2B Decision*."

- (q) Insert a new clause 8.2.6D(da) as follows:

"(da) The *DRP* must make a decision in writing:

- (1) affirming the *Information Exchange Committee Recommendation* or the *B2B Decision*;
- (2) varying the *Information Exchange Committee Recommendation* or the *B2B Decision*; or

- (3) setting aside the *Information Exchange Committee Recommendation* or the *B2B Decision* and substituting its own decision.”.
- (r) Clause 8.2.7(a) does not apply.
- (s) In clause 8.2.8(a) after "8.2.6D" insert "(as modified by clause 8.2A.2)".
- (t) Clauses 8.2.9(a), (b) and (c)(2) do not apply.
- (u) In clause 8.2.9(d) after "*Registered Participant*" insert "and the *Information Exchange Committee*", and delete "and any agreement that is recorded in accordance with clause 8.2.9(a)".
- (v) In clause 8.2.12(a), after "*Registered Participant*" insert "or the *Information Exchange Committee*".

8.3 [Deleted]

8.4 [Deleted]

8.5 [Deleted]

8.6 Confidentiality

8.6.1 Confidentiality

- (a) Each *Registered Participant* and *NEMMCO* (each being a "Recipient" for the purposes of this rule 8.6) must use all reasonable endeavours to keep confidential any *confidential information* which comes into the possession or control of that Recipient or of which that Recipient becomes aware.
- (b) A Recipient:
 - (1) must not disclose *confidential information* to any person except as permitted by the *Rules*;
 - (2) must only use or reproduce *confidential information* for the purpose for which it was disclosed or another purpose contemplated by the *Rules*; and
 - (3) must not permit unauthorised persons to have access to *confidential information*.
- (c) Each Recipient must use all reasonable endeavours:
 - (1) to prevent unauthorised access to *confidential information* which is in the possession or control of that Recipient; and
 - (2) to ensure that any person to whom it discloses *confidential information* observes the provisions of this rule 8.6 in relation to that information.

- (d) The officers of a *Transmission Network Service Provider* participating in *transmission service* pricing must not be involved in or associated with competitive electricity trading activities of any other *Registered Participant*.
- (e) A *Transmission Network Service Provider* participating in *transmission service* pricing must provide to any *Transmission Network Service Provider* or *Registered Participant* which supplies information for *transmission service* pricing an undertaking that the *Transmission Network Service Provider* to which that information was supplied will comply with the confidentiality requirements set out in clause 6.9.2.

8.6.2 Exceptions

This rule 8.6 does not prevent:

- (a) **(public domain)**: the disclosure, use or reproduction of information if the relevant information is at the time generally and publicly available other than as a result of breach of confidence by the Recipient who wishes to disclose, use or reproduce the information or any person to whom the Recipient has disclosed the information;
- (b) **(employees and advisers)**: the disclosure of information by a Recipient or the Recipient's *Disclosees* to:
 - (1) an employee or officer of the Recipient or a *related body corporate* of the Recipient; or
 - (2) a legal or other professional adviser, auditor or other consultant (in this clause 8.6.2(b) called "Consultants") of the Recipient,which require the information for the purposes of the *Rules*, or for the purpose of advising the Recipient or the Recipient's *Disclosee* in relation thereto;
- (c) **(consent)**: the disclosure, use or reproduction of information with the consent of the person or persons who provided the relevant information under the *Rules*;
- (d) **(law)**: the disclosure, use or reproduction of information to the extent required by law or by a lawful requirement of:
 - (1) any government or governmental body, authority or agency having jurisdiction over a Recipient or its *related bodies corporate*; or
 - (2) any stock exchange having jurisdiction over a Recipient or its *related bodies corporate*;
- (d1) **(ombudsman scheme)**: the disclosure, use or reproduction of information, but not end-use consumer information, if required by an Ombudsman acting under a duly constituted industry dispute resolution ombudsman scheme of which a *Registered Participant* is a participant, for the purpose of carrying out a function of that scheme in respect of a complaint made by a customer of the *Registered Participant* against a *Registered Participant* under that scheme;

- (e) **(disputes)**: the disclosure, use or reproduction of information if required in connection with legal proceedings, arbitration, expert determination or other dispute resolution mechanism relating to the *Rules*, or for the purpose of advising a person in relation thereto;
- (f) **(trivial)**: the disclosure, use or reproduction of information which is trivial in nature;
- (g) **(safety)**: the disclosure of information if required to protect the safety of personnel or equipment;
- (h) **(potential investment)**: the disclosure, use or reproduction of information by or on behalf of a Recipient to the extent reasonably required in connection with the Recipient's financing arrangements, investment in that Recipient or a disposal of that Recipient's assets;
- (i) **(regulator)**: the disclosure of information to the *AER*, the *AEMC* or the *ACCC* or any other regulatory authority having jurisdiction over a Recipient, pursuant to the *Rules* or otherwise;
- (j) **(reports)**: the disclosure, use or reproduction of information of an historical nature in connection with the preparation and giving of reports under the *Rules*;
- (k) **(aggregate sum)**: the disclosure, use or reproduction of information as an unidentifiable component of an aggregate sum;
- (l) **(profile)**: the publication of a *profile*;
- (m) **(modelling)**: the disclosure, use or reproduction of data held by *NEMMCO* or a *Network Service Provider* for the purpose of modelling the operation of the *power system*, to the extent reasonably necessary to enable a *Connection Applicant* to develop an *application to connect* but does not include information provided in accordance with clauses S5.2.4(a), (b)(5) and (b)(6); or
- (n) **(compliance monitoring)** the disclosure of a *performance standard* to a *Network Service Provider* for the purpose of establishing a compliance monitoring program, or if *connection* at that *performance standard*, in *NEMMCO's* opinion, affects, or is likely to affect, the performance of that *Network Service Provider's network*.

8.6.3 Conditions

In the case of a disclosure under clauses 8.6.2(b), 8.6.2(d1) or 8.6.2(h), prior to making the disclosure the Recipient who wishes to make the disclosure must inform the proposed recipient of the confidentiality of the information and must take appropriate precautions to ensure that the proposed recipient keeps the information confidential in accordance with the provisions of this rule 8.6 and does not use the information for any purpose other than that permitted under clause 8.6.1.

8.6.4 [Deleted]

8.6.5 Indemnity to AER, AEMC and NEMMCO

Each *Registered Participant* must indemnify the *AER*, the *AEMC* and *NEMMCO* against any claim, action, damage, loss, liability, expense or outgoing which the *AER*, the *AEMC* or *NEMMCO* pays, suffers, incurs or is liable for in respect of any breach by that *Registered Participant* or any officer, agent or employee of that *Registered Participant* of this rule 8.6.

8.6.6 NEMMCO information

NEMMCO must develop and, to the extent practicable, implement a policy:

- (a) to protect information which it acquires pursuant to its various functions from use or access which is contrary to the provisions of the *Rules*;
- (b) to disseminate such information in accordance with its rights, powers and obligations in a manner which promotes the orderly operation of any *market*; and
- (c) to ensure that *NEMMCO*, in undertaking any trading activity except the procurement of *ancillary services*, does not make use of such information unless the information is also available to other *Registered Participants*.

8.6.7 Information on Rules Bodies

NEMMCO must, in consultation with the *AEMC*, develop and implement policies concerning:

- (a) the protection of information which *Rules bodies* acquire pursuant to their various functions from use or access by *Registered Participants* or *Rules bodies* which is contrary to the provisions of the *Rules*; and
- (b) the dissemination of such information where appropriate to *Registered Participants*.

8.7 Monitoring and Reporting

8.7.1 Monitoring

- (a) **[Deleted]**
- (b) The *AER* must, for the purpose of performing its monitoring functions:
 - (1) determine whether *Registered Participants* and *NEMMCO* are complying with the *Rules*;
 - (2) assess whether the dispute resolution and *Rules* enforcement mechanisms are working effectively in the manner intended; and
 - (3) **[Deleted]**
 - (4) collect, analyse and disseminate information relevant and sufficient to enable it to comply with its reporting and other obligations and powers under the *Rules*.

- (c) The AER must ensure that, to the extent practicable in light of the matters set out in clause 8.7.1(b), the monitoring processes which it implements under this rule 8.7:
 - (1) are consistent over time;
 - (2) do not discriminate unnecessarily between *Registered Participants*;
 - (3) are cost effective to both the AER, all *Registered Participants* and NEMMCO; and
 - (4) are publicised or information relating thereto is available to any person, subject to any requirements as a result of the confidentiality obligations in rule 8.6.

8.7.2 Reporting requirements and monitoring standards for Registered Participants and NEMMCO

- (a) For the purpose of performing its monitoring functions, the AER must establish:
 - (1) reporting requirements which apply to all or particular categories of *Registered Participants* in relation to matters relevant to the *Rules*;
 - (2) reporting requirements for NEMMCO in relation to matters relevant to the *Rules*;
 - (3) procedures and standards generally applicable to *Registered Participants* relating to information and data received by them in relation to matters relevant to the *Rules*;
 - (4) procedures and standards applicable to NEMMCO relating to information and data received by it in relation to matters relevant to the *Rules*; and
 - (5) procedures and standards applicable to the AER relating to information and data received by the AER from *Registered Participants* or NEMMCO in relation to matters relevant to the *Rules*.
- (b) The AER must:
 - (1) after consultation with the AEMC, NEMMCO and *Registered Participants* in accordance with the *Rules consultation procedures*, establish the requirements and standards and procedures referred to in clause 8.7.2(a)(1), (3), (4) and (5); and
 - (2) after consultation with the AEMC, NEMMCO and such *Registered Participants* as the AER considers appropriate, establish the requirements referred to in clause 8.7.2(a)(2).

In formulating such requirements or procedures and standards, the AER must take into consideration the matters set out in clause 8.7.1(c).

- (c) Subject to clause 8.7.2(d), the AER must notify to NEMMCO and all *Registered Participants* particulars of the requirements and procedures and standards which it establishes under this clause 8.7.2.

- (d) For the purpose of performing its monitoring functions, the *AER* may establish additional or more onerous requirements or procedures and standards which do not apply to all or a particular category of *Registered Participants*. In formulating such requirements or procedures and standards, the *AER* must take into consideration the matters set out in clause 8.7.1(c) and is not required to consult in accordance with the *Rules consultation procedures* but must consult with the relevant *Registered Participants*. In such a case, and if the *AER* considers it appropriate to do so, the *AER* may choose to notify only those *Registered Participants* to whom these additional or more onerous requirements or procedures and standards apply.
- (e) Each *Registered Participant* and *NEMMCO* must comply with all requirements, procedures and standards established by the *AER* under this rule 8.7 to the extent that they are applicable to it within the time period specified for the requirement, procedure or standard or, if no such time period is specified, within a reasonable time. Each *Registered Participant* and *NEMMCO* must bear its own costs associated with complying with these requirements, procedures and standards.
- (f) In complying with its obligations or pursuing its rights under the *Rules*, neither a *Registered Participant* nor *NEMMCO* must recklessly or knowingly provide, or permit any other person to provide on behalf of that *Registered Participant* or *NEMMCO* (as the case may be), misleading or deceptive data or information to any other person (including the *AER*).
- (g) Any *Registered Participant* or *NEMMCO* may ask the *AER* to impose additional or more onerous requirements, procedures or standards under clause 8.7.2(d) on a *Registered Participant* in order to monitor or assess compliance with the *Rules* by that *Registered Participant*. When such a request is made, the *AER* may but is not required to impose the additional or more onerous requirements, procedures or standards.

If the *AER* decides to impose additional or more onerous requirements, procedures or standards on a *Registered Participant*, the *AER* may determine the allocation of costs of any additional compliance monitoring undertaken between the relevant *Registered Participants* and/or *NEMMCO* (as the case may be). The relevant *Registered Participants* and (to the extent relevant) *NEMMCO* must pay such costs as allocated. In the absence of such allocation, the *Registered Participant* which is subject to the additional or more onerous requirements, procedures or standards must bear its own costs of compliance.

- (h) The *AER* must develop and implement guidelines in accordance with the *Rules consultation procedures* governing the exercise of the powers conferred on it by clause 8.7.2(g) which guidelines must set out the matters to which the *AER* must have regard prior to deciding the allocation of costs of any additional or more onerous requirements, procedures or standards imposed pursuant to clause 8.7.2(g) between the relevant *Registered Participants* and/or *NEMMCO* (as the case may be).

8.7.3 Consultation required for making general regulatory information order (Section 28H of the NEL)

- (a) Before the *AER* makes a *general regulatory information order*, it must publish:
 - (1) the proposed order;
 - (2) an explanatory statement that sets out objectives of the proposed order; and
 - (3) an invitation for written submissions on the proposed order.
- (b) 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 after the period has expired).
- (c) The *AER* may *publish* such issues, consultation and discussion papers, and hold such conferences and information sessions, in relation to the proposed order as it considers appropriate.
- (d) Within 80 *business days* of *publishing* the documents referred to in paragraph (a), the *AER* must:
 - (1) consider any submissions made in response to the invitation within the period allowed in the invitation;
 - (2) make a final decision on the order; and
 - (3) *publish* the final decision including:
 - (i) a statement of the reasons for the final decision (including a summary of each material issue raised in the submissions and the *AER*'s response to it); and
 - (ii) if the final decision is to make the order (either in the terms in which it was proposed or in modified terms) – the order in its final form.
- (e) The *AER* may extend the time within which it is required to publish its final decision if:
 - (1) the consultation involves questions of unusual complexity or difficulty; or
 - (2) the extension has become necessary because of circumstances beyond the *AER*'s control.

8.7.4 Preparation of network service provider performance report (Section 28V of the NEL)

- (a) Before the *AER* embarks on the preparation of *network service provider performance reports*, the *AER* must consult with:
 - (1) *network service providers*; and

- (2) bodies representative of the *network service providers* and *network service users*; and
 - (3) the public generally;

in order to determine appropriate priorities and objectives to be addressed through the preparation of *network service provider performance reports*.
- (b) In the course of preparing a *network service provider performance report*, the *AER*:
 - (1) must consult with the *network service provider* or *network service providers* to which the report is to relate; and
 - (2) must consult with the authority responsible for the administration of relevant *jurisdictional electricity legislation* about relevant safety and technical obligations; and
 - (3) may consult with any other persons who have, in the *AER*'s opinion, a proper interest in the subject matter of the report; and
 - (4) may consult with the public.
- (c) A *network service provider* to which the report is to relate:
 - (1) must be allowed an opportunity, at least 30 business days before publication of the report, to submit information and to make submissions relevant to the subject matter of the proposed report; and
 - (2) must be allowed an opportunity to comment on material of a factual nature to be included in the report.

8.7.5 [Deleted]

8.7.6 Recovery of reporting costs

Where, under the *Rules*, *NEMMCO* is entitled or required to publish or give information, notices or reports to:

- (a) any *Registered Participant*, any court, the *ACCC* or the *AER*, unless the context otherwise requires, *NEMMCO* must not charge those persons a separate fee for providing them with a copy of the information or report and the costs in providing that service must be recovered through the *Participant fees* described in rule 2.12;
- (b) any other person, *NEMMCO* may charge that person a fee which is appropriate to cover the costs of providing that service.

8.8 Reliability Panel

8.8.1 Purpose of Reliability Panel

- (a) The functions of the *Reliability Panel* are to:
 - (1) monitor, review and report on the performance of the *market* in terms of *reliability* of the *power system*;

- (1a) on the advice of *NEMMCO*, determine the *system restart standard*;
 - (2) review and, on the advice of *NEMMCO*, determine the *power system security and reliability standards*;
 - (2a) for the purposes of clause 4.2.6(b), develop and *publish* principles and guidelines that determine how *NEMMCO* should maintain *power system security* while taking into account the costs and benefits to the extent practicable;
 - (3) while *NEMMCO* has power to issue *directions* in connection with maintaining or re-establishing the *power system* in a *reliable operating state*, determine guidelines governing the exercise of that power;
 - (4) while *NEMMCO* has power to enter into contracts for the provision of *reserves*, determine policies and guidelines governing *NEMMCO's* exercise of that power;
 - (5) report to the *AEMC* and *participating jurisdictions* on overall *power system reliability* matters concerning the *power system* and on the matters referred to in clauses 8.8.1(a)(2) and (3), and make recommendations on *market* changes or changes to the *Rules* and any other matters which the *Reliability Panel* considers necessary;
 - (6) monitor, review and *publish* a report on the *system standards* in terms of whether they appropriately and adequately describe the expected technical performance conditions of the *power system*;
 - (7) monitor, review and *publish* a report on the implementation of *automatic access standards* and *minimum access standards* as *performance standards* in terms of whether:
 - (i) their application is causing, or is likely to cause, a material adverse effect on *power system security*; and
 - (ii) the *automatic access standards* and *minimum access standards* should be amended or removed;
 - (8) consider requests made in accordance with clause 5.3.3(b2) and, if appropriate, determine whether an existing Australian or international standard, or a part thereof, is to be adopted as a *plant standard* for a particular class of *plant*; and
 - (9) determine guidelines identifying or providing for the identification of operating incidents and other incidents that are of significance for the purposes of the definition of “Reviewable operating incident” in clause 4.8.15.
- (b) In performing its functions set out in clause 8.8.1(a)(1) the *Reliability Panel* must not monitor, review or report on the performance of the *market* in terms of *reliability* of *distribution networks*, although it may collate, consider and report information in relation to the *reliability* of *distribution networks* as measured against the relevant standards of each *participating*

jurisdiction in so far as the *reliability* of those *networks* impacts on overall *power system reliability*.

- (c) The principles and guidelines *published* under clause 8.8.1(a)(2a):
 - (1) must be developed, and may only be amended, in accordance with the consultation process set out in clause 8.8.3;
 - (2) must include transitional arrangements which take into account the need to allow for the development and testing of an appropriate methodology by *NEMMCO*; and
 - (3) must take into account the results of any decision to revise *network constraints*.

8.8.2 Constitution of the Reliability Panel

- (a) The *Reliability Panel* must consist of:
 - (1) a commissioner of the *AEMC* appointed by the *AEMC* to act as chairperson for a period of up to three years;
 - (2) the chief executive officer or a delegate of *NEMMCO*; and
 - (3) at least 5 but not more than 8 other persons appointed by the *AEMC* for a period of up to three years, such persons to include:
 - (A) a person representing *Generators*;
 - (B) a person representing *Market Customers*;
 - (C) a person representing *Transmission Network Service Providers*;
 - (D) a person representing *Distribution Network Service Providers*; and
 - (E) a person representing the interests of end use customers for electricity.
- (b) Subject to clause 8.8.2(d) any person who has previously served on the *Reliability Panel* is eligible for reappointment to the *Reliability Panel* in accordance with this clause 8.8.2.
- (c) In making appointments to the *Reliability Panel* under clause 8.8.2(a)(3), the *AEMC* must, to the extent reasonably practicable and subject to clause 8.8.2(c1), give effect to the intention that the persons so appointed:
 - (1) should be broadly representative, both geographically and by reference to *Registered Participants* and *participating jurisdictions*, of those persons with direct interests in *reliability* of electricity *supply* under the *market* arrangements;
 - (2) may include *Registered Participants* or their *representatives* or *participating jurisdictions*;
 - (3) must be independent of *NEMMCO*; and

- (4) must, except in the case of the person representing *Transmission Network Service Providers* appointed under clause 8.8.2(a)(3)(C), be independent of all *System Operators*,
and if at any time:
 - (5) a person on the *Reliability Panel*, other than the chief executive officer or a delegate of *NEMMCO*, ceases to be independent of *NEMMCO*; or
 - (6) a person on the *Reliability Panel*, other than the person representing *Transmission Network Service Providers* appointed under clause 8.8.2(a)(3)(C), ceases to be independent of any *System Operator*,
the *AEMC* must remove that person from the *Reliability Panel*.
- (c1) The persons referred to in clauses 8.8.2(a)(3)(A), (B), (C) and (D) must be appointed and removed by the *AEMC* after consultation with the class of *Registered Participants* the person is to represent, and the *AEMC* 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*.
- (d) The *AEMC* may remove any member of the *Reliability Panel*, including the chairperson, at any time during his or her term in the following circumstances:
 - (1) the person becomes insolvent or under administration;
 - (2) the person becomes of unsound mind or his or her estate is liable to be dealt with in any way under a law relating to mental health;
 - (3) the person resigns or dies;
 - (4) the *AEMC* is required to remove the person under clause 8.8.2(c) or 8.8.2(c1)(2); or
 - (5) the person fails to discharge the obligations of that office imposed by the *Rules*.
- (d1) The person referred to in clause 8.8.2(a)(3)(E) must be appointed and removed by the *AEMC* after consultation with such bodies representing the interests of end use customers for electricity and other persons as the *AEMC* considers appropriate and, subject to such consultation, may be removed at any time for any reason.
- (e) A person may resign from the *Reliability Panel* by giving notice in writing to that effect to the *AEMC*.
- (f) The *Reliability Panel* must meet and regulate its meetings and conduct its business in accordance with the *Rules*.

- (g) A decision of the *Reliability Panel* on any matter may be made by a majority of the members comprising the *Reliability Panel*. Where the members of the *Reliability Panel* are equally divided on any matter, the chairperson has a casting vote.

8.8.3 Reliability review process

- (a) As soon as practicable, the *Reliability Panel* must determine:
 - (1) the *power system security and reliability standards*;
 - (2) the guidelines referred to in clause 8.8.1(a)(3);
 - (3) the policies and guidelines referred to in clause 8.8.1(a)(4);
 - (4) the guidelines referred to in clause 8.8.1(a)(9); and
 - (5) the *system restart standard*,in accordance with this clause 8.8.3.
- (aa) The *system restart standard* must:
 - (1) be consistent with the *SRAS* objective referred to in clause 3.11.4A(a);
 - (2) apply equally across all *regions*, unless the *Reliability Panel* varies the *system restart standard* between *electrical sub-networks* to the extent necessary:
 - (A) to reflect any technical system limitations or requirements; or
 - (B) if the benefits of adopting the *system restart standard* would be outweighed by the costs of implementing such a standard;
 - (3) identify the maximum amount of time within which *system restart ancillary services* are required to restore *supply* to a specified level;
 - (4) include guidelines on the required reliability of *primary restart services* and *secondary restart services*;
 - (5) include guidelines to be followed by *NEMMCO* in determining *electrical sub-networks*, including the determination of the appropriate number of *electrical sub-networks* and the characteristics required within an *electrical sub-network* (such as the amount of generation or load, or electrical distance between *generation centres*, within an *electrical sub-network*);
 - (6) include guidelines specifying the diversity and strategic locations required of *primary restart services* and *secondary restart services*;
- (b) At least once each calendar year and at such other times as the *AEMC* may request, the *Reliability Panel* must conduct a review of the performance of the *market* in terms of *reliability* of the *power system*, the *power system security and reliability standards*, the *system restart standard*, the guidelines referred to in clause 8.8.1(a)(3), the policies and guidelines referred to in clause 8.8.1(a)(4) and the guidelines referred to in clause 8.8.1(a)(9) in accordance with this clause 8.8.3.

- (c) The *AEMC* must advise the *Reliability Panel* of the terms of reference for any determination or review by the *Reliability Panel*. The *AEMC* may advise the *Reliability Panel* of standing terms of reference in relation to the annual reviews described in clause 8.8.3(b) from time to time.
- (d) The *Reliability Panel* must give notice to all *Registered Participants* of a determination or review. The notice must give particulars of the terms of reference for the determination or review (as the case may be), the deadline for the receipt of any submissions to the *Reliability Panel* and the date and place for the meeting referred to in clause 8.8.3(f). The notice must be given at least 8 weeks prior to the meeting or such other time specified by the *AEMC* in any request for a review.
- (e) The deadline for receipt of submissions must not be earlier than 4 weeks prior to the meeting or such other time specified by the *AEMC* in any request for a review.
- (f) The *Reliability Panel* must hold a meeting open to all *Registered Participants*.
- (g) The meeting referred to in clause 8.8.3(f) must be held in the capital city of one of the *participating jurisdictions*. Selection of the relevant capital city in a particular case will be determined by the *Reliability Panel* on a rotating basis.
- (h) The *Reliability Panel* may obtain such technical advice or assistance from time to time as it thinks appropriate including, without limitation, advice or assistance from *NEMMCO* and any *Registered Participant*.
- (i) In undertaking any review and preparing any report and recommendations, the *Reliability Panel* must take into consideration the policy statements, directions or guidelines published by the *AEMC* from time to time.
- (j) Following the conclusion of the meeting and consideration by the *Reliability Panel* of any submissions or comments made to it, the *Reliability Panel* must submit a written report to the *AEMC* on the review setting out its recommendations or determinations, its reasons for those recommendations or determinations and the procedure followed by the *Reliability Panel* in undertaking the review or determination. The report must be submitted to the *AEMC* no later than 6 weeks after the meeting referred to in clause 8.8.3(f) or such other deadline for reporting specified by the *AEMC* in any request for a review.
- (k) The *AEMC* must, within 10 days of receiving the written report of the *Reliability Panel*, make the report publicly available, subject to the confidentiality provisions of rule 8.6.
- (l) The recommendations of the *Reliability Panel* may include (without limitation) recommended *changes* to the *Rules* in relation to matters concerning *reliability* of the *power system*.

8.9 Rules Consultation Procedures

- (a) These provisions apply wherever in the *Rules* any person (“the *consulting party*”) is required to comply with the *Rules consultation procedures*. For the avoidance of doubt, the *Rules consultation procedures* are separate from, and do not apply to, the process for changing the *Rules* under Part 7 of the *National Electricity Law*.
- (b) The *consulting party* must give a notice to all persons nominated (including *Intending Participants* in the class of persons nominated) by the relevant provision as those with whom consultation is required or, if no persons are specifically nominated, *NEMMCO*, all *Registered Participants* and *interested parties*, (“Consulted Persons”) giving particulars of the matter under consultation.
- (c) Except where the *consulting party* is the *AEMC*, the *AER* or the *Advocacy Panel*, the *consulting party* must provide a copy of the notice referred to in rule 8.9(b) to *NEMMCO*. Within 3 *business days* of receipt of the notice *NEMMCO* must *publish* the notice on its website. Where the *AEMC* or the *Advocacy Panel* is the *consulting party*, the *AEMC* must *publish* the notice referred to in rule 8.9(b) on its website. Where the *AER* is the *consulting party*, the *AER* must *publish* the notice referred to in rule 8.9(b) on its website.
- (d) The notice must invite interested Consulted Persons to make written submissions to the *consulting party* concerning the matter.
- (e) A written submission may state whether a Consulted Person considers that a meeting is necessary or desirable in connection with the matter under consultation and, if so, the reasons why such a meeting is necessary or desirable. To be valid, a submission must be received not later than the date specified in the notice (not to be less than 25 *business days* after the notice referred to in rule 8.9(b) is given).
- (f) The *consulting party* must consider all valid submissions within a period of not more than a further 20 *business days*. If the *consulting party*, after having considered all valid submissions, concludes that it is desirable or necessary to hold any meetings, the *consulting party* must use its best endeavours to hold such meetings with Consulted Persons who have requested meetings within a further 25 *business days*.
- (g) Following the conclusion of any meetings held in accordance with rule 8.9(f) and the *consulting party’s* consideration of a matter under consultation, the *consulting party* must publish a draft report, available to all Consulted Persons, setting out:
 - (1) the conclusions and any determinations of the *consulting party*;
 - (2) its reasons for those conclusions;
 - (3) the procedure followed by the *consulting party* in considering the matter;

- (4) summaries of each issue, that the *consulting party* reasonably considers to be material, contained in valid written submissions received from Consulted Persons or in meetings, and the *consulting party's* response to each such issue; and
- (5) in a notice at the front of the draft report, an invitation to Consulted Persons to make written submissions to the *consulting party* on the draft report,

and, subject to the provisions of rule 8.6, the *consulting party* must make available to all Consulted Persons, on request, copies of any material submitted to the *consulting party*.

- (h) Except where the *consulting party* is the AEMC, the AER or the Advocacy Panel, the *consulting party* must provide a copy of the draft report referred to in rule 8.9(g) to NEMMCO. Within 3 *business days* of receipt of the draft report NEMMCO must *publish* the draft report on its website. Where the AEMC or the Advocacy Panel is the *consulting party*, the AEMC must *publish* the draft report referred to in rule 8.9(g) on its website. Where the AER is the *consulting party*, the AER must *publish* the draft report referred to in rule 8.9(g) on its website.
- (i) To be valid, a submission invited in a notice referred to in rule 8.9(g)(5) must be received not later than the date specified in the notice (not to be less than 10 *business days* after the publication of the draft report pursuant to rule 8.9(h) or such longer period as is reasonably determined by the *consulting party* having regard to the complexity of the matters and issues under consideration).
- (j) The *consulting party* must consider all valid submissions within a period of not more than a further 30 *business days*.
- (k) Following the conclusion of the *consulting party's* consideration of all valid submissions the *consulting party* must publish a final report, available to all Consulted Persons, setting out:
 - (1) the conclusions and any determinations of the *consulting party* on the matter under consultation;
 - (2) its reasons for those conclusions;
 - (3) the procedure followed by the *consulting party* in considering the matter;
 - (4) summaries required pursuant to rule 8.9(g)(4); and
 - (5) summaries of each issue, that the *consulting party* reasonably considers to be material, contained in valid written submissions received from Consulted Persons on the draft report and the *consulting party's* response to each such submission,

and, subject to the provisions of rule 8.6, the *consulting party* must make available to all Consulted Persons, on request, copies of any material submitted to the *consulting party*.

- (l) Except where the *consulting party* is the *AEMC*, or the *AER*, the *consulting party* must provide a copy of the final report referred to in rule 8.9(k) to *NEMMCO*. Within 3 *business days* of receipt of the final report *NEMMCO* must *publish* the final report on its website. Where the *AEMC* or the *Advocacy Panel* is the *consulting party*, the *AEMC* must *publish* the final report referred to in rule 8.9(k) on its website. Where the *AER* is the *consulting party*, the *AER* must *publish* the final report referred to in rule 8.9(k) on its website.
- (m) The *consulting party* must not make the decision or determination in relation to which the *Rules consultation procedures* apply until the *consulting party* has completed all the procedures set out in this clause.
- (n) Notwithstanding rule 8.9(m), substantial compliance by a *consulting party* with the procedures set out in this clause is sufficient.

8.10 Advocacy Panel

8.10.1 Establishment of the Advocacy Panel

The *AEMC* must establish an *Advocacy Panel*. The *Advocacy Panel* must, in accordance with rule 8.10:

- (1) determine the annual funding requirements for end-user advocacy;
- (2) develop and publish criteria for the allocation of funding for end-user advocacy;
- (3) develop and publish guidelines for applications for funding for end-user advocacy;
- (4) allocate funding to individual projects;
- (5) publish an annual report; and
- (6) ensure appropriate auditing arrangements.

8.10.2 Constitution of the Advocacy Panel

- (a) The *Advocacy Panel* is to consist of:
 - (1) a person appointed by the *AEMC* as a member who is also appointed to act as the Chairperson; and
 - (2) 4 members appointed by the *AEMC*.
- (b) In appointing a Chairperson or any other member to the *Advocacy Panel* under clause 8.10.2(a), the *AEMC* must, to the extent practicable:
 - (1) have regard to any nominee recommended by the *Ministers of the participating jurisdictions* and to any guidelines prepared under clause 8.10.3(a); and
 - (2) ensure that the person so appointed is independent of the *AEMC*, the *AER*, *Jurisdictional Regulators*, *NEMMCO* and all *Registered Participants*.

- (c) The Chairperson and other members of the *Advocacy Panel* will be appointed for a period of up to 3 years on terms and conditions as to remuneration and other matters specified in the instrument of appointment.
- (d) If at any time the Chairperson of the *Advocacy Panel* ceases to be independent of the *AEMC*, the *AER*, *Jurisdictional Regulators*, *NEMMCO* and all *Registered Participants*, the *AEMC* must remove that person from the *Advocacy Panel*.
- (e) Subject to clause 8.10.2(f) any person who has previously served as Chairperson or as a member of the *Advocacy Panel* is eligible for reappointment to the *Advocacy Panel* in accordance with this clause 8.10.2.
- (f) The *AEMC* may remove the Chairperson or any other member of the *Advocacy Panel* at any time during his or her term in the following circumstances:
 - (1) the person becomes insolvent or under administration;
 - (2) the person becomes of unsound mind or his or her estate is liable to be dealt with in any way under a law relating to mental health;
 - (3) the person resigns or dies;
 - (4) the person ceases to be independent of the *AEMC*, the *AER*, *Jurisdictional Regulators*, *NEMMCO* and all *Registered Participants*; or
 - (5) the person fails to discharge the obligations of that office imposed by the *Rules*, the terms and conditions in the instrument of appointment as referred to in clause 8.10.2(c), or the appointment guidelines developed pursuant to clause 8.10.3.
- (g) The *AEMC* may not exercise its powers under 8.10.2(f)(4) or (5), without prior consultation with the *Ministers of the participating jurisdictions*.
- (h) A person may resign from the *Advocacy Panel* by giving notice in writing to that effect to the Chairperson of the *Advocacy Panel* and to the *AEMC*.

8.10.3 Appointment guidelines

- (a) The *AEMC* must, in consultation with the *Ministers of the participating jurisdictions*, and in accordance with the *Rules consultation procedures*, develop and publish guidelines for the appointment of members of the *Advocacy Panel*.
- (b) The guidelines referred to in 8.10.3(a) are to set out details of:
 - (1) the remuneration of *Advocacy Panel* members;
 - (2) the requirements for independence of members of the *Advocacy Panel*;
 - (3) the requisite skills, knowledge and experience of members of the *Advocacy Panel*; and

- (4) any other matter that the *AEMC* considers contributes to good governance.
- (c) Where the *AEMC* considers it necessary, the *AEMC* must review the guidelines and may propose changes to the guidelines following this review.
- (d) Proposed changes must be made to the guidelines in consultation with the *Ministers of the participating jurisdictions*, and in accordance with the *Rules consultation procedures*.
- (e) Clause 8.10.3(d) does not apply to the making of proposed changes that in the *AEMC's* reasonable opinion are of a minor or administrative nature.

8.10.4 Meetings of the Advocacy Panel

- (a) The *Advocacy Panel* must meet at least quarterly each year and regulate its meetings and conduct its business in accordance with the *Rules* and any guidelines developed and published by the Chairperson of the *Advocacy Panel* for the regulation and conduct of its meetings.
- (b) A quorum for a meeting of the *Advocacy Panel* consists of the Chairperson and 2 other members and the Chairperson has the casting vote in all decisions of the *Advocacy Panel*.
- (c) The Chairperson may determine that a member or members may participate in, and form part of the quorum for, a meeting of the *Advocacy Panel* by telephone, closed circuit television or other means, but only if the member who speaks on any matter at that meeting can be heard by other members.

8.10.5 Funding of the Advocacy Panel

- (a) For the purposes of rule 8.10:
Advocacy Panel funding requirements means, for each *financial year*:
 - (1) the funding requirements for end-user advocacy; and
 - (2) the estimated expenses of the *Advocacy Panel* in carrying out its functions under the *Rules*.
- (b) The *Advocacy Panel* must determine the proposed *Advocacy Panel* funding requirements in accordance with the *Rules consultation procedures* and submit the proposed funding requirements to the *AEMC* by 12 February each year for approval under this clause 8.10.5.
- (c) The *AEMC* must, subject to this clause 8.10.5, approve the proposed funding requirements referred to in clause 8.10.5(b) by 14 March each year, (the approved *Advocacy Panel* funding requirements).
- (d) If the *AEMC* considers that the proposed *Advocacy Panel* funding requirements are unreasonable, the *AEMC* may request the *Advocacy Panel* to propose revised requirements for re-submission and approval by the *AEMC*.

- (e) If by 31 March each year, the proposed *Advocacy Panel* funding requirements have not been approved by the *AEMC*, then the *AEMC* may substitute an amount that it considers reasonable in all the circumstances as the approved *Advocacy Panel* funding requirements.
- (f) The *Advocacy Panel* must not vary the amount referred to in clause 8.10.5(a)(2) without the prior written consent of the *AEMC*.
- (g) The *AEMC* may only consent to a variation referred to in clause 8.10.5(f) where it is satisfied that exceptional circumstances have resulted in the request by the *Advocacy Panel* for the variation.
- (h) The *AEMC* must provide to the *Advocacy Panel* in respect of each *financial year* the amount that is the approved *Advocacy Panel* funding requirements.
- (i) *NEMMCO* must pay to the *AEMC* such amounts as are necessary to enable the *AEMC* to comply with clause 8.10.5(h) in respect of the approved *Advocacy Panel* funding requirements each *financial year* as advised by the *AEMC* no later than 15 May each year.
- (j) *NEMMCO* may recover the amounts referred to in clause 8.10.5(i) from *Participant fees* and may allocate the amounts to *Market Customers*.

8.10.6 Guidelines for funding applications and funding criteria

- (a) The *Advocacy Panel* must develop and publish guidelines for applications to the *Advocacy Panel* for funding for end-user advocacy in accordance with the *Rules consultation procedures* (the funding application guidelines).
- (b) The *Advocacy Panel* must submit the funding application guidelines to the *AEMC* for approval, and the *AEMC* must approve those guidelines if they:
 - (1) have been developed in accordance with the *Rules consultation procedures*;
 - (2) are consistent with the *Rules* and *NEM objective*; and
 - (3) specify the procedure for making applications.
- (c) The *Advocacy Panel* must determine applications for funding on at least a quarterly basis, having regard to the funding criteria prepared in accordance with clause 8.10.6(d) and (e).
- (d) The *Advocacy Panel* must develop and publish funding criteria for use by the *Advocacy Panel* in allocating funding based on applications for funding for end-user advocacy, in accordance with the *Rules consultation procedures* and submit the proposed funding criteria to the *AEMC* for approval.
- (e) The *AEMC* may approve the funding criteria submitted to it in accordance with clause 8.10.6(d) if it is satisfied that the criteria are, to the extent practicable, consistent with the following principles:
 - (1) there should be diversity in the allocation of funding with respect to the number of end-users represented, the nature of the interests

represented and the issues which are the subject of the application for funding;

- (2) a project proposed in an application for funding should:
 - (i) relate to the development, design or policy behind the national electricity market or the *Rules*; or
 - (ii) relate directly to:
 - (A) the responsibilities of the *AEMC* or *NEMMCO* under the *National Electricity Law* and the *Rules*; or
 - (B) the monitoring, investigation or enforcement responsibilities of the *AER*, or functions of the *AER* relating to the exemption from registration of *Network Service Providers*, under the *National Electricity Law* and the *Rules*; or
 - (iii) have implications for the national electricity market as a whole;
- (3) the applicant for funding must represent the interests of a reasonable number of end-users;
- (4) the applicant for funding must fund a share of the project costs from a source other than funding provided by the *Advocacy Panel*. In considering the contribution made by an applicant the *Advocacy Panel* may consider non-financial contributions, for example staff time, in lieu of a direct pecuniary contribution. An applicant may seek to waive the requirement to fund a share of the project costs but the *Advocacy Panel* has discretion as to whether or not to grant the waiver;
- (5) the applicant for funding must provide a project plan, outlining the purpose of the project, the project category, budget estimates and the amount of funding sought from the *Advocacy Panel*;
- (6) a successful applicant for funding must maintain and make available to the *Advocacy Panel* appropriate records, accounts and reports on the expenditure of funding provided by the *Advocacy Panel* on the project; and
- (7) a successful applicant for funding must within 2 months of the completion of the project or as soon as practicable after receipt of a written request for a report from the *Advocacy Panel* publish a report setting out:
 - (i) the purpose of the project;
 - (ii) the issues considered and outcomes of the project; and
 - (iii) the costs and expenses of the project.

8.10.7 Annual report of the Advocacy Panel

- (a) Not later than 31 March each year the *Advocacy Panel* must prepare and publish an annual report.
- (b) The annual report of the *Advocacy Panel* must:
 - (1) include details of its approved *Advocacy Panel* funding requirements pursuant to clause 8.10.5;
 - (2) summarise the submissions received from *interested parties* regarding the proposed *Advocacy Panel* funding requirements and the *Advocacy Panel's* response to each submission;
 - (3) detail expenditure for the *financial year* and the individual projects to which funding was allocated for that *financial year*;
 - (4) detail the extent to which the allocation of funding in the *financial year* satisfies the principles in clause 8.10.6(e); and
 - (5) include the audited financial statements of the *Advocacy Panel*.
- (c) The *Advocacy Panel* must submit a draft of its annual report under clause 8.10.7(b) to the *AEMC* by 15 March of each year.

8.10.8 Audit

- (a) The *Advocacy Panel* must ensure to the extent practicable that the financial records and accounts of the *Advocacy Panel* are audited by an independent auditor who is appointed by the *Advocacy Panel* with the approval of the *AEMC*.
- (b) The *Advocacy Panel* may require a successful applicant for funding to conduct an audit of the financial records, accounts and expenditure reports prepared and maintained by the applicant.
- (c) The audit referred to in clause 8.10.8(b) must be carried out by an independent auditor, who is appointed by the *Advocacy Panel* with the approval of the *AEMC*, and the *Advocacy Panel* bears the cost of any audit undertaken.
- (d) The *AEMC* may, when the *AEMC* considers it appropriate to do so, direct the *Advocacy Panel* to conduct an audit of all or any particular activities of the *Advocacy Panel* to determine whether the *Advocacy Panel* is carrying out those activities effectively, efficiently and in compliance with the *Rules*.
- (e) The audit referred to in clause 8.10.8(d) must be carried out by an independent auditor, who is appointed by the *AEMC*, and the *Advocacy Panel* bears the cost of any such audit undertaken.

CHAPTER 8A

8A. Participant Derogations

Purpose of the Chapter

This Chapter contains the *participant derogations* for the purposes of the *National Electricity Law* and the *Rules*.

Part 1 – Derogations Granted to TransGrid

8A.1 Derogation for the Treatment of Contingent Projects under Revenue Determination

8A.1.1 Expiry date

This derogation expires on 1 July 2009.

8A.1.2 Definitions

In this *participant derogation*:

contingent project means a project approved by the ACCC and identified in the Determination as a contingent project.

current regulatory control period means the period 1 July 2004 to 30 June 2009.

Determination means the “Final Decision, NSW and ACT Transmission Network Revenue Cap TransGrid 2004-05 to 2008-09” dated 27 April 2005 determined by the ACCC pursuant to clause 6.2.4(b) of the National Electricity Code.

maximum allowed revenue means the maximum allowed revenue in the Determination.

TransGrid means the energy services corporation constituted under section 6A of the Energy Services Corporations Act 1995 (NSW).

trigger event means an event identified as a trigger in Attachment G of the Determination in respect of a contingent project.

8A.1.3 Treatment of contingent projects

- (a) Where the trigger event identified in respect of a contingent project occurs prior to 1 July 2009, the *AER* must, in accordance with the Determination:
 - (1) determine:
 - (i) the total capital expenditure which the *AER* considers is reasonably required for the purpose of undertaking the contingent project;
 - (ii) the forecast capital and incremental operating expenditure for that contingent project for each remaining regulatory year of the current regulatory control period, which the *AER* considers is reasonably required for the purpose of undertaking the contingent project in accordance with Appendix F of the Determination;
 - (iii) the likely commencement and completion dates for the contingent project;

- (iv) the incremental revenue which is likely to be earned by TransGrid in each remaining regulatory year of the current regulatory control period as a result of the contingent project being undertaken; and
 - (v) the maximum allowed revenue for each regulatory year in the remainder of the current regulatory control period by adding the incremental revenue for that regulatory year; and
- (2) calculate the estimate referred to in subparagraph (1)(iii) in accordance with the Determination, including:
 - (i) on the basis of the rate of return for TransGrid for the current regulatory control period; and
 - (ii) consistently with the manner in which depreciation is calculated under the Determination; and
- (3) vary the Determination to apply for the remainder of the current regulatory control period in accordance with paragraph (b).
- (b) The *AER* may only vary the Determination to the extent necessary:
 - (1) to adjust the forecast capital expenditure for the current regulatory control period to accommodate the amount of additional capital expenditure determined under paragraph (a)(1)(i); and
 - (2) to adjust the forecast operating expenditure for the current regulatory control period to accommodate the amount of additional operating expenditure determined under paragraph (a)(1)(ii); and
 - (3) to reflect the effect of any resultant increase in forecast capital expenditure and incremental operating expenditure on the maximum allowed revenue for each regulatory year in the remainder of the current regulatory control period.
- (c) The intended date for commencing the contingent project must be during the current regulatory control period.

Part 2 - Derogations Granted to EnergyAustralia

8A.2 Derogation from clause 3.18.2(g)(2) - Auctions and eligible persons

8A.2.1 Definitions

In this *participant derogation*, rule 8A.2:

commencement date means the day the National Electricity Amendment (EnergyAustralia Participant Derogation (Settlement Residue Auctions)) Rule 2006 commences operation.

EnergyAustralia means the energy distributor known as EnergyAustralia and established under the Energy Services Corporations Act 1995 (NSW).

8A.2.2 Expiry date

This *participant derogation* expires on the earlier of:

- (1) 30 June 2009;
- (2) the date that EnergyAustralia's retail business is transferred to a new legal entity pursuant to a NSW Government restructure of EnergyAustralia or by any other means;
- (3) the date that EnergyAustralia ceases to engage in the activity of owning, controlling or operating a *transmission system*;
- (4) the first date after the commencement date on which EnergyAustralia engages in the activity of owning, controlling or operating a *transmission system* that NEMMCO determines, in accordance with the criteria developed pursuant to clause 5.6.3(i), is capable of having a material impact on *interconnector* capability; or
- (5) the date that EnergyAustralia is not excluded from entering into *SRD agreements* under clause 3.18.2(g)(2).

8A.2.3 Derogation

- (a) The reference in clause 3.18.2(g)(2) to *Transmission Network Service Provider* does not include EnergyAustralia.
- (b) If this *participant derogation* expires due to the occurrence of the event in clause 8A.2.2(4) of clause 8A.2.2, then any *SRD agreement* between NEMMCO and EnergyAustralia which is in existence on that date, will terminate on that date.

8A.2A Derogation from inspection and testing of metering installations

8A.2A.1 Definitions

In this *participant derogation*, rule 8A.2A:

EnergyAustralia means the energy distributor known as EnergyAustralia and established under the Energy Services Corporations Act 1995 (NSW).

EnergyAustralia transmission metering installations means any type 2 and type 3 *metering installation* located at the interface between EnergyAustralia's *transmission network* and EnergyAustralia's *distribution network* in New South Wales on the date that the National Electricity Amendment (EnergyAustralia Participant Derogation (Metering Installations)) Rule 2006 commences operation.

expiry date means 1 July 2009 or the publishing of an expiration notice by the AEMC under clause 8A.2A.2(h) of this *participant derogation*.

report means a report in writing submitted by EnergyAustralia at 6 monthly intervals, which is prepared as soon as practicable after the EnergyAustralia transmission metering installations are tested, that outlines compliance of the EnergyAustralia transmission metering installations with the requirements of the derogated provisions of the *Rules* as identified in clause 8A.2A.2.

type 2 and type 3 metering installation means the meaning given to type 2 and type 3 *metering installations* in Chapter 7 of the *Rules*.

8A.2A.2 Derogation

- (a) Until the expiry date, the following clauses of the *Rules* (referred to as the '**derogated provisions of the Rules**') do not apply to EnergyAustralia transmission *metering installations*:
 - (1) clause 7.3.1(a)(2);
 - (2) clause 7.3.4(a); and
 - (3) ~~clause 7.6.1(a)(2)~~ ~~clause 7.6.1(a)~~.
- (b) Until the expiry date, the EnergyAustralia transmission *metering installations* and the *metering data* generated from them is taken to comply with the requirements of the derogated provisions of the *Rules*.
- (c) Until the expiry date, EnergyAustralia must provide a report to NEMMCO.
- (d) If NEMMCO is not satisfied that a report is satisfactory, NEMMCO may give notice to EnergyAustralia that it will recommend to the AEMC the issue of a notice under paragraph (f) if the next report continues to be unsatisfactory.
- (e) Where a report is unsatisfactory, NEMMCO may make appropriate adjustments to the *metering data* in the report to take account of errors in that data, in order to minimise adjustments to the final *settlements* account or for any other requirement of the *Rules*.

- (f) If notice was given to EnergyAustralia under paragraph (d) and *NEMMCO* considers that the next report continues to be unsatisfactory, *NEMMCO* may recommend to the *AEMC* the issue of an expiration notice under paragraph (g).
- (g) If *NEMMCO* recommends to the *AEMC* the issue of an expiration notice, the *AEMC* may issue a notice having regard to that recommendation and the *national electricity objective*.
- (h) A notice must be published in the South Australian Government Gazette and takes effect 4 weeks after it is published.

Part 3 - Derogations Granted to Woolnorth Studland Bay Wind Farm Pty Ltd

8A.3 Derogation for ride through of frequency disturbances

8A.3.1 Definitions

For the purposes of this rule 8A.3:

expiry date means the earlier of:

- (1) the date on which the National Electricity Amendment (Technical Standards for Wind Generation and other Generator Connections) Rule 2007 commences operation; or
- (2) 1 August 2007.

Studland Bay Wind Farm means Woolnorth Studland Bay Wind Farm Pty Ltd with ACN 111 996 377.

8A.3.2 Non-scheduled generating units as generating units

Until the expiry date referred to in clause 8A.3.1, any *non-scheduled generating units* registered under the *Rules* by Studland Bay Wind Farm are taken to be *scheduled generating units* for the purposes of clause S5.2.5.8(a)(2) of the *Rules*.

8A.3A Derogation for voltage disturbance ride through regime

8A.3A.1 Definitions

For the purposes of this rule 8A.3:

expiry date means the earlier of:

- (1) the date on which the National Electricity Amendment (Technical Standards for Wind Generation and other Generator Connections) Rule 2007 commences operation; or
- (2) 1 October 2007.

generating units means those *generating units* registered in accordance with the *Rules* to Studland Bay Wind Farm.

Studland Bay Wind Farm means Woolnorth Studland Bay Wind Farm Pty Ltd with ACN 111 996 377.

8A.3A.2 Continuous uninterrupted operation

- (a) Subject to paragraphs (b) and (c), until the expiry date, clause S5.2.5.3(a)(2) of the *Rules* requiring *generating units* to be capable of continuous uninterrupted operation at voltages in excess of 110% of normal voltage at the *connection point*, does not apply to the generating units.
- (b) The total capacity of the generating units referred to in paragraph (a) must not exceed 80MW.

- (c) The capability of the generating units of continuous uninterrupted operation during the occurrence of *power system* voltages in excess of 110% of normal voltage at the *connection point*, must be negotiated and agreed between Studland Bay Wind Farm and the relevant *Network Service Provider*.

Part 4 - Derogations Granted to NEMMCO

8A.4 Deferral of Settlement Payments due to APEC

8A.4.1 Expiry of derogation

This rule 8A.4 expires on 31 December 2007.

8A.4.2 Derogation

- (a) For the purposes of clause 3.15.16 of the *Rules* and the *timetable*, the 21st *business day* after the *billing period* commencing on 5 August 2007 is taken to be the 20th *business day*.
- (b) For the purposes of the *billing period* commencing on 5 August 2007, clause S3.3.1(b)(6)(ii) of the *Rules* continues to apply as if the *Amending Rule* known as the National Electricity Amendment (NEMMCO Participant Derogation (Deferral of Settlement Payments due to APEC)) Rule 2007 had not been made.

Part 5 [Deleted]

Part 6 - Derogations Granted to Victorian Market Participants

[Deleted]

Part 7 - Provision of Non-Scheduled Reserves by NEMMCO

1. Definitions

In this *participant derogation*:

“non-scheduled reserve” means 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*).

“non-scheduled reserve contract” means a contract entered into by NEMMCO for the provision of *non-scheduled reserve*.

“activate”, “activated”, “activation” mean 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 NEMMCO in accordance with a *non-scheduled reserve contract*.

2. Derogation

Chapters 3, 4 and 10 apply to NEMMCO as modified and varied in the following manner:

(a) for clause 3.2.5 there was substituted:

“3.2.5Reserves

NEMMCO must trade in *reserves* by negotiating and entering into contracts to secure the availability of *reserves* under *reserve contracts* or *non-scheduled reserve contracts* in accordance with clause 3.12.”

(b) for clause 3.8.1(b) there was substituted:

"(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* due to availability and *commitment*;
- (3) *non-scheduled load* requirements in each *region*;
- (4) *power system security* requirements determined as described in Chapter 4 and the *power system security and reliability standards*;
- (5) *intra-regional network constraints* and *intra-regional losses*;
- (6) *inter-regional network constraints* and *inter-regional losses*;
- (7) *constraints* consistent with *registered bid and offer data*;

- (8) current levels of *dispatched generation, load and market network services*;
- (9) *constraints* imposed by *ancillary services* requirements;
- (10) *constraints* designed to ensure pro-rata loading of tied *registered bid and offer data*; and
- (11) ensuring that as far as reasonably practical, in relation to a *direction* or *dispatch* of *plant* under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract*:
 - (A) the number of *Affected Participants* is minimised; and
 - (B) the effect on *inter-connector* flows is minimised.”

(c) for clause 3.8.14 there was substituted:

“3.8.14 Dispatch under conditions of supply scarcity

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

- (a) subject to any adjustments which may be necessary to implement action under clause 3.8.14(c), and subject to any inflexibilities associated with *reserves* under *reserve contracts* or *non-scheduled reserve contracts*, all valid *dispatch bids* and *dispatch offers* submitted by *Scheduled Generators* or *Market Participants* are *dispatched*, including those priced at *VoLL*;
- (b) subject to any adjustments which may be necessary to implement action under clause 3.8.14(c), and subject to any inflexibilities associated with *reserves* under *reserve contracts* or *non-scheduled reserve contracts*, after all valid *dispatch bids* and *dispatch offers* submitted by *Scheduled Generators* and *Market Participants* have been exhausted:
 - (1) *dispatch bids* or *dispatch offers* submitted by *NEMMCO* in respect of *plant* or *scheduled network services* under *reserve contracts* for the provision of *reserves* are *dispatched*; and
 - (2) *generating units* or *loads* are *activated* under *non-scheduled reserve contracts*; and
- (c) any further corrective actions required are implemented in accordance with clauses 4.8.5B and 4.8.9.”

(d) [Deleted]

(e) for clause 3.9.3 there was substituted:

“3.9.3 Pricing in the event of intervention by NEMMCO

- (a) In respect of a *dispatch interval* in which:
 - (1) *NEMMCO* *dispatches plant* provided under a *reserve contract*;
 - (2) a *direction* is in effect; or

- (3) *generating units or loads under non-scheduled reserve contracts have been activated,*

NEMMCO must declare that dispatch interval to be an intervention price dispatch interval.

- (a1) Subject to clauses 3.9.3(a2) and 3.9.3(a3), *NEMMCO* must in accordance with the methodology or assumptions *published* pursuant to clause 3.9.3(b) set the *dispatch price* and *ancillary service prices* for an *intervention price dispatch interval* at the value which *NEMMCO*, in its reasonable opinion, considers would have applied as the *dispatch price* and *ancillary service prices* for that *dispatch interval* in the relevant *region* had:

- (1) *the plant provided under the reserve contract not been dispatched;*
- (2) *the direction not been issued; or*
- (3) *the generating units or loads under the non-scheduled reserve contract not been activated.*

- (a2) *NEMMCO* 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:*
 - (i) *the direction has effect;*
 - (ii) *NEMMCO dispatches plant provided under a reserve contract;*
or
 - (iii) *generating units or loads are activated under a non-scheduled reserve contract; or*
- (2) *if applicable, the second dispatch interval after the restoration of the power system to a secure operating state after the direction was issued,*

provided that NEMMCO must use its reasonable endeavours to set dispatch prices and ancillary service prices pursuant to clause 3.9.3 as soon as reasonably practicable following:

- (3) *a direction;*
- (4) *dispatch of plant provided under a reserve contract; or*
- (5) *activation of generating units or loads under a non-scheduled reserve contract.*

- (a3) *NEMMCO* 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 *NEMMCO's* reasonable opinion have avoided the need for the *direction* issued.

- (b) *NEMMCO* 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 clause 3.9.3(a1). The methodology must wherever reasonably practicable:

- (1) be consistent with the principles for *spot price* determination set out in clause 3.9.1;
- (2) enable *NEMMCO* 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.

(c) **[Deleted]**

- (d) *NEMMCO* 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 *non-scheduled reserve contracts* be *activated*, and any assumptions it may be required to make, to determine the prices described in clause 3.9.3(a1) in relation to *generating units* or *loads* being *activated* in accordance with *non-scheduled reserve contracts*. In developing this methodology, *NEMMCO* must consult *Registered Participants* on measures to be adopted in order to reduce the possibility that *generating units* or *loads* likely to be *activated* under *non-scheduled reserve contracts* are otherwise encumbered at the time *non-scheduled reserve contracts* are entered into by *NEMMCO*.”

(f) **for clause 3.12.1 there was substituted:**

“3.12.1 Reliability Safety Net

- (a) *NEMMCO* may, prior to the *reliability safety net end date*, enter into *reserve contracts* or *non-scheduled reserve contracts* in accordance with this clause 3.12 and the relevant guidelines and policies developed by the *Reliability Panel* as described in clause 8.8.1. *NEMMCO* must not enter into such contracts thereafter.
- (b) The *Reliability Panel* must, at the same time as it conducts a review of *VoLL* under clause 3.9.4(c), recommend whether the reliability safety net provided for by the power granted to *NEMMCO* under this clause 3.12.1 to enter into *reserve contracts* or *non-scheduled reserve contracts* can be removed from the *Rules* prior to 1 July 2008.
- (c) In consultation with persons nominated by the relevant jurisdictions *NEMMCO* may determine to enter into *reserve contracts* or *non-scheduled reserve contracts* for the provision of *reserve* to ensure that the *reliability* of *supply* in a *region* meets the reliability standard established by the *Reliability Panel*.
- (d) In entering into *reserve contracts* or *non-scheduled reserve contracts* under 3.12.1(c) *NEMMCO* must agree with the relevant nominated persons cost-sharing arrangements between the *regions* for the purposes of determining charges under clause 3.15.9.

- (e) If, at any time *NEMMCO* deems it necessary to commence contract negotiations for the provision of:
 - (1) *reserves* under *reserve contracts* or *non-scheduled reserve contracts*;
or
 - (2) *market network services* to make *reserves* available where required,
NEMMCO must *publish* a notice of its intention to do so.
- (f) When contracting for the provision of *reserves* under *reserve contracts*, *NEMMCO* 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 *NEMMCO* to be likely to be submitted or be otherwise available for *dispatch* in the *trading intervals* to which the contract relates.
- (g) When contracting for the provision of:
 - (1) *reserves* under *reserve contracts* or *non-scheduled reserve contracts*;
or
 - (2) *market network services* to make *reserves* available where required,
NEMMCO must give first priority to facilities which, if called upon, would result in the least distortion of the *spot price*.
- (h) If *NEMMCO* requests a *Scheduled Generator* or *Market Participant* to enter into a *reserve contract* in relation to a *scheduled generating unit*, *scheduled network service*, a *scheduled load* or *non-scheduled reserve*, then the *Scheduled Generator* or *Market Participant* must negotiate with *NEMMCO* in good faith as to the terms and conditions of that contract.”

(g) for clause 3.12.8 there was substituted:

“3.12.8 NEMMCO's risk management and accounts relating to the reliability safety net

- (a) *NEMMCO* may enter into insurance arrangements with an insurance provider with a view to minimising potential financial losses in respect of *NEMMCO's reserve* trading activities described in this clause 3.12.
- (b) *NEMMCO* must ensure that, as described in clause 1.11, it maintains in its books separate accounts relating to the reliability safety net provided for by the powers granted to *NEMMCO* under clause 3.12.1 to enter into *reserve contracts* or *non-scheduled reserve contracts*.”

(h) for clause 3.12.10(a) there was substituted:

- “(a) *NEMMCO* must use reasonable endeavours to complete and fulfil its obligations set out in clauses 3.12.11, 3.12.11A, 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 *direction* or *dispatch* of *plant* under a *reserve contract* or *activation of generating units* or *loads* under a *non-scheduled reserve contract* or the end of a series of

related *directions* or a related series of *dispatch* of *plant* under a *reserve contract* or a related series of *activation* of *generating units* or *loads* under a *non-scheduled reserve contract* if NEMMCO is not required to appoint an independent expert pursuant to clause 3.15.7A; and

- (2) 150 *business days* after the end of the *direction* or *dispatch* of *plant* under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract* or the end of a series of related *directions* or a related series of *dispatch* of *plant* under a *reserve contract* or a related series of *activation* of *generating units* or *loads* under a *non-scheduled reserve contract* if NEMMCO is required to appoint an independent expert pursuant to clause 3.15.7A.”

(i) for clause 3.12.11 there was substituted:

“3.12.11 Affected Participants and Market Customers entitlements to compensation in relation to directions and reserve contracts

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

- (1) an *Affected Participant* is entitled to receive from NEMMCO, or must pay to NEMMCO, an amount as determined in accordance with clause 3.12.11 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:

- (i) the *direction* not been issued;
- (ii) the *plant* under the *reserve contract* not been *dispatched*; or
- (iii) the operation of resources under a *non-scheduled reserve contract* not been *activated*,

as appropriate, taking into account solely the items listed in clause 3.12.11(d);

- (2) a *Market Customer*, other than a *Market Customer* which was the subject of that *direction*, in respect of one or more of its *scheduled loads*, is entitled 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 *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 *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 offer* 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 NEMMCO reasonably determines would have been consumed by the *scheduled load* if the *direction* had not been issued or the *plant* under the *reserve contract* not been *dispatched* or the operation of resources under a *non-scheduled reserve contract* not been *activated*, as appropriate,

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.

- (a1) 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, NEMMCO an amount pursuant to this clause 3.12.11 if such an amount is less than \$5,000.
- (b) In respect of each *intervention price trading interval*, NEMMCO 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 *plant* would have been *dispatched* at had the *direction* not been issued or the *plant* under the *reserve contract* not been *dispatched* or the operation of resources under a *non-scheduled reserve contract* not been *activated*; and
 - (ii) an amount equal to:
 - (A) the estimated *trading amount* that it would have received had the *direction* not been issued or the *plant* under the *reserve contract* had not been *dispatched* or the operation of resources under a *non-scheduled reserve contract* not been *activated* based on the level of *dispatch* in clause 3.12.11(b)(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 *direction* not been issued or the *plant* under *reserve contract* not been *dispatched* or the operation of resources under a *non-scheduled reserve contract* not been *activated*; 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 *direction* not been issued or the *plant* under *reserve contract* not been *dispatched* or the operation of resources under a *non-scheduled reserve contract* not been *activated* based upon the flows referred to in clause 3.12.11(b)(2)(i); less
 - (B) the actual entitlement of that person under clause 3.18.1(b); and
- (3) each *Market Customer*, the amount calculated by NEMMCO in accordance with clause 3.12.11(a)(2) for that *Market Customer*.
- (b1) NEMMCO must include in an *Affected Participant's* or *Market Customer's* final statement provided pursuant to clause 3.15.1 for a *billing period* in which one or more *intervention price trading intervals* occurred:
 - (1) the amount notified by NEMMCO pursuant to clause 3.12.11(b) 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 clause 3.12.11.
- (b2) If the figure calculated pursuant to clause 3.12.11(b) is:
 - (1) negative, the absolute value of that amount is the amount payable to NEMMCO by the relevant person; and
 - (2) positive, the absolute value of that amount is the amount receivable from NEMMCO by the relevant person.
- (c) Subject to clauses 3.12.11(c2) and 3.12.11(c3), within 7 *business days* of receipt of the notice referred to in clause 3.12.11(b) an *Affected Participant* or *Market Customer* may make a written submission to NEMMCO in accordance with clause 3.12.11(c1) claiming that the amount set out in the notice is greater than, less than, or equal to its entitlement pursuant to clause 3.12.11(a)(1) as an *Affected Participant* or clause 3.12.11(a)(2) as a *Market Customer*, as the case may be.
- (c1) A written submission made by an *Affected Participant* or *Market Customer* pursuant to clause 3.12.11(c) 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 NEMMCO pursuant to clauses 3.12.11(b)(1) or 3.12.11(b)(2) is less than the amount the *Affected Participant* is entitled to receive pursuant to clause 3.12.11(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 NEMMCO pursuant to clause 3.12.11(b)(3) is less than the amount the *Market Customer* is entitled to receive pursuant to clause 3.12.11(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.
- (c2) If an *Affected Participant* or *Market Customer* does not deliver to NEMMCO a written submission in accordance with clause 3.12.11(c) it shall cease to have an entitlement to compensation under this clause 3.12.11.
- (c3) In respect of a single *intervention price trading interval* an *Affected Participant* or *Market Customer* may only make a claim pursuant to clause 3.12.11(c) in respect of that *intervention price trading interval* if it claims that its entitlement or liability pursuant to clause 3.12.11 is greater than \$5,000.
- (d) In determining the amount for the purposes of clause 3.12.11(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 *direction*, or the *dispatch* of *plant* provided under the contract for the provisions of *reserves* or the operation of resources under a *non-scheduled reserve contract*, as appropriate, including without limitation:
 - (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).

- (e) NEMMCO 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 *direction* or *dispatch* of *plant* provided under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract*, or in respect of, in NEMMCO’s reasonable opinion, a series of related *directions* or *dispatch* of *plant* provided under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract*; 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 *direction* or *dispatch* of that *plant* provided under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract*, or in respect of that series of related *directions* or *dispatch* of *plant* provided under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract*.
- (f) NEMMCO 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 3.12.11A 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.
- (g) If NEMMCO determines pursuant to clause 3.12.11(f) that an *affected participant’s adjustment claim* or *market customer’s additional claim* in respect of a *direction* or *dispatch* of *plant* provided under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract* 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 3.12.11A.
- (h) For the purposes of clauses 3.15.8 and 3.15.10C(b) any payment pursuant to clause 3.12.11(a) must include interest on the sum of that amount less the payment made in accordance with 3.15.10C(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 *direction* was issued or *plant*

provided under a *reserve contract* was *dispatched* or *generating units* or *loads* under a *non-scheduled reserve contract* were *activated* pursuant to clause 4.8.6 to the date on which payment is required to be made pursuant to clause 3.15.10C.”

(j) for clause 3.12.11A(b1) there was substituted:

"(b1) To the extent reasonably practicable, all claims arising out of a single *direction* or *dispatch* of *reserve plant* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract* or arising out of, in *NEMMCO's* reasonable opinion, a series of related *directions* or *dispatch* of *plant* provided under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract*, should be determined by the same independent expert as part of the same process.”

(k) for clause 3.12A.5(a) there was substituted:

"(a) In a *dispatch interval* *NEMMCO* 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 *NEMMCO* 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 under *direction* or *reserve contracts* or *non-scheduled reserve contracts*;
- (iii) be consistent with the price of *accepted restriction offers* in accordance with clause 3.12A.6; and
- (iv) minimise the *restriction shortfall amount*.”

(l) for clause 3.13.6 there was substituted:

“3.13.6 Reserve trading by NEMMCO

- (a) If any *plant* under a *reserve contract* with *NEMMCO* is *dispatched* or *generating units* or *loads* are *activated* under a *non-scheduled reserve contract*, then *NEMMCO* must, as soon as practicable thereafter, *publish* a report outlining:
 - (1) the circumstances giving rise to the need for *dispatch* of *reserves* or *activation* of *non-scheduled reserves*;
 - (2) the basis on which it determined the latest time for that *dispatch* of *reserves* or *activation* of *non-scheduled reserves* and on what basis it determined that a *market* response would not have avoided the need for the *dispatch* of *reserves*;

- (3) details of the changes in *dispatch* outcomes due to the *dispatch* of *reserves* or *activation* of *non-scheduled reserves*;
 - (4) the processes implemented by *NEMMCO* to *dispatch* the *reserves* or *activate* the *non-scheduled reserves*;
 - (5) if applicable, reasons why *NEMMCO* did not follow any or all of the processes set out in clause 4.8 either in whole or in part prior to the *dispatch* of *reserves* or the *activation* of the *non-scheduled reserves*; and
 - (6) if applicable, the basis upon which *NEMMCO* considered it impractical to set *spot prices* and *ancillary service prices* in accordance with clause 3.9.3(a1).
- (a1) As soon as reasonably practicable after *NEMMCO* has, in accordance with clause 3.15.9, included the amounts arising under a *reserve contract* or *non-scheduled reserve contract* in a *final statement* provided under clause 3.15.15, *NEMMCO* must *publish* details of:
- (1) the payments under the *reserve contract* or *non-scheduled reserve contract* for the relevant *billing periods*; and
 - (2) a breakdown of the recovery of those costs by each category of *Registered Participant*, as determined by *NEMMCO*, in each *region*.
- (b) Within 30 *days* of the end of each *financial year*, *NEMMCO* must *publish* a report detailing:
- (1) each occasion on which it intervened to secure *reserve* availability;
 - (2) each occasion during the financial year when *plant* under a *reserve contract* was *dispatched* or *generating units* or *loads* under a *non-scheduled reserve contract* were *activated*; and
 - (3) its costs and finances in connection with its *reserve* trading activities according to appropriate accounting standards including profit and loss, balance sheet, sources and applications of funds.”

(m) for clause 3.15.6 there was substituted:

“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 *intra-regional loss factor* at that *connection point* or *virtual transmission node* respectively, and for any other *connection point*, is the *intra-regional loss factor* at the *transmission network connection point* or *virtual transmission node* to which it is assigned in accordance with clauses 3.6.3(a) or 3.6.3(a1); 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.

- (b) NEMMCO is entitled to the *trading amount* resulting from the *dispatch* of *plant* under a *reserve contract* or the *activation* of *generating units* or *loads* under a *non-scheduled reserve contract* pursuant to clause 4.8.6 or a *direction* pursuant to clause 4.8.9(a) 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 *direction* or the *dispatch* of *plant* under a *reserve contract* or *activation* of *generating units* or *loads* under a *non-scheduled reserve contract*, rendered as a consequence of that *direction*, *dispatch* under a *reserve contract* or *activation* under a *non-scheduled reserve contract*.”

(n) for clause 3.15.9 there was substituted:

“3.15.9 Reserve settlements

- (a) NEMMCO’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, NEMMCO must give each *Market Participant* a statement setting out:
 - (1) the aggregate of the amounts payable by NEMMCO under *reserve contracts* and *non-scheduled reserve contracts*;
 - (2) any amounts determined as payable by NEMMCO by the independent expert under clause 3.12.11 or, in the case of *reserve contracts* and *non-scheduled reserve contracts*, as a result of *plant* under a *reserve contract* being *dispatched* or *generating units* or *loads* under a *non-scheduled reserve contract* being *activated*, in respect of the relevant *billing period*; and
 - (3) the aggregate of the amounts receivable by NEMMCO under the *Rules* in respect of *reserve contracts* and *non-scheduled reserve contracts* during the relevant *billing period*.
- (c) Separate statements must be provided under clause 3.15.9(b):

- (1) for *reserve contracts* and *non-scheduled reserve contracts* entered into by *NEMMCO* specifically in respect of the *Market Participant's region* in accordance with clause 3.15.9(d); and
 - (2) for *reserve contracts* and *non-scheduled 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 *NEMMCO* a *region* would otherwise, in *NEMMCO's* reasonable opinion, fail to meet the minimum *power system security and reliability standards*; or
 - (2) a *region* requires a level of *power system reliability* or *reserves* which, in *NEMMCO's* reasonable opinion, exceeds the level required to meet the minimum *power system security and reliability standards*,
- then *NEMMCO* must recover its net liabilities, or distribute its net profits, under the terms of *reserve contracts* or *non-scheduled reserve contracts* entered into to meet these requirements, from or to the *Market Customers* in that *region* in accordance with 3.15.9(e).
- (e) In respect of *reserve contracts* or *non-scheduled reserve contracts* entered into by *NEMMCO*, *NEMMCO* 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:
- $$MCP = \frac{E \times RRC}{\Sigma E}$$
- 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 commences between 0800 hours and 1930 hours 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 *NEMMCO* under *reserve contracts* or *non-scheduled reserve contracts* which relate to the relevant *region* in the *billing period* as agreed under clause 3.12.1(d); and
- ΣE is the sum of all amounts determined as “E” in accordance with this clause 3.15.9(e) in respect of that *region*.
- (f) A *Market Customer* is liable to pay *NEMMCO* an amount equal to the sum calculated under clause 3.15.9(e) in respect of that *Market Customer*.
 - (g) **[Deleted]**
 - (h) **[Deleted]**

- (i) **[Deleted]**
- (j) **[Deleted]**
- (k) Operational and administrative costs incurred by *NEMMCO* in arranging for the provision of *reserves*, other than its liabilities under the terms of the *reserve contracts* or *non-scheduled reserve contracts* into which it has entered, are to be recovered by *NEMMCO* from all *Market Participants* as part of the fees imposed in accordance with clause 2.11.
- (l) **[Deleted]**
- (m) For the purposes of clause 3.15.19, a re-determination by a panel established under clause 3.12.11 is to be taken to be an agreement between *NEMMCO* and each of the *Market Participants* and *Scheduled Generators*.”

(o) for clause 4.8.5A there was substituted:

“4.8.5A Determination of the latest time for intervention by direction or dispatch of reserve contract or activation of non-scheduled reserve contract

- (a) *NEMMCO* must immediately *publish* a notice of any foreseeable circumstances that may require *NEMMCO* to issue a *direction*, *dispatch reserves* or *activate non-scheduled reserves* it has available under clause 4.8.6.
- (a1) Any such notice must include the forecast circumstances creating the need to issue a *direction*, *dispatch reserves* or *activate non-scheduled reserves*.
- (b) *NEMMCO* must, as soon as reasonably practicable after the *publication* of a notice pursuant to clause 4.8.5A(a), estimate and *publish* the latest time at which it would need to intervene to issue a *direction* under clause 4.8.9, or *dispatch reserves* it has available under *reserve contracts* or *activate non-scheduled reserves* it has available under *non-scheduled reserve contracts* under clause 4.8.6, should the response from the *market* not be such as to obviate the need to issue a *direction*, *dispatch reserves* or *activate non-scheduled reserves*.
- (c) In order to estimate the time referred to in clause 4.8.5A(b), *NEMMCO* may request information from a *Scheduled Network Service Provider*, *Scheduled Generator* or *Market Customer* and may specify the time within which that information is to be provided. Such information may include, but is not limited to:
 - (1) *plant* status;
 - (2) any expected or planned *plant outages* and the MW capacity affected by the *outage*, proposed start date and time and expected end date and time associated with the *outage* and an indication of the possibility of deferring the *outage*;
 - (3) estimates of the relevant costs to be incurred by the *Scheduled Network Service Provider*, *Scheduled Generator* or *Market Customer* should it be the subject of a *direction*, but only if *NEMMCO* considers

it reasonably likely that such *Scheduled Network Service Provider*, *Scheduled Generator* or *Market Customer* will be subject to a *direction*.

- (d) A *Scheduled Network Service Provider*, *Scheduled Generator* or *Market Customer* must use reasonable endeavours
 - (1) to comply with a request for information pursuant to clause 4.8.5A(c); and
 - (2) to provide *NEMMCO* with the information required in the time specified by *NEMMCO*.
- (e) *NEMMCO* must regularly review its estimate of the latest time at which it would need to intervene to issue a *direction* under clause 4.8.9, or to *dispatch reserves* it has available under *reserve contracts* or *activate non-scheduled reserves* it has available under *non-scheduled reserve contracts* under clause 4.8.6, and *publish* any revisions to the estimate.
- (f) *NEMMCO* must treat any information provided in response to a request under clause 4.8.5A(c) as *confidential information* and use it for the sole purpose of assessing to which *Scheduled Network Service Provider*, *Market Customer* or *Scheduled Generator* it should issue *directions*.”

(p)for clause 4.8.5B there was substituted:

“4.8.5B Notifications of last time of intervention

If the latest practicable time for the *dispatch* of *reserves* or *activation* of *non-scheduled reserves*, as estimated by *NEMMCO* under clause 4.8.5A, is reached and, taking into account any *reserve contracts* and *non-scheduled reserve contracts*, the circumstances described under clause 4.8.5A(a) has not been alleviated, *NEMMCO* must to the extent reasonably practicable immediately:

- (1) *publish* a notice that *NEMMCO*:
 - (i) considers the time for the negotiation of further *reserve contracts* and *non-scheduled reserve contracts* in accordance with clause 3.12.1 has elapsed; and
 - (ii) intends to issue *directions* under clause 4.8.9 or *dispatch reserve* available under *reserve contracts* or *activate non-scheduled reserves* available under *non-scheduled reserve contracts* under clause 4.8.6; and
- (2) amend the *pre-dispatch schedule* to ensure that it is a physically realisable schedule for all periods in which *NEMMCO* intends to issue *directions*, *dispatch reserves* available under *reserve contracts* or *activate non-scheduled reserves* available under *non-scheduled reserve contracts*.”

(q) for clause 4.8.6 there was substituted:

“4.8.6 NEMMCO utilisation of reserves or non-scheduled reserves under contract

- (a) Notwithstanding clauses 4.8.4, 4.8.5, 4.8.5A and 4.8.5B, if in *NEMMCO's* opinion the latest time for intervention by *dispatch* of *reserves* it has available under *reserve contracts* or *activation* of *non-scheduled reserves* it has available under *non-scheduled reserve contracts* has arrived, then *NEMMCO* may *dispatch* such *reserves* or *activate* such *non-scheduled reserves*.
- (b) *NEMMCO* must follow the relevant procedures in clause 4.8 prior to *dispatching plant* the subject of a *reserve contract* or *activating generating units* or *loads* the subject of a *non-scheduled reserve contract* unless it is not reasonably practicable to do so.
- (b1) Subject to clause 4.8.6(b), *NEMMCO* must only *dispatch plant* the subject of a *reserve contract* or *activate generating units* or *loads* the subject of a *non-scheduled reserve contract* in accordance with the procedures developed pursuant to clause 4.8.6(c).
- (b2) In order to effect the *dispatch* of *plant* the subject of a *reserve contract* or the *activation* of *generating units* or *loads* the subject of a *non-scheduled reserve contract* *NEMMCO* 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 *reserve contract*; or
 - (2) change other inputs to the *dispatch process* to give effect to the *dispatch* of *reserves* or the *activation* of *generating units* or *loads* the subject of a *non-scheduled reserve contract*.
- (c) *NEMMCO* must develop, and may amend from time to time, in accordance with the *Rules consultation procedures*, procedures for the *dispatch* of *reserves* it has available under *reserve contracts* or the *activation* of *non-scheduled reserves* it has available under *non-scheduled reserve contracts* pursuant to clause 4.8.6(a). Such procedures must reflect the following principles:
 - (1) *NEMMCO* must use its reasonable endeavours to minimise the cost of *dispatching reserves* and/or *activating non-scheduled reserves* and compensation to *Affected Participants* and *Market Customers* pursuant to clause 3.12.11 and compensation to *Directed Participants* pursuant to clauses 3.15.7 and 3.15.7A;
 - (2) the instruction to *dispatch reserves* or *activate non-scheduled reserves* is to be revoked as soon as *NEMMCO* determines the *dispatch* of such *reserves* or *activation* of such *non-scheduled reserves* is no longer required; and
 - (3) *NEMMCO* must take into account the procedures developed pursuant to clause 4.8.9(b).
- (d) **[Deleted]**

- (e) *NEMMCO* must take into account any guidelines and policies for the provision of *reserves* issued by the *Reliability Panel* pursuant to clause 8.8.1(a)(4)."

(r) NEMMCO must interpret each and every reference to the term “Affected Participant” as including a reference to:

- (1) a *Scheduled Generator* or *Scheduled Network Service Provider*, which was not the subject of *activation* under the *non-scheduled reserve contract*, that had its *dispatched* quantity affected by *activation* of *generating units* or *loads* under that *non-scheduled reserve contract*; or
- (2) an *eligible person* entitled to receive an amount from *NEMMCO* 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, as a result of the *activation* of *generating units* or *loads* under a *non-scheduled reserve contract*.

(s) for the definition of “reserve” in Chapter 10 there was substituted:

“Short term capacity reserve, medium term capacity reserve and non-scheduled reserve as contracted by NEMMCO under clause 3.12.”

3. End of Derogation

This *participant derogation* applies until the *reliability safety net end date*.

Part 8 – Network Constraint Formulation

- (a) Despite any other provision of the *Rules* to the contrary, including without limitation clauses 3.6.4(a), 3.6.4(a1), 3.6.4(b), 3.7.2(c)(3), 3.7.3(d)(3), 3.8.1(b)(5), 3.8.1(b)(6), 3.13.4(o) and 3.13.8(a)(5), *network* limitations may occur which impact on both *intra-regional* and *inter-regional* power flows.
- (b) *NEMMCO* must determine and represent *network constraints* in *dispatch* which may result from limitations on both *intra-regional* and *inter-regional* power flows.
- (c) If the use of a *network constraint* in *dispatch* developed under clause (b) substantially creates, in *NEMMCO*'s reasonable opinion, a significant *inter-regional* power flow from a *region* with a *dispatch price* that is greater than the *dispatch price* of the importing *region* (a 'significant counter price power flow'), *NEMMCO* must, without prejudicing its obligations to maintain *power system security*, use reasonable endeavours to apply an alternative formulation for that *network constraint* for the expected duration of the significant counter price power flow. That alternative form of the *network constraint* must apply for the expected period of the significant counter price power flow if the original formulation of the *network constraint* were used.
- (c1) Paragraph (c) does not apply to the use of a *network constraint* referred to in the 'Murray/Tumut constraint list' developed pursuant to paragraph (f).
- (d) *NEMMCO* must develop and *publish* a procedure for determining when an *inter-regional* power flow referred to in clause (c) is considered to be significant for the purposes of that clause.
- (e) Paragraphs (a) – (d) of this *participant derogation* will cease to apply on:
 - (1) 31 October 2008; or
 - (2) as otherwise determined by the *AEMC*.

Specific pricing arrangements for Snowy region

- (e1) Clauses (f) to (p) commence on 1 October 2005.
- (f) *NEMMCO* must determine and *publish* a list of *network constraints* (the 'Murray/Tumut constraint list') developed pursuant to clause (b) that relate directly to managing power flows in either a northward or southward direction between the *network* nodes to which the following *power stations* are directly connected:
 - (1) Lower Tumut;
 - (2) Upper Tumut;
 - (3) Murray; and
 - (4) Guthega.
- (g) For the purpose of clauses (f) to (p), constraint "k" in the Murray/Tumut constraint list must be expressed in the following generic form:

$$\alpha_k \times LT + \beta_k \times UT + \delta_k \times MURR + \lambda_k \times GUTH + \gamma_k \times V-Sn + \eta_k \times Sn-NSW \leq RHS_k$$

Where:

LT is the *dispatch* target for MW from Lower Tumut *power station*;
 UT is the *dispatch* target for MW from Upper Tumut *power station*;
 MURR is the *dispatch* target for MW from Murray *power station*;
 GUTH is the *dispatch* target for MW from Guthega *power station*;
 Sn-NSW is the *dispatch* target for MW flow on the Snowy to NSW interconnector;
 V-Sn is the *dispatch* target for MW flow on the Victoria to Snowy interconnector; and
 RHS includes a line rating term with an effective coefficient of 1.

- (h) (1) Subject to clause (h)(3), if in any *dispatch interval* of a *trading interval* any of the *constraints* in the Murray/Tumut constraint list have bound, then congestion fund payments must be determined for Lower Tumut and Upper Tumut *power stations* pursuant to clauses (i) to (o).
- (2) If in any *trading interval* clause (h)(1) does not apply, then no congestion fund payments need be determined pursuant to clauses (i) to (o) for that *trading interval*.
- (3) If in any *trading interval* an *administered price period* is declared pursuant to clause 3.14.2, in any one of the Victorian, Snowy or NSW *regions*, no congestion fund payments are to be determined for that *trading interval* pursuant to this *participant derogation*.
- (i) If congestion fund payments must be determined for Lower Tumut and Upper Tumut *power stations* pursuant to clause (h)(1) then, for each relevant *trading interval*, NEMMCO must determine power flows between Murray and Tumut as either northwards or southwards as follows.

Let:

X be, for each *dispatch interval* in a *trading interval*, the sum of the absolute value of all RHS values of binding *constraints* in the Murray/Tumut constraint list where the *constraint* has bound on flows in the direction from Tumut to Murray; and
 Y be, for each *dispatch interval* in a *trading interval*, the sum of the absolute value of all RHS values of binding *constraints* in the Murray/Tumut constraint list where the *constraint* has bound on flows in the direction from Murray to Tumut.

If:

$X < Y$ then power flows for the *trading interval* between Murray and Tumut must be determined as northwards and congestion fund payments

must be determined for Lower Tumut and Upper Tumut *power stations* pursuant to clause (n); and

$X \geq Y$ then power flows for the *trading interval* between Murray and Tumut must be determined as southwards and congestion fund payments must be determined for Lower Tumut and Upper Tumut *power stations* pursuant to clause (o).

- (j) In any *trading interval* where any of the *constraints* in the Murray/Tumut constraint list have bound for one or more *dispatch intervals*, NEMMCO must perform the following calculation for every *dispatch interval* in the relevant *trading interval*:

$$SP_{dp} = [DP_{Snowy} \times TLF_p] - \left[\sum_k (CSP_{ak} \times Coeff_{p,k}) \right] \text{ for } p = \text{Lower Tumut and Upper Tumut}$$

Where:

SP_{dp} is the substitute price for each *dispatch interval* for generation from power station “p”;
 DP_{Snowy} is the *dispatch price* that applies to the Snowy region for the relevant *dispatch interval*;
 TLF_p is the *transmission loss factor* for power station “p”;
 CSP_{ak} is the *constraint marginal value* (\$/MWh) as determined by the *dispatch engine* for each *dispatch interval* of relieving binding constraint “k” by a marginal amount; and
 $Coeff_{p,k}$ is the coefficient (α , β , δ , λ , γ or η) assigned to element “p” in constraint “k” from the Murray/Tumut constraint list developed pursuant to clause (g),

and subject to the following:

- (1) if the SP_{dp} determined pursuant to this clause is calculated as an amount less than the *market floor price* it must be deemed to be equal to the *market floor price*; and
 - (2) if the SP_{dp} determined pursuant to this clause is calculated as an amount greater than *VoLL* it must be deemed to be equal to *VoLL*.
- (k) A substitute price (SP) for each *trading interval* must be determined by NEMMCO for generation from power station “p” as follows:

SP_p is the substitute price being the arithmetic average for a *trading interval* of each relevant *dispatch interval* of SP_{dp} ; and
 SP_{dp} is as determined pursuant to clause (j).

- (l) NEMMCO must determine for each relevant *trading interval* an *energy value differential* (EVD) as follows:

$$EVD_p = SP_p - (TLF_p \times RRP_{\text{Snowy}}) \text{ for } p = \text{Lower Tumut and Upper Tumut}$$

Where:

- EVD_p is the per unit *energy* value differential for a *trading interval* for power station “p”;
- TLF_p is the *transmission loss factor* for power station “p”;
- SP_p is the substitute price determined pursuant to clause (k); and
- RRP_{Snowy} is the *regional reference price* for a *trading interval* that applies to the Snowy region.

(m) A CSC allocation factor is determined as follows:

$$\text{CSC allocation factor} = (A - B) / A$$

Where:

- A is nominal *transmission* limit between Murray and Tumut which is to be taken as 1350 MW for the purpose of this *participant derogation*; and
- B is nominal *interconnector* capacity from the NSW region to the Snowy region which is to be taken as 800 MW for the purpose of this *participant derogation*.

In clauses (n) and (o), the following conventions apply:

a “trading amount” (TA) is a payment to or from a *Market Participant* or inter-regional settlement residue fund;

if $TA > 0$, then this represents a payment to the *Market Participant* or inter-regional settlement residue fund as appropriate;

if $TA < 0$, then this represents a payment from the *Market Participant* or inter-regional settlement residue fund as appropriate.

(n) If power flows between Murray and Tumut for a *trading interval* have been determined as northwards pursuant to clause (i), NEMMCO must determine the following amounts:

(1) An *energy* value adjustment determined as follows:

$$EVA_N = \sum_p (AGE_p \times EVD_p) \text{ for } p = \text{Lower Tumut and Upper Tumut}$$

Where:

- EVA_N is the *energy* value adjustment for northward flows between Murray and Tumut that is to be applied to the determination of the trading amount pursuant to this clause (n);
- AGE_p is the adjusted gross *energy* for a *trading interval* for generation from power station “p”; and

EVD_p is the *energy* value differential determined pursuant to clause (1) for generation from power station “p”;

(2) *Trading amounts* determined as follows:

$$TA_1 = \text{Min} (EVA_N, IRSR_{Sn-NSW})$$

$$TA_7 = -1 \times \text{Min} (0, IRSR_{Vic-Sn})$$

$$TA_2 = -1 \times TA_1 - TA_7$$

Where:

TA_1 is a *trading amount* for Snowy Hydro Limited;

$IRSR_{Sn-NSW}$ is the inter-regional settlement residue allocated to flows **from the Snowy region to the NSW region** for the relevant *trading interval*;

$IRSR_{Vic-Sn}$ is the inter-regional settlement residue allocated to flows **from the Victorian region to the Snowy region** for the relevant *trading interval*;

TA_2 is a *trading amount* for the inter-regional settlement residue allocated to flows **from the Snowy region to the NSW region**; and

TA_7 is a *trading amount* for the inter-regional settlement residue allocated to flows **from the Victorian region to the Snowy region**.

(o) If power flows between Murray and Tumut for a *trading interval* have been determined as southwards pursuant to clause (i), NEMMCO must determine the following amounts:

(1) A *trading amount* determined as follows:

$$TA_3 = \sum_p (AGE_p \times EVD_p) \text{ for } p = \text{Lower Tumut and Upper Tumut}$$

Where:

TA_3 is a *trading amount* for Snowy Hydro Limited;

AGE_p is the adjusted gross *energy* for a *trading interval* for generation from power station “p”; and

EVD_p is the *energy* value differential determined pursuant to clause (1) for generation from power station “p”;

(2) A *settlements residue trading amount* determined as follows:

$$TA_4 = -1 \times IRSR_{Sn-NSW}$$

Where:

TA_4 is a *trading amount* for the inter-regional settlement residue allocated to flows **from the Snowy region to the NSW region**; and

$IRSR_{Sn-NSW}$ is the inter-regional settlement residue allocated to flows **from the Snowy region to the NSW region** for the relevant *trading interval*;

- (3) A *trading amount* to determined as follows:

$$TA_5 = (IRSR_{NSW-Sn} - TA_3 - TA_4) * \text{CSC allocation factor}$$

Where:

TA_5 is a *trading amount* for Snowy Hydro Limited;
 $IRSR_{NSW-Sn}$ is the inter-regional settlement residue allocated to flows **from the NSW region to the Snowy region** for the relevant *trading interval*; and

CSC allocation factor is the CSC allocation factor determined pursuant to clause (m).

- (4) A *settlements residue trading amount* determined as follows:

$$TA_8 = -1 \times \text{Min} (0, IRSR_{Sn-Vic})$$

where:

TA_8 is a *trading amount* for the inter-regional settlement residue allocated to flows **from the Snowy region to the Victorian region**; and

$IRSR_{Sn-Vic}$ is the inter-regional settlement residue allocated to flows **from the Snowy region to the Victorian region** for the relevant *trading interval*.

- (5) A *settlements residue trading amount* determined as follows:

$$TA_6 = (-1 \times TA_3) - TA_4 - TA_5 - TA_8$$

where:

TA_6 is a *trading amount* for the inter-regional settlement residue allocated to flows **from the NSW region to the Snowy region**; and

$IRSR_{Sn-Vic}$ is the inter-regional settlement residue allocated to flows **from the Snowy region to the Victorian region** for the relevant *trading interval*.

- (p) *NEMMCO* must *publish* all *trading amounts* arising from application of this *participant derogation* (if any) using the current settlement cycle.
- (q) Paragraph (c1) and paragraphs (e1) – (p) of this *participant derogation* will cease to apply at 00:00 hours *EST* on 1 July 2008.

Part 9 – Participant Derogation Granted to Hydro Tasmania

1. Scope of Derogation

This *participant derogation* operates to modify or vary the obligations that apply to Hydro Tasmania under clauses S7.2.2 and S7.2.3 of schedule 7.2 in relation to the *metering installations* referred to in paragraph 2, in the manner specified in paragraph 3 and subject to the reporting requirements set out in paragraph 5.

1A. Commencement of Derogation

This *participant derogation* commences on the date that Tasmania becomes a *participating jurisdiction* (for the purposes of this *participant derogation*, such date is referred to as the "commencement date").

2. Metering Installations to which the Derogation Applies

The modifications or variations to clauses S7.2.2 and S7.2.3 of schedule 7.2 specified in paragraph 3 apply to the *metering installations* in respect of any *generating unit* operated by Hydro Tasmania and located in Tasmania, where the relevant *metering installation*:

- (a) was originally commissioned by Hydro Tasmania prior to the time at which section 6 of the *Electricity National Scheme (Tasmania) Act 1999* commenced; and
- (b) as at the commencement date, does not comply with the provisions of clauses S7.2.2 or S7.2.3 of schedule 7.2.

3. Scope of Derogation

The accuracy levels of the *metering installations* referred to in paragraph 2 will be calculated by multiplying the values in Tables S7.2.3.1, S7.2.3.2, S7.2.3.3, S7.2.3.4 and S7.2.3.5 of schedule 7.2 by a factor of 3.

4. Cessation of Derogation

This *participant derogation* ceases to apply on the day which is the earlier of:

- (a) the day on which the last of the *metering installations* referred to in paragraph 2 complies with the provisions of clauses S7.2.2 and S7.2.3 of schedule 7.2; or
- (b) the day which is 12 months after the commencement date.

5. Reporting

Within 5 *business days* after the commencement date Hydro Tasmania must provide to the AEMC a plan showing a current scheduled *metering installations* works programme and thereafter must provide the AEMC with quarterly updates showing actual progress against that plan.

Part 10 – Statement of Opportunities

[Deleted]

Part 11 - Transitional Arrangement for Market Ancillary Services for Tasmanian Entry

- (a) This *participant derogation* has effect in *trading intervals* following a declaration by *NEMMCO* of the readiness of *market* systems to implement this *participant derogation*.
- (b) The total amount calculated by *NEMMCO* under clause 3.15.6A(a) for each of the *regulation services* 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). *NEMMCO* must:
 - (1) allocate for each *region* and for each *dispatch interval* within the relevant *trading interval* the proportion of the total amount calculated by *NEMMCO* under clause 3.15.6A(a) for each of the relevant *market ancillary services* between *global market ancillary service requirements* and *local market ancillary service requirements* 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 (b)(1);
 - (3) allocate for each relevant *dispatch interval* the sum of the costs of each *local market ancillary service requirement* relevant only to the Tasmanian *region* calculated in clause (b)(2) to *Market Customers* and *Market Generators* in the Tasmanian *region* only in accordance with the principles set down under clause 3.15.6A (h) to (n). For this purpose the following terms used in clauses 3.15.6A (h) and (i) are deemed to be defined as below instead of as set out in clause 3.15.6A(h) and (i):

TSFCAS (in \$) = the total of all amounts allocated under this clause (b)(3);

MPF (a number) = the factor last set by *NEMMCO* for the *Market Generator* or *Market Customer* as the case may be under clause 3.15.6A(j) for the purposes of this clause (b)(3);

AMPF (a number) = the aggregate of all the MPF figures last set for the purposes of this clause (b)(3);

TCE (in MWh) = the *customer energy* for the *Market Customer* in the Tasmanian *region* for the *trading interval*; and

ATCE (in MWh) = the aggregate of the *customer energy* figures for all *Market Customers* in the Tasmanian *region*, for whom the *trading amount* is not calculated in accordance with the formula in clause 3.15.6A (h), for the *trading interval*;

- (4) allocate for each relevant *dispatch interval* the sum of the costs of each *local market ancillary service requirement* not relevant to the Tasmanian *region* calculated in clause (b)(2) to *Market Customers* and *Market Generators* in all *regions* except the Tasmanian *region* in accordance with the principles set down under clause 3.15.6A (h) to (n). For this purpose the following terms used in clauses 3.15.6A (h) and (i) are deemed to be defined as below instead of as set out in clause 3.15.6A(h) and (i) respectively:

TSFCAS (in \$) = the total of all amounts allocated under this clause (b)(4);

MPF (a number) = the factor last set by *NEMMCO* for the *Market Generator* or *Market Customer* as the case may be under clause 3.15.6A(j) for the purposes of this clause (b)(4);

AMPF (a number) = the aggregate of all the MPF figures last set for the purposes of this clause (b)(4);

TCE (in MWh) = the *customer energy* for the *Market Customer* in all *regions* except the Tasmanian *region* for the *trading interval*; and

ATCE (in MWh) = the aggregate of the *customer energy* figures for all *Market Customers* in all *regions* except the Tasmanian *region*, for whom the *trading amount* is not calculated in accordance with the formula in clause 3.15.6A (h), for the *trading interval*; and

- (5) allocate for each relevant *dispatch interval* the sum of the costs of each *global market ancillary service requirement* and each *local market ancillary service requirement* relevant to the Tasmanian *region* and also relevant to at least one other region calculated in clause (b)(2) as follows:
- (i) the sum of the costs is to be divided into two amounts being “AT” and “AM” being in proportion to the *customer energy* in the Tasmanian *region* and the total *customer energy* in all other regions respectively;

- (ii) the amount “AT” is to be allocated to *Market Customers* and *Market Generators* in the Tasmanian *region* only in the same manner as for clause (b)(3); and
 - (iii) the amount “AM” is to be allocated to *Market Customers* and *Market Generators* in all *regions* except the Tasmanian *region* in the same manner as for clause (b)(4).
- (c) Until such time as *NEMMCO* has acquired sufficient data to enable the initial calculation and publication of the factors referred to in clauses 3.15.6A(h) and 3.15.6A(i) *regulation services* costs in Tasmania must be recovered from *Market Generators* and *Market Customers* in Tasmania pro-rata to estimated average customer or generator energy as appropriate. *NEMMCO* may determine these estimates based upon historical information. *NEMMCO* may initiate the accumulation of data at any time prior to Tasmania becoming a *participating jurisdiction* and may use any data so gathered to calculate the initial causer pays factors notwithstanding that Tasmania was not a *participating jurisdiction* at that time.
- (d) This *participant derogation* expires on the earlier of 31 December 2008 and the time specified in a *market* notice whereby *NEMMCO* declares that changes to its *market* systems to implement *Rules* changes that permit the regional recovery of *regulation services* costs will become effective.

Part 12 - Ancillary Services Provisions

1. Transitional Arrangements

- (a) The Invitation to Tender issued by *NEMMCO* on 18 October 2000 (as amended from time to time) (called the "Third ITT") is to be taken as having been a call for offers under clause 3.11.5 notwithstanding anything else in the *Rules* or the fact that the description and the procedure contemplated by clause 3.11.3 did not exist at the time the Third ITT was issued.
- (b) Notwithstanding anything else in the *Rules*:
 - (1) the description of each *ancillary service* included in the Third ITT is deemed to be the description contemplated by clause 3.11.3; and
 - (2) the quantities specified as indicative *NEMMCO* requirements in schedule A to the Third ITT in respect of the *power system* are to be taken to have been determined by applying a procedure developed under clause 3.11.3.

2. Extension of Existing Ancillary Services Agreements

- (a) Notwithstanding clause 3.11.5, if *NEMMCO* is a party to an agreement for the provision to *NEMMCO* of *ancillary services* and one or more schedules to that agreement is due to terminate, then *NEMMCO* may, by agreement with the service provider under that agreement, extend the period during which the service provider is obliged to provide the kind of *ancillary services* to which the schedule relates or those schedules relate on terms and conditions agreed between *NEMMCO* and the service provider.
- (b) This clause 2 ceases to apply on 30 June 2007.

CHAPTER 9

9. Jurisdictional Derogations and Transitional Arrangements

9.1 Purpose and Application

9.1.1 Purpose

- (a) This Chapter contains the *jurisdictional derogations* that apply in relation to each *participating jurisdiction*.
- (b) This Chapter prevails over all other Chapters of the *Rules*.

9.1.2 Jurisdictional Derogations

The *jurisdictional derogations* that apply in relation to each *participating jurisdiction* are set out in this Chapter as follows:

- (a) Part A - Victoria;
- (b) Part B - New South Wales;
- (c) Part C - Australian Capital Territory;
- (d) Part D - South Australia;
- (e) Part E - Queensland; and
- (f) Part F – Tasmania.

Part G sets out the Schedules to this Chapter 9.

Part A – Jurisdictional Derogations for Victoria

9.2 [Deleted]

9.3 Definitions

9.3.1 General Definitions

For the purposes of this Part A:

- (1) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (2) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Counterparties	In relation to the <i>Smelter Agreements</i> , means Portland Smelter Services Pty Ltd, Alcoa of Australia Limited or any other party to one or more of the <i>Smelter Agreements</i> (other than <i>SEC</i>).
CPI	The Consumer Price Index: All Groups Index Number Melbourne compiled by the Australian Bureau of Statistics.
distribution licence	A <i>licence</i> to distribute and supply electricity.
Distributor	A person who holds a <i>distribution licence</i> .
EI Act	Electricity Industry Act 2000 (Vic).
EI (RP) Act	Electricity Industry (Residual Provisions) Act 1993 (Vic).
ESC	The Essential Services Commission established under section 7 of the <i>ESC Act</i> .
ESC Act	The Essential Services Commission Act 2001 (Vic).
Information requirements guidelines	The <i>submission guidelines</i> referred to in clause 6A.10.2.
licence	A licence within the meaning of the <i>EI Act</i> or deemed to be issued under the <i>EI Act</i> by operation of clause 5 of Schedule 4 to the <i>EI (RP) Act</i> .
maximum allowable aggregate revenue	The maximum allowable aggregate revenue for a <i>financial year</i> or <i>relevant regulatory period</i> (as the case may be) determined under clause 9.8.4C(d), as adjusted from time to time under clause 9.8.4C(g3) or (g4).
Quarter	The respective 3 monthly periods adopted by the Australian Bureau of Statistics for the compilation and issue of the CPI.

Column 1	Column 2
Regulated owner	An owner (whether <i>SPI PowerNet</i> or any other person) of the <i>Victorian Transmission Network</i> or a part of the <i>Victorian Transmission Network</i> : (a) who transmits electricity pursuant to a <i>transmission exemption</i> or <i>transmission licence</i> ; (b) who is subject to the operation of the <i>Rules</i> ; and (c) whose <i>aggregate annual revenue requirement</i> for <i>transmission services</i> is regulated under Chapter 6.
relevant regulatory period	A period comprising not less than 5 <i>financial years</i> .
SEC	State Electricity Commission of Victoria established under the State Electricity Commission Act 1958 (Vic).
shared network services	Services relating to the use of the <i>Victorian Transmission Network</i> or a part of the <i>Victorian Transmission Network</i> provided by a <i>Regulated owner</i> to <i>VENCorp</i> , whether in accordance with a <i>transmission exemption</i> or <i>transmission licence</i> or under an agreement with <i>VENCorp</i> .
shared transmission network use charges	Charges for the locational and non-locational components of <i>prescribed TUOS services</i> and/or <i>prescribed common transmission services</i> and any other charges through which <i>VENCorp</i> is allowed, under Part J of Chapter 6A as modified by clause 9.8.4F, to recover any proportion of its <i>maximum allowable aggregate revenue</i> .
Smelter Agreements	Agreements, contracts and deeds referred to in Part A of schedule 3 to the <i>EI (RP) Act</i> in their form as at 1 July 1996 other than the Portland and Point Henry Flexible Tariff Deeds between <i>SEC</i> and the State Trust Corporation of Victoria.
Smelter Trader	<i>SEC</i> in its capacity as <i>Smelter Trader</i> .
SPI PowerNet	<i>SPI PowerNet Pty Ltd</i> (ACN 079 798 173), or any successor or assignee of any asset of <i>SPI PowerNet</i> used for the provision of <i>transmission services</i> .

Column 1	Column 2
statutory electricity transmission-related costs	In relation to <i>VENCorp</i> , the sum of the following costs for a <i>relevant regulatory period</i> : <ul style="list-style-type: none"> (1) <i>VENCorp's</i> aggregate actual costs in operating and planning the <i>Victorian Transmission Network</i>; (2) all <i>network</i> charges payable by <i>VENCorp</i> to <i>SPI PowerNet</i> or any other owner of the <i>Victorian Transmission Network</i> or a part of the <i>Victorian Transmission Network</i>, including charges relating to <i>augmentations</i>; (3) all other charges payable by <i>VENCorp</i> to providers of <i>network</i> support services and other services which <i>VENCorp</i> uses to provide <i>network services</i> that are <i>transmission services</i>; and (4) any other costs that directly arise out of <i>VENCorp's</i> functions under the <i>EI Act</i> relating to the transmission of electricity, the application of the <i>Rules</i> to <i>VENCorp</i> or the conditions imposed on <i>VENCorp</i> under its <i>transmission licence</i> relating to the transmission of electricity, for which there is no alternative method (legislative or contractual) for the recovery of those costs.
System Code	The code of that name sealed by the Office of the Regulator-General under the Office of the Regulator-General Act 1994 (Vic) on 3 October 1994 and saved and continued in operation by section 67 of the <i>ESC Act</i> .
Tariff Order	Has the same meaning as in the <i>EI Act</i> .
transmission exemption	An exemption granted under section 17 of the <i>EI Act</i> under which the person to whom it has been granted is exempted from the requirement to obtain a <i>licence</i> to transmit electricity.
transmission licence	A <i>licence</i> to transmit electricity.
VENCorp	Victorian Energy Networks Corporation established under Division 2A of Part 2 of the Gas Industry Act 1994 (Vic) and continued under Part 8 of the Gas Industry Act 2001 (Vic).
Victorian Distribution Network	In relation to a person that holds a <i>distribution licence</i> , the <i>distribution systems</i> in Victoria to which that <i>licence</i> relates and includes any part of those systems.
Victorian Minister	The Minister who, for the time being, administers the National Electricity (Victoria) Act 1997 (Vic).
Victorian Switching Operator	The person or persons who operate the Victorian Network Switching Centre.

Column 1	Column 2
Victorian Transmission Network	The <i>transmission systems</i> situated in whole or in part in Victoria in respect of which <i>VENCorp</i> (or any successor entity appointed by Victoria to carry out those functions) exercises the functions specified in clause 9.3.2(a)(1)(i) and part 1 of the table in clause 9.3.2, and includes any part of those <i>transmission systems</i> .
Wholesale Metering Code	The code of that name sealed by the Office of the Regulator-General under the Office of the Regulator-General Act 1994 (Vic) on 3 October 1994, as in force immediately before <i>market commencement</i> .

9.3.2 Network Service Provider

- (a) For a provision of the *Rules* that refers to a *Network Service Provider*, in determining the *Network Service Provider* in relation to the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*, the following rules apply:
- (1) subject to this clause and to anything to the contrary in the *Rules* or this Part A, the *Network Service Provider* is:
 - (i) *VENCorp*, if the provision relates to:
 - (A) the planning, development or *augmentation* of a *transmission network* or part of a *transmission network*; or
 - (B) the provision of *common services* or *network services* that are *transmission services* (other than *entry services* or *exit services*);
 - (ii) *SPI PowerNet* or any other owner of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*, if the provision relates to:
 - (A) the *connection* to, or modification of a *connection* to, a *transmission system*; or
 - (B) the provision of *connection services*;
 - (iii) *SPI PowerNet*, if the provision relates to any function of, or service provided by, the *Victorian Switching Operator* in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*;
 - (2) in the case of each clause of the *Rules* referred to in part 1 of the following table, as modified by the description in that table, the *Network Service Provider* is *VENCorp*;
 - (3) in the case of each clause of the *Rules* referred to in part 2 of the following table, as modified by the description in that table, the

Network Service Provider is *SPI PowerNet* or any other owner of the *Victorian Transmission Network* or part of the *Victorian Transmission Network*; and

- (4) in the case of each clause of the *Rules* referred to in part 3 of the following table, as modified by the description in that table, the *Network Service Provider* is the *Victorian Switching Operator*.

Clause	Clause Description
Part 1 (VENCorp)	
3.13.3(d), (e), (f)(1), (f)(2), (g)(so far as it applies to clauses 3.13.3(f)(1) and (f)(2) and (i))	Standing data concerning expected network capability
4.5.1(b) and (c)	Determining the limits of the operation of the <i>power system</i> associated with <i>voltage</i> failure and translation of limits into key location operational settings or limits
4.7.1(a)	Submission of settings for <i>plant</i> required to maintain <i>power system</i> stability
5.2.3(b)	<i>Power system</i> performance and quality of <i>supply</i> standards of <i>transmission network</i>
5.2.3(d)(12), 5.6.2(n)	Reports about <i>network augmentation</i>
5.6.1	Forecasts for <i>connection points</i> to <i>transmission network</i>
5.6.2	Development of <i>networks</i> within a <i>region</i>
5.6.2A (except 5.6.2A(b)(2))	<i>Annual Planning Reports</i> for that part of the <i>transmission network</i> used for the provision of <i>common services</i> or <i>network services</i> that are <i>transmission services</i> (other than <i>entry services</i> or <i>exit services</i>)
5.6.6	Planning for the development, construction or <i>augmentation</i> of <i>new large transmission network assets</i> that are not <i>connection assets</i>
5.6.6A	Planning for the development, construction or <i>augmentation</i> of <i>new small transmission network assets</i> that are not <i>connection assets</i>
5.6.6B	Planning for the development, construction or <i>augmentation</i> of <i>funded augmentations</i> that are not <i>connection assets</i>
5.7.6	Tests of <i>generating units</i> requiring changes to normal operation
5.7.7 (except 5.7.7(e))	Inter-regional <i>power system</i> tests
Schedule 5.1, clause	<i>Power transfer capability</i> between <i>regions</i>

Clause	Clause Description
S5.1.2.3	
Schedule 5.3, clause S5.3.5	Power factor requirements of <i>loads</i>

Clause	Clause Description
Part 2 (<i>SPI PowerNet</i> or any other owner of the <i>Victorian Transmission Network</i> or part of the <i>Victorian Transmission Network</i>)	
4.6.5	Partial outage of power protection systems
4.11.1	Remote control and monitoring devices
4.11.2(a) and (d)	Provision and maintenance of communications facilities for control, operational metering and indications from local sites
5.2.3(e) and (e1) (except 5.2.3(e1)(2))	Management, maintenance, operation and restoration of <i>network</i>

Clause	Clause Description
Part 3 (<i>Victorian Switching Operator</i>)	
4.3.1(d)	High voltage switching procedures and arrangements
5.9.3	Involuntary disconnection
5.9.4	Disconnection to implement a court order
5.9.6	Obligation to reconnect
Schedule 5.1, clause S5.1.10.3(a)	Functional testing of <i>load shedding facilities</i>
Schedule 5.2, clause S5.2.3(8)	Switching and <i>isolation facilities</i>

- (b) Notwithstanding anything in clause 9.3.2(a), the obligations of *VENCorp*, *SPI PowerNet* and any other owner of the *Victorian Transmission Network* or part of the *Victorian Transmission Network* under the *Rules* are several, and not joint nor joint and several.
- (c) *VENCorp*:
- (1) is a *Network Service Provider* in respect of the provisions of the *Rules* as set out in clause 9.3.2(a), even when *VENCorp* does not own, control or operate a *transmission system*; and
 - (2) is required to be registered by *NEMMCO* as a *Network Service Provider* under clause 2.5, even when *VENCorp* does not own, control or operate a *transmission system*.

9.4 Transitional Arrangements for Chapter 2 - Registered Participants, Registration and Cross Border Networks

9.4.1 [Deleted]

9.4.2 Smelter Trader

- (a) For the purposes of the *Rules*:
- (1) *Smelter Trader* is deemed to be entitled to register as a *Customer* in respect of the *connection points* used to supply the electricity supplied under the *Smelter Agreements*;
 - (2) *Smelter Trader* is deemed to be registered as a *Customer* and as a *Market Customer* in relation to the electricity supplied under the *Smelter Agreements*;
 - (3) the electricity supplied under the *Smelter Agreements* is deemed to have been classified as a *market load* and the *connection points* used to supply that electricity are deemed to have been classified as *Smelter Trader's market connection points*;
 - (4) *Smelter Trader* is deemed to be the person that must register as the *Generator* in relation to the *generating systems* forming part of Anglesea Power Station;
 - (5) *Smelter Trader* is deemed to be registered as a *Generator* and a *Market Generator* in relation to the *generating systems* forming part of the Anglesea Power Station;
 - (6) *Smelter Trader* is only a *Market Generator* in respect of the *generating systems* forming part of the Anglesea Power Station to the extent to which the electricity generated by those *generating systems* is available to the *Smelter Trader* for sale under the *Smelter Agreements*;
 - (7) none of the *Counterparties* is or is to be taken to be entitled to become a *Market Participant*, an *Intending Participant* or a *Customer* in respect of the electricity supplied under the *Smelter Agreements*;
 - (8) none of the *Counterparties* or any person that operates or controls the *generating systems* forming part of the Anglesea Power Station (other than *Smelter Trader*) is or is to be taken to be entitled to register as a *Generator* in relation to the *generating systems* forming part of the Anglesea Power Station; and
 - (9) each of the *Counterparties* and any person that owns, controls or operates the *generating systems* forming part of the Anglesea Power Station (other than *Smelter Trader*) is taken to have been exempted from the requirement to register as a *Generator* in relation to the *generating systems* forming part of the Anglesea Power Station.

- (b) This clause 9.4.2 ceases to have effect upon the termination of the last of the *Smelter Agreements*.

9.4.3 Smelter Trader: compliance

- (a) If complying with a requirement of the *Rules* (the “Rules Requirement”) would result in the *Smelter Trader* being in breach of a provision of one or more of the *Smelter Agreements* (the “Contractual Requirement”), then the *Smelter Trader* is not required to comply with the Rules Requirement to the extent of the inconsistency between the Rules Requirement and the Contractual Requirement.
- (b) If the *Smelter Trader* does not comply with a Rules Requirement in the circumstances described in clause 9.4.3(a), then the *Smelter Trader* must:
 - (1) give written notice to the *AER* of:
 - (i) the Rules Requirement which has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that Rules Requirement; and
 - (iii) details of each Contractual Requirement which is said by the *Smelter Trader* to be inconsistent with the Rules Requirement,as soon as practicable and in any event within 30 *days* after the non-compliance with the Rules Requirement occurs or commences; and
 - (2) provide the *AER* with any documents or information in the possession or control of the *Smelter Trader* which evidence the matters referred to in clause 9.4.3(b)(1) within 14 *days* (or any longer period agreed by the *AER*) of receiving a written request from the *AER*.
- (c) If:
 - (1) the *Smelter Trader* requires the co-operation of a *Counterparty* to a *Smelter Agreement* to comply with a requirement of the *Rules*;
 - (2) the *Smelter Trader* has used reasonable endeavours to obtain the *Counterparty’s* co-operation in order to enable the *Smelter Trader* to comply with that requirement; and
 - (3) under the *Smelter Agreements*, *SEC* has no ability to require the *Counterparty* to so co-operate with *SEC* and the *Counterparty* is not in breach of the *Smelter Agreements* by refusing to so co-operate with *SEC*,then the *Smelter Trader* is not required to comply with that requirement.
- (d) If the *Smelter Trader* does not comply with a requirement of the *Rules* in the circumstances described in clause 9.4.3(c), then the *Smelter Trader* must:
 - (1) give written notice to the *AER* of:
 - (i) the requirement of the *Rules* that has not been complied with;

- (ii) details of each act or omission which partly or wholly constitutes non-compliance with that requirement of the *Rules*; and
 - (iii) details of the endeavours made by the *Smelter Trader* to obtain the co-operation of the *Counterparty* to enable the *Smelter Trader* to comply with the requirement of the *Rules*,
as soon as reasonably practical and in any event before the expiration of 30 *days* after the non-compliance with the requirement of the *Rules* occurs or commences; and
 - (2) provide the *AER* with any documents or information in the possession or control of the *Smelter Trader* which evidence the matters referred to in clause 9.4.3(d)(1) within 14 *days* (or any longer period agreed by the *AER*) of receiving a written request from the *AER*.
- (e) To avoid any doubt, if:
- (1) after reviewing any written notice provided by the *Smelter Trader* under clause 9.4.3(b)(1) and any additional documents or information provided by the *Smelter Trader* under clause 9.4.3(b)(2), the *AER* forms the view that compliance with the relevant *Rules Requirement* would not have resulted in the *Smelter Trader* being in breach of the relevant *Contractual Requirement*; or
 - (2) after reviewing any written notice provided by the *Smelter Trader* under clause 9.4.3(d)(1) and any additional documents or information provided by the *Smelter Trader* under clause 9.4.3(d)(2), the *AER* forms the view that any of the requirements of clause 9.4.3(c) were not satisfied in respect of the subject of the notice,
- then the matter may be dealt with by the *AER* as a breach of the *Rules*.
- (f) The *Smelter Trader* must give any notice or other information required to be given under this clause 9.4.3 (called in this clause “required information”) in advance if it becomes aware of the potential for the circumstances giving rise to its obligation to give the required information to arise. If any required information is given under this clause 9.4.3(f), then:
- (1) the required information is taken to have been given in accordance with this clause 9.4.3; and
 - (2) notwithstanding clause 9.4.3(f)(1), notice must be given of the non-compliance and further information provided to the *AER* upon request under clause 9.4.3(b) or clause 9.4.3(d) (as the case may be) after the non-compliance occurs or commences.
- (g) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clause 9.4.3(b) or clause 9.4.3(d) (as the case may be) will be effective in relation to that non-compliance until that non-compliance ends if the relevant notice specifies that the non-compliance is continuing. The *Smelter Trader* must notify the *AER* of the

end of the non-compliance no later than 30 *days* after the non-compliance ends.

- (h) Clauses 9.4.3(a) and 9.4.3(c) do not affect *SEC's* obligations with respect to registration with *NEMMCO* or making payments in respect of *Participant fees, prudential requirements* or *settlement amounts*.

9.4.4 Report from AER

Within 30 *days* of the end of each *Quarter*, the *AER* must prepare a report for the previous *Quarter* and make it available on request to all *Registered Participants* and to those *participating jurisdictions* that participated in the *market* during the *Quarter* covered by the report. The report must include:

- (a) a summary of the acts or omission of the *Smelter Trader* constituting non-compliance with any requirement of the *Rules*, as disclosed in written notices received by the *AER* under clause 9.4.3 during the *Quarter* covered by the report; and
- (b) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation of the *market* during the *Quarter* covered by the report.

9.4.5 Cross Border Networks

- (a) If:
 - (1) the *Victorian Minister* considers that a *transmission network* or *distribution network* situated in Victoria is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,then the *Victorian Minister* and the *Minister* for that other *participating jurisdiction* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.4.5(a), then the *jurisdictional derogations* for Victoria do not apply to the extended part of the relevant *network* which is situated in Victoria.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for Victoria should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Victorian Minister* consents, the *jurisdictional derogations* for Victoria are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.5 [Deleted]

9.6 Transitional Arrangements for Chapter 4 - System Security

9.6.1 Operating Procedures (clause 4.10.1)

- (a) For the purposes of clause 4.10.1(b), the System Operating Procedures as defined in the *System Code* as at 13 December 1998 (with the necessary changes to be made by *VENCorp*) are the *regional specific power system operating procedures* that apply from that date in respect of the *Victorian Transmission Network*.
- (b) This clause is not to be taken as limiting in any way the operation of any other provision of the *Rules* relating to the review, updating and amendment of the *regional specific power system operating procedures*.

9.6.2 Nomenclature Standards (clause 4.12)

For the purposes of clause 4.12, the Nomenclature Standards as defined in the *System Code* as at 13 December 1998 are taken to be the *nomenclature standards* agreed between a *Network Service Provider* in respect of the *Victorian Transmission Network* or a *Victorian Distribution Network* and *NEMMCO* until *NEMMCO* and the relevant *Network Service Provider* agree otherwise under clause 4.12(a) or *NEMMCO* determines otherwise under clause 4.12(a).

9.7 Transitional Arrangements for Chapter 5 - Network Connection

9.7.1 [Deleted]

9.7.2 Application for Connection

- (a) This clause applies in respect of a *transmission network* (including a part of a *transmission network*) situated in Victoria in respect of which *VENCorp* and one or more other persons that hold a *transmission licence* is a *Network Service Provider*. In this clause, such a person (not *VENCorp*) is called a “*Connection Service Provider*”.

- (b) The requirements of Chapter 5 in relation to access to, *connection to, augmentation of, the modification of a connection to, the provision of network services or transmission use of system services, or a modification to the provision of network services or transmission use of system services*, in respect of, a *transmission network* to which this clause applies are subject to this clause 9.7.2.
- (c) If a *Connection Service Provider* receives a *connection enquiry* or an *application to connect* in respect of a *transmission network* to which this clause applies and the *connection enquiry* or *application to connect* relates in whole or part to the provision of *network services or transmission use of system services*, or a modification to the provision of *network services or transmission use of system services*, in respect of, a *transmission network* to which this clause applies, then the *Connection Service Provider* must give *VENCorp* the information provided by the person making the enquiry or the application under Chapter 5 in relation to the enquiry or application.
- (d) For the purposes of determining under clause 5.3.2(e) whether *VENCorp* or a *Connection Service Provider* is the *Network Service Provider* that should process and respond to a *connection enquiry* and provide the information required under clauses 5.3.3(b)(3) and 5.3.3(b)(4) in response to a *connection enquiry* in relation to a *transmission network* to which this clause applies, regard must be had to the following:
 - (1) *VENCorp* is the *Network Service Provider* in respect of those aspects of the *application* that relate to the provision of *network services or transmission use of system services*; and
 - (2) the relevant *Connection Service Provider* is the *Network Service Provider* in respect of the provision of *connection services*.
- (e) For the purposes of the following provisions of the *Rules*:
 - (1) responses to a *connection enquiry* under clause 5.3.3;
 - (2) provision of information about *connection* requirements under clause 5.3.4(b);
 - (3) an offer to *connect* under clauses 5.3.5 and 5.3.6;
 - (4) the terms of a *connection agreement* under clause 5.3.7; and
 - (5) the requirement to enter into a *connection agreement* under clause 5.3.7(a);the *Network Service Provider* in respect of a *transmission network* to which this clause applies is:
 - (6) *VENCorp*, in respect of the provision of *network services or transmission use of system services*; and
 - (7) the relevant *Connection Service Provider*, in respect of the provision of *connection services*.

9.7.3 [Deleted]

9.7.4 Regulation of Distribution Network Connection

- (a) In this clause:

appropriate regulator means:

- (1) if there has been no transfer of regulatory responsibility to the AER under a law of Victoria – the ESC;
- (2) if there has been a transfer of regulatory responsibility to the AER under a law of Victoria – the AER.

- (b) This clause 9.7.4:

- (1) applies in respect of the regulation of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* or *distribution use of system services*, and the modification of the provision of *network services* or *distribution use of system services*, in respect of, a *distribution network* (including any part of a *distribution network*) situated in Victoria; and
- (2) expires on the date fixed under the *National Electricity (Victoria) Act 2005* as the Victorian distribution pricing determination end date.

Note:

The date is 31 December 2010 or a later date fixed in a Victorian distribution pricing determination as the date on which the determination will cease to have effect.

- (c) Notwithstanding anything to the contrary in the *Rules*, the appropriate regulator is responsible for the regulation of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* and *distribution use of system services*, and the modification of the provision of *network services* and *distribution use of system services*, in respect of, any *distribution network* to which this clause applies.
- (d) For the purposes of clause 5.3.6(c), any question as to the fairness and reasonableness of an offer to *connect* in relation to a *distribution network* to which this clause applies is to be decided by the appropriate regulator on the basis of the appropriate regulator's opinion of the fairness and reasonableness of the offer.
- (e) If a dispute arises in relation to any of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* or *distribution use of system services*, or the modification of the provision of *network services* or *distribution use of system services*, in respect of, any *distribution network* to which this clause applies, then that dispute must be resolved in accordance with procedures specified by the appropriate regulator and clause 8.2 does not apply to that dispute.

9.7.5 [Deleted]

9.7.6 [Deleted]

9.7.7 [Deleted]

9.8 Transitional Arrangements for Chapter 6 - Network Pricing

9.8.1 [Deleted]

9.8.2 [Deleted]

9.8.3 [Deleted]

9.8.4 Transmission Network Pricing

- (a) Notwithstanding Chapter 6A, in determining *transmission service* pricing and revenues in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*, the AER must:

- (1) [Deleted]
- (2) apply, as the case requires and subject to clauses 9.8.4A to 9.8.4F, Parts A – H of Chapter 6A; and
- (3) ensure that each *Distributor* has the benefit or burden of an equalisation adjustment for each *financial year* equal to the amount of the adjustment specified for that *Distributor* in the column headed “Equalisation Adjustment” in the following table:

TABLE	
Business	Equalisation Adjustment (\$'000) Note 2)
TXU Electricity Ltd	(4,939)
Powercor Australia Ltd	(19,011)
AGL Electricity Limited	5,171
CitiPower Pty Ltd	5,920
United Energy Ltd	12,859

multiplied by the relevant factor determined in accordance with the following table:

TABLE	
If the <i>financial year</i> falls within the period:	then the relevant factor is:

1 July 2001 - 30 June 2005	.80
1 July 2005 - 30 June 2010	.60
1 July 2010 - 30 June 2015	.40
1 July 2015 - 30 June 2020	.20
thereafter	0

(b) [Deleted]

9.8.4A Modification of Chapter 6A in its application to Victoria

The application of Chapter 6A in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network* is subject to the modifications set out in clauses 9.8.4B to 9.8.4F.

9.8.4B Transmission service revenues

- (a) Despite anything to the contrary in Chapter 6A or in this Chapter 9, the applicable *transmission* revenue regulatory regime for the regulation of *transmission service* revenues in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network* is:
- (1) in relation to any *transmission services* provided by a *Regulated owner*, the *transmission* revenue regulatory regime set out in Chapter 6A and, for that purpose, every reference in Chapter 6A to a *Transmission Network Service Provider* is to be read as a reference to a *Regulated owner*; and
 - (2) in relation to any *transmission services* provided by *VENCorp*, the *transmission* revenue regulatory regime set out in Chapter 6A as modified by clauses 9.8.4B to 9.8.4E, and for that purpose every reference in Chapter 6A to:
 - (i) a *Transmission Network Service Provider* is to be read as a reference to *VENCorp*;
 - (ii) the *maximum allowed revenue* for a *Transmission Network Service Provider* for a *regulatory year* of a *regulatory control period* is to be read as a reference to the *maximum allowable aggregate revenue*;
 - (iii) a *regulatory control period* is to be read as a reference to a *relevant regulatory period*; and
 - (iv) *prescribed transmission services* is to be read as a reference to services in respect of which *VENCorp* may determine *shared transmission network use charges*.
- (b) In clause 9.8.4B(a)(1), *transmission services* includes *shared network services*.

9.8.4C Transmission revenue regulatory regime for transmission services provided by VENC Corp

- (a) The *transmission* revenue regulatory regime that applies to VENC Corp must comply with the following principles:
 - (1) the amount of VENC Corp's *maximum allowable aggregate revenue* for a *relevant regulatory period* must not exceed VENC Corp's *statutory electricity transmission-related costs*; and
 - (2) VENC Corp's *maximum allowable aggregate revenue* must be determined on a full cost recovery but no operating surplus basis.
- (a1) For the avoidance of doubt, *transmission services* offered by VENC Corp are not taken to be offered on a contestable basis by reason only of VENC Corp having procured those services through a competitive tender or similar process.
- (a2) The procedure set out paragraphs (b)-(g4) applies in relation to *transmission services* provided by VENC Corp and Part E of Chapter 6A is modified in so far as it applies to the regulation of revenues.
- (b) Not less than 7 months before the commencement of a *relevant regulatory period*, VENC Corp must, for the purpose of enabling the AER to determine VENC Corp's *maximum allowable aggregate revenue* for a *relevant regulatory period*, submit its revenue application for that *relevant regulatory period* to the AER that sets out:
 - (1) its proposed *maximum allowable aggregate revenue* for each *financial year* in that *relevant regulatory period*;
 - (2) its forecast *statutory electricity transmission-related costs* for each *financial year* in that *relevant regulatory period*; and
 - (3) **[Deleted]**
 - (4) a statement reconciling its most recent forecast of:
 - (i) the revenue that will be recovered by way of *shared transmission network use charges*; and
 - (ii) the *statutory electricity transmission-related costs*,
for the *relevant regulatory period* immediately preceding the *relevant regulatory period* to which the application relates.
- (c) The application must be:
 - (1) consistent with the principles set out in clause 9.8.4C(a); and
 - (2) in a form that meets the *Information requirements guidelines* but only to the extent to which those guidelines are relevant and applicable to VENC Corp.
- (d) Subject to clause 9.8.4C(e), (f), (g), (g3) and (g4), the AER must determine VENC Corp's *maximum allowable aggregate revenue* for a *relevant regulatory period*.

- (e) A determination under clause 9.8.4C(d):
 - (1) must apply the principles set out in clause 9.8.4C(a);
 - (2) must comply with the requirements set out in clause 6A.14.2, modified as necessary to apply to the revenue regulatory regime under this clause 9.8.4C;
 - (3) must take into account:
 - (i) *VENCorp's* functions under the *EI Act*, the application of the *Rules* to *VENCorp* and the conditions imposed on *VENCorp* under its *transmission licence*; and
 - (ii) **[Deleted]**
 - (iii) the difference (if any) between the forecasts referred to in clause 9.8.4C(b)(4); and
 - (4) must set out the *maximum allowable aggregate revenue* for each *financial year* in that *relevant regulatory period*.
- (f) If, after considering the application, the *AER* finds that there is a difference of the kind referred to in clause 9.8.4C(e)(3)(iii), the *AER* must apply that difference in any determination it makes under clause 9.8.4C(d).
- (g) If the *AER* does not make a determination under clause 9.8.4C(d) before the commencement of the *relevant regulatory period* in respect of which the application was made, the *AER* is to be taken to have made a determination as to *VENCorp's maximum allowable aggregate revenue* in respect of each *financial year* in that *relevant regulatory period* on the same terms as the application.
- (g1) If, at any time during a *relevant regulatory period*, a *Regulated owner* proposes to send a notice to the *AER* which could have the effect (directly or indirectly) of varying a charge, or introducing a new charge, payable by *VENCorp* to the *Regulated owner* during that *relevant regulatory period* for *shared network services*, the *Regulated owner* must first provide a copy of that notice to *VENCorp*.
- (g2) If *VENCorp's statutory electricity transmission-related costs* for a *financial year* have exceeded, or *VENCorp* anticipates (as a result of receiving a notice from a *Regulated owner* under clause 9.8.4C(g1) or otherwise) that they will exceed, the amount of the *statutory electricity transmission-related costs* for that *financial year* assumed by the *AER* in making the determination of *VENCorp's maximum allowable aggregate revenue*, *VENCorp* may apply to the *AER* for an adjustment to the *maximum allowable aggregate revenue* for each affected *financial year* in the *relevant regulatory period* of an amount, set out in the application, equal to the amount required to ensure that the *maximum allowable aggregate revenue* complies with the principles in clause 9.8.4C(a).
- (g3) Following an application by *VENCorp* under clause 9.8.4C(g2), the *AER* must determine the amount, if any, by which *VENCorp's maximum*

allowable aggregate revenue for each affected *financial year* in the *relevant regulatory period* is to be adjusted so that it complies with the principles in clause 9.8.4C(a).

- (g4) If the *AER* does not make a determination under clause 9.8.4C(g3) within 30 *business days* after the application by *VENCorp* under clause 9.8.4C(g2), the *AER* is to be taken to have made a determination that *VENCorp's maximum allowable aggregate revenue* for each affected *financial year* in the *relevant regulatory period* is to be adjusted by the amount set out in *VENCorp's* application.

- (h) **[Deleted]**

9.8.4D Information disclosure by VENC Corp

VENCorp must comply with Part F of Chapter 6A, but only to the extent to which it is relevant and applicable to *VENCorp*.

9.8.4E [Deleted]

9.8.4F Pricing for connection to and use of Victorian transmission network

- (a) The operation of Part J of Chapter 6A, as it operates in respect the *Victorian Transmission Network* or a part of the *Victorian Transmission Network*, is modified by this clause 9.8.4F so that the allocation of the *aggregate annual revenue requirement* and its equivalent determined under clause 9.8.4C, and the allocation of transmission costs and the conversion of those allocated *transmission costs* to *prescribed transmission service* prices and charges as provided for under Part J of Chapter 6A, reflects the arrangements in place in relation to the *Victorian Transmission Network* or a part of the *Victorian Transmission Network* under the *EI Act*, the *ESC Act* and the *Tariff Order*.
- (b) **[Deleted]**
- (c) Part J of Chapter 6A applies in respect of the *Victorian Transmission Network* or a part of the *Victorian Transmission Network* in the following manner:
- (1) references to *prescribed transmission services* are to be read (as applicable) as including *shared network services*;
 - (2) subject to clauses 9.8.4F(d), (f) and (h) (as the case requires), applies to:
 - (i) where a provision relates to the provision of *prescribed TUOS services* or *prescribed transmission common services*, a *Regulated owner* and *VENCorp* and, for that purpose, references in Part J to:
 - (A) a *Transmission Network Service Provider* are to be read as a reference to the *Regulated owner* or *VENCorp* (as the case requires); and

- (B) *prescribed TUOS services* or *prescribed common transmission services* are to be read as, in the case of a *Regulated owner*, a reference to *shared network services*; and
- (C) the *aggregate annual revenue requirement* are to be read as, in the case of *VENCorp*, a reference to the *maximum allowable aggregate revenue* for the relevant *financial year*;
- (ii) where a provision of Part J of Chapter 6A relates to the provision of *prescribed entry services* or *prescribed exit services*, a *Regulated owner* and, for that purpose, every reference in that provision to a *Transmission Network Service Provider* is to be read as a reference to the *Regulated owner*;
- (3) rules 6A.27-6A.28 apply to:
 - (i) where a provision of any of these rules relates to the provision of *prescribed entry services* or *prescribed exit services*, a *Regulated owner* and, for that purpose, every reference in that provision to a *Transmission Network Service Provider* is to be read as a reference to the *Regulated owner*;
 - (ii) where a provision of any of these clauses relates to the provision of *prescribed TUOS services* or *prescribed common transmission services*, *VENCorp* and, for that purpose, every reference in that provision to a *Transmission Network Service Provider* is to be read as a reference to *VENCorp*.
- (d) A *Regulated owner* must, on allocating its *aggregate annual revenue requirement* amongst all of its assets utilised in the provision of *shared network services*, immediately notify *VENCorp* of the actual amount of the *aggregate annual revenue requirement* allocated in respect of each of its assets utilised in the provision of those services.
- (e) In addition to the modifications set out in clause 9.8.4F(c)(3), clause 6A.23.4 applies to a *Regulated owner* as if:
 - (1) there were substituted: “(3) *shared network services* cost” for the words in clause 6A.23.4(b)(3)-(5); and
 - (2) there were inserted in clause 6A.23.4, the following words:

“The portion of the *aggregate annual revenue requirement* referable to *shared network services* is recoverable by a *Regulated owner* from *VENCorp*.”
- (f) *VENCorp* is to be taken to be:
 - (1) the *Co-ordinating Network Service Provider* appointed under rule 6A.29 responsible for the allocation of all relevant *aggregate annual revenue requirements* relating to the provision of *transmission services* which are *transmission use of system services* or *common*

services within the Victorian *region* in accordance with the relevant clauses of Part J of Chapter 6A; and

- (2) the *Transmission Network Service Provider* referred to in clause 6A.29.2 which must liaise with *Network Service Providers* in other *interconnected regions* which are similarly responsible for the allocation of all relevant *aggregate annual revenue requirements* relating to the provision of *transmission services* which are *transmission use of system services* or *common services*.

(g) **[Deleted]**

- (h) *VENCorp* must, in allocating the portion of its *shared transmission network use charges* that is to be recovered from each *Distributor* to which it provides *prescribed TUOS services* and *prescribed transmission common services* in each *financial year* of a *relevant regulatory period*, adjust that portion in accordance with clause 9.8.4(a)(3).

9.8.4G Transitional provisions

Despite anything to the contrary in clauses 9.8.4A to 9.8.4D, any determination of the *ACCC* setting *VENCorp's revenue cap* that is in force immediately before 1 January 2003 is deemed to be a determination of the *AER* under clause 9.8.4C(d), and for that purpose, clauses 9.8.4A to 9.8.4D and the provisions of Part B of Chapter 6 as modified by clauses 9.8.4A to 9.8.4D, apply accordingly.

9.8.5 Distribution Network Pricing – Victorian Jurisdictional Regulator

- (a) The *ESC* remains as the *Jurisdictional Regulator* for Victoria until a transfer of regulatory responsibility is made to the *AER* under a law of Victoria.
- (b) This clause expires on 1 January 2011.

9.8.6 [Deleted]

9.8.7 Distribution network pricing – transitional application of former Chapter 6

- (a) Subject to this clause, the former Chapter 6 continues to apply in relation to Victorian distribution networks during the transitional period.
- (b) The appropriate regulator has the powers and functions of the *Jurisdictional Regulator* under the former Chapter 6 as if appointed for Victoria as the *Jurisdictional Regulator* for the purposes of clause 6.2.1(b) of the former Chapter 6.
- (c) The following apply only to the extent they are consistent with clause 2.1 of the *Tariff Order*:
 - (1) national guidelines for *distribution service* pricing (so far as applicable to Victorian distribution networks) formulated under clause 6.2.1(c) of the former Chapter 6;

- (2) guidelines and rules formulated for Victoria under clause 6.2.1(f) of the former Chapter 6,
- (d) The arrangements outlined in Parts D and E of the former Chapter 6 must also be applied by the appropriate regulator subject to clause 2.1 of the *Tariff Order*.
- (e) The value of sunk assets determined under clause 6.2.3(e)(5)(ii) of the former Chapter 6 must be consistent with clause 2.1 of the *Tariff Order*.
- (f) In regulating *distribution service* pricing for a Victorian distribution network:
 - (1) the appropriate regulator must specify explicit price capping as the form of economic regulation to be applied in accordance with clause 6.2.5(b) of the former Chapter 6; and
 - (2) the appropriate regulator must comply with clause 2.1 of the *Tariff Order*.
- (g) Neither this clause, nor the provisions of former Chapter 6 as continued in force by this clause, are relevant to a distribution determination that is to have effect after the end of the transitional period.
- (h) In this clause:

appropriate regulator means:

 - (1) if there has been no transfer of regulatory responsibility to the AER under a law of Victoria – the *ESC*;
 - (2) if a transfer of regulatory responsibility has been made to the AER under a law of Victoria – the *AER*.

transitional period means the period commencing on the commencement of this clause and ending on its expiry.

Victorian distribution network means a *distribution network* situated wholly or partly in Victoria.
- (i) This clause expires on the date fixed under the *National Electricity (Victoria) Act 2005* as the Victorian distribution pricing determination end date.

Note:

The date is 31 December 2010 or a later date fixed in a Victorian distribution pricing determination as the date on which the determination will cease to have effect.

9.8.8 Exclusion of AER's power to aggregate distribution systems and parts of distribution systems

The following provisions of Chapter 6 apply to *distribution systems* situated in Victoria as if, in each case, the words “unless the AER otherwise determines” were omitted:

- (a) clause 6.2.4(c);
- (b) clause 6.2.4(d);
- (c) clause 6.8.2(e);
- (d) clause 6.8.2(f).

Note:

The effect of these modifications is to exclude the AER's power to consolidate, under the ambit of a single distribution determination, 2 or more distribution systems, or 2 or more parts of a single distribution system that had, before the commencement of Chapter 6, been separately regulated.

9.9 Transitional Arrangements for Chapter 7 - Metering

9.9.1 Metering Installations To Which This Schedule Applies

The transitional arrangements set out in this clause 9.9 apply in relation to a *metering installation* (including a *check metering installation*) in use at *market commencement* that was required to comply with, and did comply with, the *Wholesale Metering Code* at *market commencement*.

9.9.2 [Deleted]

9.9.3 [Deleted]

9.9.4 [Deleted]

9.9.5 [Deleted]

9.9.6 [Deleted]

9.9.7 [Deleted]

9.9.8 [Deleted]

9.9.9 Periodic Energy Metering (clause 7.9.3)

- (a) Subject to clause 9.9.9(b), for the purposes of clause 7.9.3, *NEMMCO*, the *Local Network Service Provider* and the *Market Participant* are taken to have agreed that the data referred to in clause 7.9.3 which is obtained from a *metering installation* to which this clause 9.9 applies may be collated in 15 minute intervals.
- (b) This clause 9.9.9 ceases to apply in respect of a *metering installation* if *NEMMCO*, the relevant *Local Network Service Provider* or the relevant *Market Participant* gives notice requiring an agreement to be reached under clause 7.9.3.

9.9.10 Use of Alternate Technologies (clause 7.13)

- (a) Subject to this clause 9.9.10, if at *market commencement* the *Wholesale Metering Code* provides for the use of alternate technologies or processes for the purpose of calculating the consumption of energy by a non-franchise customer (as defined in the *EI (RP) Act* and in force immediately before the commencement of section 39(a) of the Electricity Industry Act 1995 (Vic)), then the use of these technologies or processes is taken to have been agreed for the purposes of clause 7.13(a) but only to the extent to which the alternate technology or process was in use at *market commencement* in relation to that non-franchise customer.
- (b) *NEMMCO*, the relevant *Local Network Service Provider* or the relevant *Market Participant* may give notice requiring agreement to be reached under clause 7.13(a) in respect of a technology or process referred to in clause 9.9.10(a) and clause 9.9.10(a) ceases to apply to that technology or process from the date specified in the notice.

9.9A [Deleted]

Schedule 9A1.1 – [Deleted]

Schedule 9A1.2 – [Deleted]

Schedule 9A1.3 – [Deleted]

Schedule 9A2 – [Deleted]

Schedule 9A3 – Jurisdictional Derogations Granted to Generators

1. Interpretation of tables

In this schedule 9A3:

- (a) a reference to a *Generator* listed in a table is a reference to a *Generator* listed in column 1 of the relevant table;
- (b) a reference to a *generating unit* listed in a table in relation to a *Generator* is a reference to each *generating unit* listed opposite the *Generator* in the relevant table;
- (c) a reference to a *Network Service Provider* in relation to a *generating unit* or a *Generator* listed in a table is to be taken to be:
 - (1) in the case of a *generating unit connected to a transmission network*, a reference to *VENCorp*; and
 - (2) in the case of a *generating unit connected to a distribution network*, a reference to the person that is the *Network Service Provider* in relation to that *distribution network*; and
- (d) a reference to a modification or variation of the *Rules* or an item taken to have been agreed for the purposes of the *Rules* listed in a table applies in respect of each *generating unit* listed opposite that modification, variation or agreed item in the table.

2. Continuing effect

In this schedule 9A3, a reference to:

- (a) a particular *Generator* in relation to a *generating unit*; or
- (b) a particular *Network Service Provider* in relation to a *Generator*,

at any time after the 13 December 1998 is to be taken as a reference to the person or persons who is or are (or who is or are deemed to be) from time to time registered with *NEMMCO* as the *Generator* in respect of that *generating unit* for the purposes of the *Rules* or the *Network Service Provider* from time to time in respect of the *transmission network* or *distribution network* to which the *generating unit* is connected.

3. Subsequent agreement

Where, under a provision of this schedule 9A3, a particular matter is taken to have been agreed for the purposes of schedule 5.2 of the *Rules* in relation to a *generating unit*, then that provision ceases to apply in respect of that *generating unit* if all the parties required to reach agreement in relation to that matter under the *Rules* so agree expressly in writing.

4. Additional services that may be required (clause S5.2.2 of schedule 5.2)

- 4.1 A *Generator* listed in Table 1 is taken to have been required by the relevant *Network Service Provider* to provide *power system stabilising facilities* for the *generating units* listed in Table 1.
- 4.2 Clause 4.1 ceases to apply in respect of a *generating unit* if the relevant *Generator*, *NEMMCO* and the relevant *Network Service Provider* so agree expressly in writing.

Table 1:

Generator	Generating Units
Generation Victoria	Jeeralang Power Station A, Units 1 to 4
Generation Victoria	Jeeralang Power Station B, Units 1 to 3

5. Reactive Power Capability (clause S5.2.5.1 of schedule 5.2)

Clause S5.2.5.1 of schedule 5.2 of the *Rules* is replaced for a *Generator* listed in Table 2 in respect of those *generating units* listed in column 2 of Table 2 by the following:

For the purpose of this clause S5.2.5.1:

'*rated active power output*' means the 'Rated MW (Generated)' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*; and

'*nominal terminal voltage*' means the 'Nominal Terminal Voltage' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*.

- (a) Each of the *synchronous generating units*, while operating at any level of *active power output*, must be capable of:
- (1) supplying at its terminals an amount of *reactive power* of at least the amount that would be supplied if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a lagging power factor of 0.9; and
 - (2) absorbing at its terminals an amount of *reactive power* of at least the amount that would be absorbed if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a leading power factor set out in respect of that *generating unit* in column 3 of Table 2.
- (b) In the event that any of the relevant power factors referred to in paragraph (a) above cannot be provided in respect of a *generating unit*, the relevant *Generator* must reach a commercial arrangement under its *connection agreement* with the relevant *Network Service Provider*, or with

another *Registered Participant*, for the supply of the deficit in *reactive power* as measured at that *generating unit's* terminals.

Table 2:

Generator	Generating Units	Leading Power Factor
Loy Yang Power Ltd	Loy Yang Power Station A Units 1, 3 and 4	0.944
Loy Yang Power Ltd	Loy Yang Power Station A Unit 2	0.952
Yallourn Power Ltd	Yallourn Power Station W Units 1 and 2	0.954
Yallourn Power Ltd	Yallourn Power Station W Units 3 and 4	0.941
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8	0.989
Smelter Trader	Anglesea Power Station Unit 1	0.991
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Unit 1	(-)
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 2, 3 and 4	(-)
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Unit 5	0.979
Generation Victoria	Jeeralang A Power Station Units 1 to 4	0.978
Southern Hydro Ltd	Dartmouth Power Station Unit 1	0.972
Edison Mission Energy Australia Limited	Loy Yang B Power Station Units 1 and 2	0.941

6. Generating unit response to disturbances (clauses S5.2.5.3, S5.2.5.4 and S5.2.5.5 of schedule 5.2)

- 6.1 A *Generator* listed in Table 3.1 is, in respect of a *generating unit* listed in column 2 of Table 3.1, taken to comply with the requirements of clause S5.2.5.3, S5.2.5.4 and S5.2.5.5 of schedule 5.2 of the *Rules* if the *generating unit* complies with clause 6.3 below.

- 6.2 A *Generator* listed in Table 3.2 is, in respect of a *generating unit* listed in column 2 of Table 3.2, taken to comply with the requirements of clause S5.2.5.3, S5.2.5.4 and S5.2.5.5 of schedule 5.2 of the *Rules* if the *generating unit* complies with clause 6.4 below.
- 6.3 The *generating unit* must be able to maintain continuous uninterrupted operation in the event of:
- (a) *disconnection* of the single largest *generating unit* on the *power system* provided that system *frequency* does not fall below 49.5 Hz and recovers to above 49.9 Hz within four minutes; and
 - (b) a two-phase to ground line fault adjacent to the power station switch yard cleared in primary protection time.
- 6.4 The *generating unit* must be able to maintain continuous uninterrupted operation in the event of *disconnection* of the single largest *generating unit* on the *power system* provided that system *frequency* does not fall below 49.5 Hz and recovers to above 49.9 Hz within four minutes.

Table 3.1:

Generator	Generating Units
Loy Yang Power Ltd	Loy Yang A Power Station Units 1 to 4
Generation Victoria	Newport D Power Station Unit 1

Table 3.2:

Generator	Generating Units
Yallourn Energy Ltd	Yallourn W Power Station Units 1 to 4
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 5
Generation Victoria	Jeeralang A Power Station Units 1 to 4
Generation Victoria	Jeeralang B Power Station Units 1 to 3
Southern Hydro Ltd	Dartmouth Power Station Unit 1 Eildon Power Station Units 1 and 2 Clover Power Station Units 1 and 2 McKay Creek Power Station Units 1 to 6 West Kiewa Power Station Units 1 to 4
Edison Mission Energy Australia Limited	Loy Yang B Power Station Units 1 and 2

7. Partial load rejection (clause S5.2.5.7 of schedule 5.2)

7.1 For a *Generator* listed in Table 4.1, in respect of those *generating units* listed in column 2 of Table 4.1, clause S5.2.5.7(c) of schedule 5.2 of the *Rules* is modified by the addition of the following after “*nameplate rating*”:

“and system *frequency* remains within 47 Hz to 52 Hz provided that system *frequency* returns to:

- (i) within the range 48.5 Hz to 50.5 Hz within 60 seconds; and
- (ii) within the range 49.5 Hz to 50.5 Hz within 60 minutes,”

Table 4.1:

Power Station	Generating Units
Loy Yang Power Ltd	Loy Yang A Power Station Units 1 to 4
Generation Victoria	Newport D Power Station Unit 1
Yallourn Energy Ltd	Yallourn W Power Station Units 1 to 4
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 5
Generation Victoria	Jeeralang A Power Station Units 1 to 4 Jeeralang B Power Station Units 1 to 3
Edison Mission Energy Australia Limited	Loy Yang B Power Station Units 1 and 2

7.2 For a *Generator* listed in Table 4.2, the application of clause S5.2.5.4(a) of schedule 5.2 of the *Rules* to those *generating units* listed in column 2 of Table 4.2 is varied by replacing “30%” with “25%”.

Table 4.2

Generator	Generating Units
Loy Yang Power Ltd	Loy Yang A Power Station Units 1 to 4
Yallourn Energy Ltd	Yallourn W Power Station Units 1 to 4
Hazelwood Power Corporation	Hazelwood Power Station Units 1 to 8
Energy Brix Australia	Morwell Power Station Units 1 to 5

Generator	Generating Units
Corporation	
Edison Mission Energy Australia Limited	Loy Yang B Power Station Units 1 and 2

7.3 For a *Generator* listed in Table 4.3, in respect of a *generating units* listed in column 2 of Table 4.3, clause S5.2.5.4(a) of schedule 5.2 of the *Rules* is modified by the addition of the following after “*nameplate rating*”: “and allowing that the *generating unit's* output may be manually adjusted to avoid rough running bands following automatic control action”.

Table 4.3:

Generator	Generating Units
Southern Hydro Ltd	Dartmouth Power Station Unit 1 Eildon Power Station Units 1 and 2 Clover Power Station Units 1 and 2 West Kiewa Power Station Units 1 to 4

8. [Deleted]

9. [Deleted]

10. Protection systems that impact on system security (clause S5.2.5.9 of schedule 5.2)

For the purposes of clause S5.2.5.9 of schedule 5.2 of the *Rules*, in the case of a *Generator* listed in Table 7, in respect of those *generating units* listed in column 2 of Table 7:

- (a) the relevant *Network Service Provider* is taken to have agreed that the *Generator* is to provide protections for those *generating units* to perform the following functions except where indicated otherwise in column 3 of Table 7:
 - (1) protection for faults on the line and connections to the unit transformer of the *generating unit* and *transmission network* or *distribution network* (as the case may be);
 - (2) protection for faults within the generator transformer of the *generating unit*;
 - (3) protection for faults within the *generating unit*;
 - (4) protection for excitation system faults;

- (5) protection for faults in the phase isolated bus or its terminations between the *generating unit* and the generator transformer of the *generating unit*; and
- (6) protection for faults within the generator transformer of the *generating unit*;
- (b) where indicated in column 3 of Table 7, the protection system is not required to be duplicated; and
- (c) the *Generator* must ensure that only settings approved by the relevant *Network Service Provider* in writing are applied on the *protection systems* of the *generating unit* and must not change any of those settings without the prior written approval of the relevant *Network Service Provider*.

Table 7:

Power Station	Generating Units	Derogations
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8	Not required to duplicate protections for excitation system faults.
Generation Victoria	Jeeralang A Power Station Units 1 to 4	Not required to duplicate protections for faults in the unit transformers of the <i>generating unit</i> .
Generation Victoria	Jeeralang B Power Station Units 1 to 3	Not required to duplicate protection for excitation system faults or for faults in the unit transformers of the <i>generating unit</i> .
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 5	Not required to duplicate any protections. Not required to provide protection for faults within transformers (and connections thereto) which do not form part of the power station.

Power Station	Generating Units	Derogations
Southern Hydro Ltd	Eildon Power Station Units 1 and 2	Not required to duplicate protections for faults within the unit transformers of the <i>generating unit</i> .
Southern Hydro Ltd	Clover Power Station Units 1 and 2	Not required to duplicate any of the protections.

11. Asynchronous operation (clause S5.2.5.10 of schedule 5.2)

A *Generator* listed in Table 8 is not required to have protection to prevent pole slipping or asynchronous operation in respect of those *generating units* listed in column 2 of Table 8.

Table 8:

Generator	Generation units
Southern Hydro Ltd	Clover Power Station Units 1 and 2

12. [Deleted]

13. Governor Systems (load control) (clause S5.2.5.11 of schedule 5.2)

For the purposes of clause S5.2.5.11 of schedule 5.2 of the *Rules*, a *Generator* listed in Table 10 is not required to include *facilities* for *load* control for those *generating units* listed in column 2 of Table 10.

Table 10:

Generator	Generating Unit
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Smelter Trader	Anglesea Power Station Unit 1

14. Governor control equipment (clause S5.2.5.11 of schedule 5.2)

14.1 For the purposes of clause S5.2.5.11 of schedule 5.2 of the *Rules*, a *Generator* listed in Tables 11.1 to 11.4 is taken to have agreed the overall response requirements set out in clause 14.2 below with the relevant *Network Service Provider* in respect of those *generating units* listed in column 2 of Tables 11.1 to 11.4.

14.2 For a *Generator* listed in Tables 11.2 to 11.4, the overall response of a *generating unit* listed in the relevant Table to system *frequency* excursions

must achieve an increase in the *generating unit's* generated output of 5% for a 0.1 Hz reduction in system *frequency* and a reduction in the *generating unit's* generated output of 5% for a 0.1 Hz increase in system *frequency*, subject to the following:

- (a) for those *generating units* listed in Table 11.1, this clause only applies when operating in speed control mode;
- (b) for those *generating units* listed in Table 11.2, the *generating unit* is only required to achieve a change in the *generating unit's* generated output in accordance with the requirements of British Standard BS EN 60045-1: 1993 with a droop setting of 4%;
- (c) for those *generating units* listed in Table 11.3, the *generating unit* is only required to achieve a change in the *generating unit's* generated output in accordance with the requirements of the relevant British Standard for governors for hydro-electric generating units with an overall droop setting of 4% and a deadband of not more than 0.1 Hz; and
- (d) for those *generating units* listed in Table 11.4, the requirements of this clause are subject to requirements for steam pressure control for briquette plant operation.

Table 11.1:

Generator	Generating Unit
Generation Victoria	Jeeralang A Power Station Units 1 to 4
Generation Victoria	Jeeralang B Power Station Units 1 to 3

Table 11.2:

Generator	Generating Unit
Yallourn Energy Ltd	Yallourn W Power Station Units 1 to 4
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 4

Table 11.3:

Generator	Generating Unit
Southern Hydro Ltd	Eildon Power Station Units 1 and 2 McKay Power Station Units 1 to 6 West Kiewa Power Stations Units 1 to 4

Southern Hydro Ltd	Clover Power Station Units 1 and 2
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Table 11.4:

Generator	Generating Unit
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 2 to 4

15. Reactive current compensation (clause S5.2.5.13 schedule 5.2)

For the purposes of clause S5.2.5.13(b)(3)(x) of schedule 5.2 of the *Rules*, a *Generator* listed in Table 12 is taken to have agreed with the relevant *Network Service Provider* that in respect of those *generating units* listed in column 2 of Table 12, the *excitation control system* of the *generating unit* need not be capable of providing reactive current compensation settable for boost or droop.

Table 12:

Generator	Generating Units
Yallourn Power Ltd	Yallourn Power Station W Units 1 to 4

16. Excitation Control System (clause S5.2.5.13 of schedule 5.2)

For the purposes of clause S5.2.5.13(b) of schedule 5.2 of the *Rules*, a *Generator* listed in Table 13 is not required to provide *power system* stabilising action in relation to those *generating units* listed in column 2 of Table 13.

Table 13:

Power Station	Generating Units
Energy Brix Australia Corporation Pty Ltd	Morwell Power Station Units 1 to 5
Hazelwood Power Corporation Ltd	Hazelwood Power Station Units 1 to 8
Smelter Trader	Anglesea Power Station Unit 1

Part B – Jurisdictional Derogations for New South Wales

9.10 [Deleted]

9.11 Definitions

9.11.1 Definitions used in this Part B

For the purposes of this Part B:

- (a) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
EnergyAustralia	The energy distributor known as "EnergyAustralia" and established under the Energy Services Corporations Act 1995 (NSW).
ES Act	Electricity Supply Act 1995 (NSW).
IPART	The New South Wales Independent Pricing and Regulatory Tribunal established under the <i>IPART Act</i> .
IPART Act	Independent Pricing and Regulatory Tribunal Act 1992 (NSW).
Minister	The Minister administering the <i>ES Act</i> from time to time.
Mount Piper Cross Border Leases	The various agreements, documents and deeds relating to the leasing, ownership and operation of the <i>generating systems</i> comprising the <i>Mount Piper Power Station</i> entered into at the request of, or for the benefit of, one or more of Delta Electricity, New South Wales Treasury Corporation and the State of New South Wales and whether or not any of Delta Electricity, New South Wales Treasury Corporation or the State of New South Wales is a party to those agreements, documents and deeds.

Column 1	Column 2
Mount Piper Participants	The parties to the <i>Mount Piper Cross Border Leases</i> from time to time.
Mount Piper Power Station	The <i>power station</i> known as the “Mount Piper Power Station” located at Portland, New South Wales.
Mount Piper Trader	Delta Electricity or such other of the <i>Mount Piper Participants</i> from time to time which is operating the <i>Mount Piper Power Station</i> .
NSW Electricity Market Code	The code entitled NSW State Electricity Market Code, as in force immediately before 13 December 1998.
Power Supply Agreements	<p>Each of the following agreements in their form as at 1 July 1996:</p> <ul style="list-style-type: none"> (a) Power Supply Agreement dated 23 January 1991 between Macquarie Generation, Tomago Aluminium Company Pty Ltd and others; (b) the contract known as the BHP Port Kembla Slab and Plate Products Contract between Delta Electricity (formerly known as First State Power) and BHP Steel (AIS) Pty Ltd ACN 000 019 625 (formerly known as Australian Iron & Steel Ltd), being the contract that arises from the two agreements dated 24 May 1955, the agreement dated 27 November 1958 and the agreement dated 1 December 1969 (as amended and supplemented before 1 July 1996); (c) the contract known as the BHP Newcastle Rod and Bar Products Contract between Delta Electricity (formerly known as First State Power) and The Broken Hill Proprietary Company Ltd ACN 004 028 077, being the contract that arises from the agreement dated 13 August 1959 (as amended and supplemented before 1 July 1996).

Column 1	Column 2
Power Trader	Each of Delta Electricity (formerly known as First State Power), Macquarie Generation and such other person as may be nominated by the <i>Minister</i> to perform any obligation under a <i>Power Supply Agreement</i> .
TransGrid	The energy transmission operator known as "TransGrid" and established under the Energy Services Corporations Act 1995 (NSW).

9.12 Transitional Arrangements for Chapter 2 - Generators, Registered Participants, Registration and Cross Border Networks

9.12.1 Registration as a Generator

- (a) For the purposes of the *Rules*:
 - (1) **[Deleted]**
 - (2) **[Deleted]**
 - (3) *Mount Piper Trader* is deemed to be the person that must register as a *Generator* in relation to the *generating systems* forming part of the *Mount Piper Power Station*; and
 - (4) the *Mount Piper Participants* (other than the *Mount Piper Trader*) are not to, and are not to be taken to be entitled to, and are taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating systems* forming part of the *Mount Piper Power Station*.
- (b) **[Deleted]**
- (c) Clause 9.12.1(a)(3) and (4) ceases to have effect upon the expiry or earlier termination of the last of the *Mount Piper Cross Border Leases*.

9.12.2 Customers

For the purposes of clause 2.3.1(e), and for the purposes of clause 2.4.2(b) in so far as it relates to *Customers*, a person satisfies the requirements of New South Wales for classification of a *connection point* of that person if that person is the holder of a retail supplier's licence issued under the *ES Act* or is a wholesale customer (as defined in the *ES Act*).

9.12.3 Power Traders

- (a) Each *Power Trader* for the purpose of supplying electricity under a *Power Supply Agreement* (the "*Power Supply Agreement*") is deemed to be and at all relevant times to have been (and must register with *NEMMCO* as) a *Market Customer* in relation to electricity supplied under the *Power Supply*

Agreement, which electricity is deemed to be and at all relevant times to have been a *market load*.

- (b) If complying with a requirement of the *Rules* (“the Rules Requirement”) would result in a *Power Trader* being in breach of a provision of a *Power Supply Agreement* to which it is a party (“the Contractual Requirement”), the *Power Trader* is not required to comply with the Rules Requirement to the extent of the inconsistency between the Rules Requirement and the Contractual Requirement.
- (c) If a *Power Trader* does not comply with a Rules Requirement in the circumstances described in clause 9.12.3(b), then the *Power Trader* must:
 - (1) give written notice to the *AER* of:
 - (i) the Rules Requirement which has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that Rules Requirement; and
 - (iii) details of each Contractual Requirement which is said by the *Power Trader* to be inconsistent with the Rules Requirement,by no later than 7 *days* after the non-compliance with the Rules Requirement occurs or commences; and
 - (2) provide the *AER* with any documents or information in the possession or control of the *Power Trader* which evidence the matters referred to in clause 9.12.3(c)(1), within 14 *days* (or any further period agreed to by the *AER*) of receiving a written request from the *AER*.
- (d) If:
 - (1) a *Power Trader* requires the co-operation of any other party to a *Power Supply Agreement* (a “counterparty”) to comply with a requirement of the *Rules* (the “Rules Requirement”);
 - (2) the *Power Trader* has used all reasonable endeavours to obtain the counterparty's co-operation in order to enable the *Power Trader* to comply with the Rules Requirement; and
 - (3) under the *Power Supply Agreement* the *Power Trader* has no ability to require the counterparty to so co-operate with the *Power Trader* and the counterparty is not in breach of the *Power Supply Agreement* by refusing to so co-operate with the *Power Trader*,then the *Power Trader* is not required to comply with that Rules Requirement.
- (e) If a *Power Trader* does not comply with a Rules Requirement in the circumstances described in clause 9.12.3(d), then the *Power Trader* must:
 - (1) give written notice to the *AER* of:
 - (i) the Rules Requirement which has not been complied with;

- (ii) details of each act or omission which partly or wholly constitutes non-compliance with that Rules Requirement; and
 - (iii) details of the endeavours made by the *Power Trader* to obtain the counterparty's co-operation to enable the *Power Trader* to comply with the Rules Requirement,

by no later than 7 *days* after the non-compliance with the Rules Requirement occurs or commences; and
 - (2) provide the *AER* with any documents or information in the possession or control of the *Power Trader* which evidence the matters referred to in clause 9.12.3(e)(1), within 14 *days* (or any further period agreed to by the *AER*) of receiving a written request from the *AER*.
- (f) To avoid any doubt, if:
- (1) after reviewing any written notice provided by a *Power Trader* under clause 9.12.3(c)(1) and any additional documents or information provided by the *Power Trader* under clause 9.12.3(c)(2), the *AER* forms the view that compliance with the relevant Rules Requirement would not have resulted in the *Power Trader* being in breach of the relevant Contractual Requirement; or
 - (2) after reviewing any written notice provided by a *Power Trader* under clause 9.12.3(e)(1) (the "Notice") and any additional documents or information provided by the *Power Trader* under clause 9.12.3(e)(2), the *AER* forms the view that any of the requirements of clause 9.12.3(d) were not in fact satisfied in respect of the subject matter of the Notice,
- then the matter may be dealt with by the *AER* as a breach of the *Rules*.
- (g) A *Power Trader* may provide notice and information to the *AER* as required in clauses 9.12.3(c) or (e), as the case requires, in advance if it becomes aware of the potential for the circumstances described in clauses 9.12.3(b) or (d) to arise. Such notice and information will be deemed to have been given in accordance with clauses 9.12.3(c) or (e), as the case requires.
 - (h) Notwithstanding the provision of notice and information in advance in accordance with clause 9.12.3(g), the *Power Trader* must give notice of non-compliance with the *Rules* and provide such other documents or information as required in accordance with clauses 9.12.3(c) or (e), as the case requires, after such non-compliance has occurred or commenced.
 - (i) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clauses 9.12.3(c) or (e), as the case requires, will be effective in relation to that non-compliance until that non-compliance ends provided that:
 - (1) the notice specifies that the non-compliance is continuing; and
 - (2) the *Power Trader* notifies the *AER* of the end of the non-compliance no later than 7 *days* after the non-compliance ends.

- (j) Clauses 9.12.3(b) and (d) do not affect a *Power Trader's* obligation with respect to registration with *NEMMCO* or making payments in respect of:
 - (1) *Participant fees*;
 - (2) *prudential requirements*; or
 - (3) *settlement amounts*.
- (k) Within 30 *days* of the end of each quarter in each calendar year, the *AER* must prepare a quarterly report for the previous quarter and make it available on request to all *Registered Participants* and to the *participating jurisdictions* which participated in the *market* during the quarter covered by the report. The quarterly report must include:
 - (1) a summary of the acts or omissions of *Power Traders* constituting non-compliance with any Rules Requirement, as disclosed in written notices received by the *AER* under clauses 9.12.3(c) or (e) during the quarter covered by the report; and
 - (2) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation of the *market* during the quarter covered by the report.
- (l) This clause 9.12.3 ceases to have effect in respect of a *Power Supply Agreement* upon termination of that agreement.

9.12.4 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in New South Wales is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.12.4(a), then the *jurisdictional derogations* for New South Wales do not apply to the extended part of the relevant *network* which is situated in New South Wales.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for New South Wales should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of New South Wales consents, the *jurisdictional derogations* for New South Wales are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.13 [Deleted]

9.14 Transitional Arrangements for Chapter 4 - System Security

9.14.1 Power System Operating Procedures

For the purposes of clause 4.10.1, the *regional specific power system operating procedures* that apply in respect of operations on the *network* situated in New South Wales are, with the inclusion of any operating procedures set out in such operating manuals and other documents as are specified by *TransGrid* and provided to *NEMMCO*, the *regional specific power system operating procedures* reviewed and updated under clause 4.10.2(e).

9.15 Transitional Arrangements for Chapter 5 - Network Connection

9.15.1 [Deleted]

9.15.2 Disputes Relating to a NSW Distribution Network

(a) If:

(1) a dispute arises between or involving two or more *Registered Participants* in respect of:

(i) access to;

(ii) *connection* to;

(iii) use of; or

(iv) *distribution network service* pricing for,
a *distribution network* situated in New South Wales; and

(2) **[Deleted]**

(3) the dispute is not resolved by agreement of the parties in dispute within 10 *business days* (or such other period as the parties agree to be an acceptable period) after the dispute first arose,

then the matter in dispute must be referred by the parties in dispute to the appropriate regulator to act as the *Adviser*. If the appropriate regulator:

(4) thinks it appropriate for a dispute; and

(5) does not reasonably consider that acting as the *Adviser* and the *dispute resolution panel* will prejudice the appropriate regulator's ability to implement a fair and efficient dispute resolution process,

IPART may also act as the *dispute resolution panel* under the dispute resolution procedures set out in Chapter 8, provided that, if *IPART* elects to act as both the *Adviser* and the *DRP*, it must make such arrangements as are necessary to ensure that, in carrying out its functions as the *DRP*, no party may be adversely affected by *IPART* having previously acted as the *Adviser*. If *IPART* is unable or unwilling to make such arrangements, then it must appoint a *DRP* in accordance with the *Adviser's* functions in Chapter 8.

- (b) In this clause:

appropriate regulator means:

- (1) if the NSW Minister has made no transfer of regulatory responsibility to the *AER* under clause 11.14.4 – *IPART*;
- (2) if the NSW Minister has made a transfer of regulatory responsibility to the *AER* under clause 11.14.4 – the *AER*.

- (c) This clause expires on 1 July 2009.

9.16 Transitional Arrangements for Chapter 6 - Network Pricing

9.16.1 [Deleted]

9.16.2 [Deleted]

9.16.3 Jurisdictional Regulator

- (a) *IPART* remains as the *Jurisdictional Regulator* for New South Wales until the NSW Minister makes a transfer of regulatory responsibility to the *AER* under clause 11.14.4.
- (b) However, the definitions of *local area* and *Local Network Service Provider* are to be read as if the reference to the authority responsible for administering the jurisdictional electricity legislation in the relevant participating jurisdiction were replaced by a reference to the laws of the State of New South Wales.
- (c) Paragraph (a) expires on 1 July 2009.

9.16.4 Deemed Regulated Interconnector

For the purposes of the *Rules*, the *interconnector* between Armidale in New South Wales and Tarong in Queensland, to the extent that it forms part of the *power system* in New South Wales, is deemed to be a *regulated interconnector*.

9.16.5 Revenue Cap

- (a) For the purposes of clause 6.2.4, in respect of the regulation of *transmission service* pricing in New South Wales, the *revenue cap* for the *financial year* commencing on 1 July 2004 (the "Period") will be deemed to be:

- (1) for *TransGrid*, the *maximum allowed revenue* for the Period in the ACCC's "Draft Decision NSW and ACT Transmission Network Revenue Caps – TransGrid 2004/05-2008/09" dated 28 April 2004 (the "Draft TransGrid Revenue Cap Decision"); and
 - (2) for *EnergyAustralia*, the *maximum allowed revenue* for the Period in the ACCC's "Draft Decision NSW and ACT Transmission Network Revenue Cap – EnergyAustralia 2004/05-2008/09" dated 28 April 2004 (the "Draft EA Revenue Cap Decision").
- (b) For the purposes of clauses 6.3 to 6.4, 6.5.1 to 6.5.6, 6.7.3, 6.7.4 and 6.8 to 6.9, the prices applying in the Period for *prescribed transmission services* provided by means of the *transmission networks* and associated *connection assets* located in New South Wales applying to individual *transmission network connection points* located in New South Wales during the Period, must be determined on the following basis:
 - (1) the *aggregate annual revenue requirement* for *TransGrid* will be the *maximum allowed revenue* for the Period specified in the Draft TransGrid Revenue Cap Decision; and
 - (2) the *aggregate annual revenue requirement* for *EnergyAustralia* will be the *maximum allowed revenue* for the Period specified in the Draft EA Revenue Cap Decision.
- (c) For the purposes of applying clause 6.4.3C for the *financial year* commencing on 1 July 2005, *EnergyAustralia* and *TransGrid* each must subtract the *maximum allowed revenue* determined in accordance with clause 9.16.5(a) from:
 - (1) in the case of *TransGrid*, the "Maximum Allowed Revenue" for the Period in any final decision which is expressed to apply to the Period; and
 - (2) in the case of *EnergyAustralia*, the "Maximum Allowed Revenue" for the Period in any final decision which is expressed to apply to the Period,and then:
 - (3) if the result of that subtraction is an amount less than zero then, in addition to the other amounts mentioned in clause 6.4.3C(b), the absolute value of that amount must be deducted from the portion of the *aggregate annual revenue requirement* referred to in clause 6.4.3C(b); and
 - (4) if the result of that subtraction is an amount greater than zero then, in addition to the other amounts mentioned in clause 6.4.3C(c), that amount must be added to the portion of the *aggregate annual revenue requirement* referred to in clause 6.4.3C(c),prior to the application of interest in accordance with clause 6.4.3C(b) or 6.4.3C(c) as the case may be.

- (d) For the purposes of clause 6.2.4, in respect of the regulation of *transmission service* pricing in New South Wales, a *revenue cap* applying to a *Transmission Network Service Provider* determined by the ACCC for the period commencing on 1 July 2004 until the end of 30 June 2009 will be deemed to be for a period of five years notwithstanding that such *revenue cap* did not take effect until after 1 July 2004 or that such *revenue cap* was determined by the ACCC after 1 July 2004.

9.17 Transitional Arrangements for Chapter 7 - Metering

9.17.1 Extent of Derogations

- (a) [Deleted]
- (b) [Deleted]
- (c) The transitional arrangements set out in clauses 9.17.2 and 9.17.4 apply to all *metering installations* (including *check metering installations*) that were in use at 13 December 1998 and that were required to comply with (and did comply with) the *NSW Electricity Market Code* as at 13 December 1998.

9.17.2 Initial Registration (clause ~~7.1.2~~ 7.1.4)

- (a) Subject to clause 9.17.2(b), if:
 - (1) a *metering installation* to which this clause 9.17 applies was registered with *TransGrid* under the *NSW Electricity Market Code* as at 13 December 1998; and
 - (2) the details registered with *TransGrid* were provided to *NEMMCO* on or before 13 December 1998,then the *metering installation* is taken to be registered with *NEMMCO* for the purposes of clause ~~7.1.2~~ 7.1.4(a).
- (b) The *responsible person* in respect of a *metering installation* which is taken to be registered under clause 9.17.2(a) must ensure that the requirements for registration of a *metering installation* under Chapter 7 are met by 13 December 1999 or such other time as may be agreed with *NEMMCO*.

9.17.3 Amendments to Schedule 9G1

The transitional metering provisions set out in schedule 9G1, amended as follows, apply to New South Wales in respect of Chapter 7:

- (a) [Deleted]
- (b) [Deleted]
- (c) If, in respect of a *metering installation* commissioned before 13 December 1998, the *responsible person* has obtained an exemption prior to 13 December 1998 from *TransGrid* pursuant to clause 2.2(c) of Schedule 7.2 of the *NSW Electricity Market Code*, then that exemption is deemed to continue as an exemption granted by *NEMMCO* pursuant to clause S7.2.2(c) of schedule 7.2 of the *Rules*.

(d) [Deleted]

(e) [Deleted]

(f) [Deleted]

9.17.4 Compliance with AS/NZ ISO 9002 (clause S7.4.3(f) of schedule 7.4)

Category 1A, 2A and 3A *Metering Providers* must be able to exhibit the requirements of clause S7.4.3(f)(1) of schedule 7.4 of the *Rules* by the date which is 2 years after the date the *Metering Provider* applied to be registered as a *Metering Provider* with NEMMCO.

9.17A [Deleted]

9.18 [Deleted]

Part C – Jurisdictional Derogations for the Australian Capital Territory

9.19 [Deleted]

9.20 Definitions and Transitional Arrangements for Cross-Border Networks

9.20.1 Definitions

For the purposes of this Part C:

- (a) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Minister	The Minister from time to time administering the Utilities Act 2000 (ACT) or other applicable ACT legislation.

9.20.2 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in the Australian Capital Territory is a continuation of a *network* situated in New South Wales and should be considered to be a part of the New South Wales *network*; and
 - (2) the *Minister* for New South Wales consents,then those *Ministers* may nominate that the *network* is deemed to be entirely in New South Wales and the *Rules* including any relevant *jurisdictional derogations* for New South Wales are deemed to apply to the *network* as if the *network* were located entirely within New South Wales.
- (b) If a nomination is made under clause 9.20.2(a), then the *jurisdictional derogations* for the Australian Capital Territory do not apply to the extended part of the relevant *network* which is situated in the Australian Capital Territory.

- (c) If the *Minister* for New South Wales nominates that the *jurisdictional derogations* for the Australian Capital Territory should apply to a *network* part of which is situated in New South Wales, then if the *Minister* for the Australian Capital Territory consents, the *jurisdictional derogations* for the Australian Capital Territory are also to apply to that part of the *network* situated in New South Wales.

9.21 [Deleted]

9.22 [Deleted]

9.23 Transitional Arrangements for Chapter 6 - Network Pricing

9.23.1 [Deleted]

9.23.2 [Deleted]

9.23.3 [Deleted]

9.23.4 [Deleted]

9.24 Transitional Arrangements

9.24.1 Chapter 7 - Metering

The transitional metering provisions set out in schedule 9G1 apply to the Australian Capital Territory in respect of Chapter 7.

9.24.2 [Deleted]

9.24A [Deleted]

Part D – Jurisdictional Derogations for South Australia

9.25 Definitions

9.25.1 [Deleted]

9.25.2 Definitions

- (a) For the purposes of this Part D, a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the table in clause 9.25.2(b).
- (b) For the purposes of this Part D, a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
customer	A customer as defined in the <i>Electricity Act</i>
Distribution Lessor Corporation	A subsidiary of the Treasurer of the State of South Australia established by the Public Corporations (Distribution Lessor Corporation) Regulations 1999 and known as "Distribution Lessor Corporation" and includes any entity which replaces or assumes rights or obligations of Distribution Lessor Corporation under a <i>South Australian Distribution Network Lease</i> , by way of succession, assignment, novation, ministerial direction, or otherwise.
Electricity Act	<i>Electricity Act</i> 1996 (SA).
ETSA Corporation	The statutory corporation established pursuant to the Electricity Corporations Act 1994 and known as "ETSA Corporation" and includes its successors and assigns
ETSA Power	The statutory corporation established as a subsidiary of <i>ETSA Corporation</i> by the Public Corporations (ETSA Power) Regulations 1995, and includes its successors and assigns.
ETSA Transmission Corporation	The statutory corporation established pursuant to the Electricity Corporations Act 1994 and known as "ETSA Transmission Corporation" and includes any party which replaces or assumes rights or obligations of ETSA Transmission Corporation as a party to the <i>South Australian Transmission Lease</i> , by way of succession, assignment, novation, ministerial direction, or otherwise.

Column 1	Column 2
Generation Lessor Corporation	A subsidiary of the Treasurer of the State of South Australia established by the Public Corporations (Generation Lessor Corporation) Regulations 1999 and known as "Generation Lessor Corporation" and includes any entity which replaces or assumes rights or obligations of Generation Lessor Corporation under the <i>South Australian Generation Leases</i> , by way of succession, assignment, novation, ministerial direction, or otherwise.
Northern Power Station agreements	The various agreements, documents and deeds in their form as at 1 July 1996 relating to the leasing and ownership of the <i>generating system</i> and associated <i>generating units</i> comprising the Northern Power Station entered into by <i>ETSA Corporation</i> and now under the control of <i>SA Generation Corporation</i>
Northern Power Station Participants	The parties to the <i>Northern Power Station agreements</i> other than <i>SA Generation Corporation</i> .
Osborne agreement	The Agreement dated 4 June 1996 (in its form as at 1 July 1996) between <i>ETSA Corporation</i> and Osborne Cogeneration Pty Ltd and known as the "Osborne Power Purchase Agreement".
South Australian Distribution Network Lease	Any lease with respect to the electricity <i>distribution network</i> , plant and equipment owned by <i>Distribution Lessor Corporation</i> from time to time.
SA Generation Corporation	The statutory corporation established pursuant to the Electricity Corporations Act 1994 and known as "SA Generation Corporation" (trading as Optima Energy), and includes its successors and assigns
South Australian Generation Leases	Leases with respect to electricity <i>generating systems</i> and associated <i>generating units</i> owned by <i>Generation Lessor Corporation</i> from time to time.
South Australian network	A <i>network</i> situated in South Australia or deemed to be situated in South Australia by operation of clause 9.4.5.
South Australian Transmission Lease	The various agreements, documents and deeds in their form as at 31 August 1998 relating to the leasing and ownership of the <i>transmission network</i> in South Australia entered into by <i>ETSA Transmission Corporation</i> .

Column 1	Column 2
South Australian Transmission Lease Participants	The parties to the <i>South Australian Transmission Lease</i> other than <i>ETSA Transmission Corporation</i> .
South Australian Transmission Network Sub Sub Sub Lease	Any sub sub sub-lease (together with any lease or agreement to lease extending beyond the termination date of such sub sub sub lease) with respect to the electricity <i>transmission network</i> , plant and equipment of which <i>ETSA Transmission Corporation</i> is sub sub sub-lessor from time to time.

- (c) **[Deleted]**
- (d) For the purposes of the *Rules* "*applicable regulatory instruments*" includes the following South Australian instruments in relation only to the regulation of *networks*, *network services* and retail sales of electricity in South Australia:
- (i) the *Electricity Act*;
 - (ii) all codes and regulations made and licences issued under the *Electricity Act*;
 - (iii) all regulatory instruments applicable under those licences;
 - (iv) the Electricity Pricing Order made under section 35B of the *Electricity Act*;
 - (v) the *Electricity Corporations (Restructuring and Disposal) Act 1999*;
 - (vi) the *Essential Services Commission Act 2002*; and
 - (vii) all regulations and determinations made under the *Essential Services Commission Act 2002*.

9.26 Transitional Arrangements for Chapter 2 - Registered Participants, Registration And Cross Border Networks

9.26.1 Registration as a Generator

For the purposes of the *Rules*:

- (a) *ETSA Power* and any one person that replaces or assumes rights or obligations of *ETSA Power* as party to the *Osborne agreement*, by way of succession, assignment, novation, ministerial direction, or otherwise, is deemed to be, and at all relevant times to have been, the person who must register as the *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the *Osborne agreement*;
- (b) Osborne Cogeneration Pty Ltd is not to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to,

register as a *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the *Osborne agreement*;

- (c) *SA Generation Corporation* and any person that replaces or assumes rights or obligations of *SA Generation Corporation* as party to the *Northern Power Station agreements*, by way of succession, assignment, novation, ministerial direction, or otherwise, is deemed to be, and at all relevant times to have been, the person that must register as the *Generator* (unless otherwise exempt) in relation to the *generating system* and associated *generating units* which are the subject of the *Northern Power Station agreements*;
- (d) the *Northern Power Station Participants* are not to, and are not to be taken to be entitled to, and are taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the *Northern Power Station agreements*;
- (e) clauses 9.26.1(a) and (b) will cease to have effect on the termination of the *Osborne agreement*;
- (f) clauses 9.26.1(c) and (d) will cease to have effect on the termination of the last of the *Northern Power Station agreements*;
- (g) *Generation Lessor Corporation* is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating system* and associated *generating units* in South Australia which are the subject of the *South Australian Generation Leases*; and
- (h) clause 9.26.1(g) will apply in respect of each *South Australian Generation Lease* from the time that lease becomes effective and will cease to have effect on the termination of that lease (or the termination of any renewal of that lease).

9.26.2 Registration as a Customer

For the purposes of clause 2.3.1(e), a person may classify its electricity purchased at a *connection point* in South Australia if the person is:

- (a) licensed to retail electricity under the *Electricity Act* and regulations; or
- (b) a *customer* pursuant to the *Electricity Act* and regulations.

9.26.3 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in South Australia is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,

then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.

- (b) If a nomination is made under clause 9.26.3(a), then the *jurisdictional derogations* for South Australia do not apply to the extended part of the relevant *network* which is situated in South Australia.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for South Australia should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of South Australia consents, the *jurisdictional derogations* for South Australia are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.26.4 [Deleted]

9.26.5 Registration as a Network Service Provider

For the purpose of the *Rules*:

- (a) the *South Australian Transmission Lease Participants* are not obliged to, and are taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *transmission network* in South Australia which is the subject of the *South Australian Transmission Lease*.
- (b) Clause 9.26.5(a) will cease to have effect on the termination, extension or variation of the *South Australian Transmission Lease*.
- (c) *Distribution Lessor Corporation* is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *distribution network* in South Australia which is the subject of the *South Australian Distribution Network Lease*.
- (d) *ETSA Transmission Corporation* (notwithstanding that it is the owner and sub sub sub lessor of the *transmission network* in South Australia) is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *transmission network* in South Australia which is the subject of the *South Australian Transmission Network Sub Sub Sub Lease*.
- (e) Clause 9.26.5(c) will have effect for the period of each *South Australian Distribution Network Lease* (including the period of any renewal).
- (f) Clause 9.26.5(d) will have effect for the period of each *South Australian Transmission Network Sub Sub Sub Lease* (including the period of any renewal).

9.27 [Deleted]

9.28 Transitional Arrangements for Chapter 5 - Network Connection

9.28.1 Application of clause 5.2

For the purposes of clause 5.2:

- (a) for *facilities* existing at *market commencement*, *Registered Participant* exemptions may be sought from *NEMMCO* in accordance with the *Rules* for particular *facilities* where material departures from the *Rules* are reasonably expected. Any necessity to alter the existing arrangements for *facilities* is to be negotiated and agreed by affected *Registered Participants*;
- (b) South Australia reserves the right to seek further exemptions from *NEMMCO* in accordance with the *Rules* for existing *power stations* if they are unable to meet the requirements of the *Rules* and those exemptions will not result in system damage; and
- (c) **[Deleted]**
- (d) **[Deleted]**
- (e) the provisions in this clause 9.28 apply until there are corresponding changes to the *Rules* which deliver equivalent outcomes to the satisfaction of the South Australian Government.

9.28.2 Regulation of Distribution Network Connection

- (a) Notwithstanding anything to the contrary in the *Rules*, the *Jurisdictional Regulator* appointed for South Australia is responsible for the regulation of access in respect of any *distribution network* situated in South Australia concerning:
 - (i) *connection*;
 - (ii) *modification of a connection*;
 - (iii) *augmentation*;
 - (iv) *provision of network services and distribution use of system services*;
 - (v) *modification of the provision of network services and distribution use of system services*.
- (b) For the purpose of clause 5.3.6(c), any question as to the fairness and reasonableness of an offer to *connect* in relation to a *distribution network* situated in South Australia is to be decided by the *Jurisdictional Regulator* on the basis of the opinion of the *Jurisdictional Regulator* as to the fairness and reasonableness of the offer.
- (c) If:
 - (1) a dispute arises between or involving two or more *Registered Participants* in respect of:

- (i) access to;
 - (ii) *connection to*;
 - (iii) use of; or
 - (iv) *distribution network service* pricing for,
a *distribution network* situated in South Australia; and
- (2) the dispute is not resolved by agreement of the parties in dispute within 5 *business days* (or such other period as the parties agree to be an acceptable period) after the dispute first arose,
- then the matter in dispute must be referred by the parties in dispute to the *Jurisdictional Regulator* to act as the *Adviser*. If the *Jurisdictional Regulator* thinks it appropriate, it may also act as the *dispute resolution panel* under the dispute resolution procedures set out in Chapter 8, provided that, if the *Jurisdictional Regulator* elects to act as both the *Adviser* and the *dispute resolution panel*, it must make such arrangements as are necessary to ensure that, in carrying out its functions as the *dispute resolution panel*, no party may be adversely affected by the *Jurisdictional Regulator* having previously acted as the *Adviser*. If the *Jurisdictional Regulator* is unable or unwilling to make such arrangements, then it must appoint a *dispute resolution panel* in accordance with the *Adviser's* functions in Chapter 8.
- (d) This clause expires on 1 July 2010.

9.28.3 System Planning

- (a) In South Australia, the Electricity Supply Industry Planning Council (“*ESIPC*”), established under the *Electricity Act*, will be responsible for network planning as required by this clause 9.28.3.
- (aa) The obligations of *Network Service Providers* with respect to *networks* in South Australia under clauses 5.6.2 and 5.6.2A are varied as follows:
 - (i) Except where expressly provided, nothing in this clause 9.28.3 relieves *Network Service Providers* operating in South Australia from their obligations under clause 5.6.
 - (ii) The results of planning activities undertaken by *Network Service Providers* pursuant to clause 5.6.2 must be communicated to the *ESIPC* in a manner, form and within a time reasonably determined by the *ESIPC*.
 - (iii) Relevant *Network Service Providers* must, as soon as possible, advise the *ESIPC* of the details of any *augmentation* plans arising under clause 5.6.2(c).
 - (iv) *Network Service Providers* must, as soon as possible, provide the *ESIPC* with the forecasts, technical limits and details of the proposed corrective actions that are developed in accordance with clause 5.6.2(e).

- (v) The *ESIPC* must prepare the *Annual Planning Report* required under clause 5.6.2A for *networks* in South Australia. Relevant *Network Service Providers* must prepare the information specified in clause 5.6.2A(b) and supply it to the *ESIPC* by April 30 each year, or by some later date as directed in writing by the *ESIPC*.
- (ab) For the purposes of clause 5.6.3(b), *ESIPC* is the representative of South Australia on the *Inter-regional Planning Committee*.
- (ac) An applicant who proposes to establish a *new large transmission network asset* under clause 5.6.6 must provide the *ESIPC* with a draft summary of the *application notice* 10 *business days* prior to providing a summary of the *application notice* to *NEMMCO*.
- (b) The *ESIPC*:
 - (i) must be an incorporated body;
 - (ii) must register with *NEMMCO* as a *Network Service Provider* under the *Rules*; and
 - (iii) as a registered *Network Service Provider*, must comply with the relevant obligations of a *Network Service Provider*, but does not have to comply with the obligations of clauses 2.11.2 and 5.6.2(e)-(m).
- (c) [Deleted]

9.29 Transitional Arrangements for Chapter 6 - Economic Regulation of Distribution Services

9.29.1 Jurisdictional Regulator

- (a) The South Australian *Essential Services Commission* remains as the *Jurisdictional Regulator* for South Australia until the SA Minister makes a transfer of regulatory responsibility to the *AER* under clause 11.14.4.
- (b) This clause expires on 1 July 2010.

9.29.2 [Deleted]

9.29.3 [Deleted]

9.29.4 [Deleted]

9.29.5 Distribution Network Pricing – South Australia

- (a) In this clause:
 - price determination* means Part B of the 2005–2010 Electricity Distribution Price Determination made under the *Essential Services Commission Act 2002* (SA).
 - SA Distributor* means the *Distribution Network Service Provider* whose *distribution network* is situated in South Australia.

relevant distribution determination means the distribution determination for the *SA Distributor* for the *regulatory control period* that commences in 2010.

small customer has the same meaning as in the *Electricity Act 1996* (SA).

statement of regulatory intent means the *statement of regulatory intent* in regard to the electricity distribution efficiency carryover mechanism issued by the Essential Services Commission on 23 March 2007 under clause 7.4 of the Electricity Pricing Order made by the Treasurer under section 35B of the *Electricity Act 1996* (SA) on 11 October 1999.

- (b) The relevant distribution determination:
 - (1) must incorporate appropriate transitional arrangements to take into account the change from a pre-tax to a *post-tax revenue model* (which must be consistent with any agreement between the *AER* and the *SA Distributor* about the arrangements necessary to deal with the transition); and
 - (2) must allow the *SA Distributor* to carry forward impacts associated with the calculation of Maximum Average Distribution Revenue under the price determination into the 2010/11 and 2011/12 *regulatory years*.
- (c) The *efficiency benefit sharing scheme* under the relevant distribution determination must be consistent with the *statement of regulatory intent*.
- (d) The following side constraint is to be applied to tariffs for small customers for the *regulatory control period* to which the relevant distribution determination applies:

The fixed supply charge component of the tariff must not increase by more than \$10 from one *regulatory year* to the next.
- (e) In preparing its *framework and approach paper* for the distribution determination that is to follow the relevant distribution determination, the *AER* must consider whether the above side constraint should continue with or without modification.
- (f) Any reduction in *transmission network* charges as a result of a regulatory reset (excluding reductions resulting from the distribution of *settlements residue* and *settlements residue auction* proceeds) must be paid to all *customers*.

9.29.6 Capital contributions, prepayments and financial guarantees

- (a) The amount that a South Australian *Distribution Network Service Provider* may receive by way of capital contribution, prepayment and/or financial guarantee in respect of a *South Australian network* will be determined by the appropriate regulator in accordance with *applicable regulatory instruments*.

- (b) This clause operates to the exclusion of clause 6.7.2(b) of the former Chapter 6 (as it continues in force under transitional provisions) and clause 6.21.2(2) of the present Chapter 6.
- (c) In this clause:
appropriate regulator means:
 - (1) if the South Australian Minister has made no transfer of regulatory responsibility to the *AER* under clause 11.14.4 – the South Australian *Essential Services Commission*;
 - (2) if the South Australian Minister has made a transfer of regulatory responsibility to the *AER* under clause 11.14.4 – the *AER*.

9.29.7 Ring fencing

On the *AER*'s assumption of responsibility for the economic regulation of *distribution services* in South Australia, the guidelines entitled *Operational Ring-fencing Requirements for the SA Electricity Supply Industry: Electricity Industry Guideline No. 9* dated June 2003 (including amendments and substitutions made up to the date the *AER* assumes that responsibility) will be taken to be distribution ring-fencing guidelines issued by the *AER* under Rule 6.17.

9.29A Monitoring and reporting

- (a) *NEMMCO* must provide to the *ESIPC* upon request:
 - (i) any information that relates to *interconnectors* into South Australia; and
 - (ii) South Australian market data,where such information is within *NEMMCO*'s control and it is reasonably required to support the performance of the role of jurisdictional Responsible Officer by an officer or employee of the *ESIPC* under the National Electricity Market Memorandum of Understanding on the Use of Emergency Powers and the regulations under the *Electricity Act*.
- (b) The information referred to in clause 9.29A(a) must be provided by *NEMMCO* via a real time data link or, where that is not available, within a reasonable time.
- (c) Where the cost incurred by *NEMMCO* in providing the information referred to in clause 9.29A(a) exceeds the usual costs which *NEMMCO* incurs in providing any *Market Participant* with information in accordance with the *Rules*, the *ESIPC* must pay the additional costs.

9.30 Transitional Provisions

9.30.1 Chapter 7 - Metering

- (1) The transitional metering provisions set out in schedule 9G1 apply to South Australia in respect of Chapter 7.

(2) [Deleted]

(3) [Deleted]

(4) [Deleted]

(5) [Deleted]

9.30.2 [Deleted]

Schedule 9D1 - [Deleted]

Part E – Jurisdictional Derogations for Queensland

9.31 [Deleted]

9.32 Definitions and Interpretation

9.32.1 Definitions

(a) For the purposes of this Part E:

- (1) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (2) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
connection agreement	Includes all “Connection and Access Agreements” established in Queensland prior to <i>market commencement</i> ..
Contestable Customer	A customer prescribed by a regulation made under the <i>Electricity Act</i> as a contestable customer.
Electricity Act	The Electricity Act 1994 (Qld).
exempted generation agreement	An agreement between a <i>State Electricity Entity</i> and the owner or operator of a <i>generating system</i> , as listed at schedule 9E1, and any amendment of such agreement made prior to 13 December 1998 or, if made in accordance with clause 9.34.6(s), thereafter.
GOC Act	The Government Owned Corporations Act 1993 (Qld).
Minister	The Minister administering the <i>Electricity Act</i> from time to time.
Nominated Generator	A <i>State Electricity Entity</i> determined by the <i>Minister</i> for the purposes described in clause 9.34.6 for a <i>generating system</i> to which an <i>exempted generation agreement</i> applies.
Powerlink Queensland	Queensland Electricity Transmission Corporation Ltd, a corporation established under the <i>GOC Act</i> .

Column 1	Column 2
Queensland Competition Authority	The Queensland Competition Authority established under the <i>Queensland Competition Authority Act</i> .
Queensland Competition Authority Act	The Queensland Competition Authority Act 1997 (Qld).
Queensland distribution network	A <i>distribution network</i> (including any part of a <i>distribution network</i>) situated in Queensland.
Queensland Grid Code	The Code of that name first issued by the Department of Mines and Energy (Qld) on 28 November 1994, as amended from time to time.
Queensland system	The sum of the <i>transmission network</i> located in Queensland operating at a nominal <i>voltage</i> of 275 kV, the <i>connection assets</i> associated with that <i>network</i> and any <i>transmission or distribution system connected</i> to that <i>network</i> and also located in Queensland.
Queensland transmission network	A <i>transmission network</i> (including any part of a <i>transmission network</i>) situated in Queensland.
retail authority	An authority of that name issued under the <i>Electricity Act</i> .
Retail Entity	A retail entity as defined in the <i>Electricity Act</i> .
Small Generator	A <i>Generator</i> whose <i>generating system</i> is <i>connected</i> to the <i>Queensland system</i> and has a <i>nameplate rating</i> of less than 5MW.
special approval	An approval of that name issued under the <i>Electricity Act</i> .
Stanwell Corporation Ltd	A corporation established under the <i>GOC Act</i> .
Stanwell Cross Border Leases	The various agreements, documents and deeds relating to the leasing, ownership and operation of the <i>generating systems</i> comprising the <i>Stanwell Power Station</i> entered into, or to be entered into, at the request of, or for the benefit of, one or more of <i>Stanwell Corporation Ltd</i> and the State of Queensland and whether or not any of <i>Stanwell Corporation Ltd</i> or the State of Queensland is a party to those agreements, documents and deeds.
Stanwell Power Station	The <i>power station</i> known as the “Stanwell Power Station” located at Stanwell, Queensland.

Column 1	Column 2
State Electricity Entity	A State electricity entity as defined in the <i>Electricity Act</i> .
transmission authority	An authority of that name issued under the <i>Electricity Act</i> .

- (b) For the purposes of the *Rules*, to the extent that any *network* is located in Queensland, a *network* or part of a *network* is a *transmission network* if and only if it satisfies the following definition of “*transmission network*” and the definition of “*transmission network*” given in the glossary in Chapter 10 does not apply in those circumstances:

transmission network	Despite clause 6A.1.5(b) and the glossary of the <i>Rules</i> , in Queensland the <i>transmission network</i> assets are to be taken to include only those assets owned by <i>Powerlink Queensland</i> or any other <i>Transmission Network Service Provider</i> that holds a <i>transmission authority</i> irrespective of the <i>voltage</i> level and does not include any assets owned by a <i>Distribution Network Service Provider</i> whether or not such <i>distribution</i> assets are operated in parallel with the <i>transmission system</i> .
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9.32.2 Interpretation

In this Part E, a reference to any authority, corporation or body whether statutory or otherwise, in the event of that authority, corporation or body ceasing to exist or being reconstituted, renamed or replaced or its powers, duties or functions being transferred to or assumed by any other authority, corporation or body, will, as the case requires, be taken to refer to the authority, corporation or body replacing it or the authority, corporation or body, succeeding to or assuming the powers, duties or functions of it.

9.33 Transitional Arrangements for Chapter 1

9.33.1 [Deleted]

9.34 Transitional Arrangements for Chapter 2 - Registered Participants and Registration

9.34.1 Application of the Rules in Queensland (clauses 2.2 and 2.5)

Any person who engages in the activity of owning, controlling or operating:

- (a) a *generating system* that *supplies* electricity to a *transmission or distribution system* of a kind referred to in clause 9.34.1(b); or

- (b) a *transmission or distribution system* in Queensland which does not form part of the *national grid*,

is not to, and is not to be taken to be entitled to, and is taken to have been exempted from the requirement to, register as a *Registered Participant* in relation to that activity.

9.34.2 Stanwell Cross Border Leases (clause 2.2)

- (a) *Stanwell Corporation Ltd* is deemed to be the person that must register as a *Generator* in relation to the *generating systems* which are the subject of the *Stanwell Cross Border Leases*.
- (b) The parties (other than *Stanwell Corporation Ltd*) to the *Stanwell Cross Border Leases* are not to be and are not to be entitled to, and are taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating systems* which are the subject of the *Stanwell Cross Border Leases*.
- (c) Clauses 9.34.2(a) and (b) cease to have effect upon the expiry or earlier termination of the last of the *Stanwell Cross Border Leases*.

9.34.3 [Deleted]

9.34.4 Registration as a Customer (clause 2.3.1)

- (a) **[Deleted]**
- (b) Subject to clause 9.34.4(c), for the purpose of clause 2.3.1(e), a person satisfies the requirements of Queensland for classification of a *connection point* if that person is:
 - (1) a *Contestable Customer* in relation to that *connection point*; or
 - (2) a *Retail Entity* who is:
 - (i) authorised by a *retail authority* to sell electricity to the person *connected* at that *connection point*; or
 - (ii) the *Local Retailer* for the *local area* in which the *connection point* is located; or
 - (iii) the holder of a *special approval* which authorises the person to:
 - (A) purchase electricity in the *market* in respect of that *connection point*; or
 - (B) sell electricity to the person *connected* at that *connection point*; or
 - (iv) a person exempted under the *Electricity Act* from the operation of section 89(1) of the *Electricity Act* in relation to the sale of electricity to the person *connected* at that *connection point*.
- (c) For the purpose of clause 2.3.1(e), a person does not satisfy the requirements of Queensland for classification of its electricity purchased at

a *connection point* in Queensland if the electricity is supplied through a *transmission or distribution system* which does not form part of the *national grid*.

- (d) [Deleted]

9.34.5 There is no clause 9.34.5

9.34.6 Exempted generation agreements (clause 2.2)

- (a) For the purpose of supplying electricity under any *exempted generation agreement*, for each *generating system* which forms part of one of the *power stations* listed in schedule 9E1 the Minister may determine, in consultation in each case with the owner of the relevant *generating system*, whether a *State Electricity Entity* (the “*Nominated Generator*”), rather than another person engaging in the activity of owning, operating or controlling the *generating system*, should be the *Generator* in respect of the *generating system*.
- (b) For the purposes of the *Rules* if the *Minister* has determined a *Nominated Generator* for any *generating system* as described in clause 9.34.6(a):
- (1) the *Nominated Generator* is taken to be, and at all relevant times to have been, and is the person that must register as, a *Generator* in relation to that *generating system*; and
 - (2) any person engaging in the activity of owning, controlling or operating that *generating system*, not being the *Nominated Generator*, is not to, is not entitled to, and is taken to have been exempted from the requirement to, register as a *Generator* in relation to that *generating system*.
- (c) If complying with a requirement of the *Rules* (“the *Rules Requirement*”) would result in a *Nominated Generator* being in breach of a provision of an *exempted generation agreement* to which it is a party (the “*contractual requirement*”), the *Nominated Generator* is not required to comply with the *Rules requirement* to the extent of the inconsistency between the *Rules requirement* and the *contractual requirement* provided that this clause 9.34.6(c) must not be interpreted to relieve a *Nominated Generator* of the obligation to submit offers in respect of a *scheduled generating unit* or to operate the *generating unit* in accordance with *dispatch instructions* determined under Chapter 3.
- (d) If:
- (1) a *Nominated Generator* requires the co-operation of one or more of the parties to an *exempted generation agreement* (a “*counterparty*”) in order to enable the *Nominated Generator* to comply with the *Rules requirement*;

- (2) the *Nominated Generator* has used its reasonable endeavours to obtain the *counterparty's* co-operation in order to enable the *Nominated Generator* to comply with the *Rules requirement*; and
- (3) the *Nominated Generator* has no ability to require the *counterparty* to so co-operate with the *Nominated Generator* and the *counterparty* is not in breach of the *exempted generation agreement* by refusing to so co-operate,

then the *Nominated Generator* is not required to comply with the *Rules requirement*.

- (e) If a *Nominated Generator* does not comply with a *Rules requirement* in the circumstances set out in clause 9.34.6(c) or (d), the *Nominated Generator* must:

- (1) give notice to the *AER* as soon as practicable, and in any event before the expiration of 7 days after the non-compliance with the *Rules requirement* occurs or commences, of:
 - (a) details of the *Rules requirement* which has not been or will not be complied with;
 - (b) details of each act or omission which partly or wholly constitutes non-compliance with that *Rules requirement*;
 - (c) in the case of circumstances described in clause 9.34.6(c), unless explicitly prohibited by the terms of the relevant *exempted generation agreement*, details of each *contractual requirement* which is considered by the *Nominated Generator* to be inconsistent with the *Rules requirement*; and
 - (d) in the case of circumstances described in clause 9.34.6(d), details of the endeavours made by the *Nominated Generator* to obtain the *counterparty's* co-operation to enable the *Nominated Generator* to comply with the *Rules requirement*; and
- (2) unless explicitly prohibited by the terms of the relevant *exempted generation agreement*, give the *AER* any documents or information in the possession or control of the *Nominated Generator* which evidence the matters referred to in clause 9.34.6(e)(1) within 14 days (or any further period agreed to by the *AER*) of receiving a written request from the *AER*.

- (f) To avoid any doubt, if after reviewing a notice and any documents or information given by the *Nominated Generator* under clause 9.34.6(e), the *AER* forms the view that:

- (1) in the case of circumstances described in clause 9.34.6(c), compliance with the *Rules requirement* would not have resulted in the *Nominated Generator* being in breach of the relevant *contractual requirement*; or
- (2) in the case of circumstances described in clause 9.34.6(d), any of the requirements of clause 9.34.6(d) were not in fact satisfied,

then the matter may be dealt with by the *AER* as a breach of the *Rules*.

- (g) **[Deleted]**
- (h) A *Nominated Generator* may give notice and information to the *AER* as required in clause 9.34.6(e) in advance if it becomes aware of the potential for the circumstances described in clause 9.34.6(c) or 9.34.6(d) to arise, and the giving of that notice and information will be taken to satisfy the requirements of the *Nominated Generator* in clause 9.34.6(e)(1) in respect of those circumstances.
- (i) Notwithstanding the provision of notice and information in advance in accordance with clause 9.34.6(h), the *Nominated Generator* must provide such other documents or information as may be required in accordance with clause 9.34.6(e) after such non-compliance has occurred or commenced.
- (j) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clause 9.34.6(e) will be effective in relation to that non-compliance until that non-compliance ends provided that:
 - (1) the notice specifies that the non-compliance is continuing; and
 - (2) the *Nominated Generator* notifies the *AER* of the end of the non-compliance no later than 7 days after the non-compliance ends.
- (k) Clauses 9.34.6(c) and 9.34.6(d) do not affect the obligations of a *Nominated Generator* with respect to registration with *NEMMCO* or to making payments under the provisions of the *Rules* in respect of:
 - (1) *Participant fees*;
 - (2) *prudential requirements*; or
 - (3) *settlement amounts*.
- (l) Within 30 *days* of the end of each quarter in each calendar year, the *AER* must prepare a quarterly report for the previous quarter and make it available upon request to all *Registered Participants* and those *participating jurisdictions* that participated in the *market* during the quarter covered by the report. The quarterly report must include:
 - (1) a summary of the acts or omissions of the *Nominated Generator* constituting non-compliance with any requirement of the *Rules*, as disclosed in written notices received by the *AER* under this clause 9.34.6 during the quarter covered by the report: and
 - (2) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation, during the quarter covered by the report, of the *spot market*.
- (m) **[Deleted]**
- (n) No amendment, other than an amendment to correct a typographical error, may be made to an *exempted generation agreement* unless the parties to the *exempted generation agreement* submit to the *AER*:

- (1) the proposed amendment, a copy of the *exempted generation agreement* and such supporting information as the parties consider necessary (the “EGA amendment material”);
- (2) a request that the *AER* seek advice from the *ACCC* as to whether the *ACCC* considers that the proposed amendment would or may:
 - (i) **[Deleted]**
 - (ii) **[Deleted]**
 - (iii) contravene a provision of the Trade Practices Act 1974 (Cth) or the Competition Code of a *participating jurisdiction*; and
- (3) if requested by the *AER* to do so, such further information as may be required by the *AER* in order for the *ACCC* to consider the matters referred to in clause 9.34.6(n)(2),

and the proposed amendment is not prohibited under clause 9.34.6(q).

- (o) When the parties to an *exempted generation agreement* submit EGA amendment material to the *AER* in accordance with clause 9.34.6(n), they may include as part of the material submitted a written request that the *AER* and the *ACCC* treat the EGA amendment material as confidential. In such a case the *AER*:
 - (1) must comply with that request until such time as the parties to the *exempted generation agreement* notify the *AER* in writing that the *AER* is no longer under an obligation to do so; and
 - (2) must not provide any EGA amendment material to the *ACCC* unless the parties to the *exempted generation agreement* have notified the *AER* in writing that they have agreed acceptable confidentiality arrangements in relation to the EGA amendment material with the *ACCC* and that the *AER* should provide the EGA amendment material to the *ACCC*.
- (p) **[Deleted]**
- (q) If, within 10 *business days* of receiving the material referred to in clause 9.34.6(n) or such other period as is agreed between the *AER* and the parties to the *exempted generation agreement*, the *AER* responds that:
 - (1) the *ACCC* considers that the proposed amendment would or may have any or all of the effects referred to in clause 9.34.6(n)(2); or
 - (2) the *ACCC* considers that it is unable, because of:
 - (i) insufficient information before it; or
 - (ii) any confidentiality arrangements in relation to the EGA amendment material agreed between the *ACCC* and the parties to the *exempted generation agreement*,to reasonably consider whether the proposed amendment would have any or all of the effects referred to in clause 9.34.6(n)(2),

then the proposed amendment must not be made.

- (r) If the *AER* has not provided a response to a request made in accordance with clause 9.34.6(n)(2) within:
 - (1) 10 *business days* of receiving the material referred to in clause 9.34.6(n); or
 - (2) such other period as is agreed between the *AER* and the parties to the *exempted generation agreement*,the *ACCC* is deemed to have no objection to the proposed amendment.
- (s) If the *AER* notifies the parties to the *exempted generation agreement* that the *ACCC* has no objection to the proposed amendment, or if the *ACCC* is deemed under clause 9.34.6(r) to have no objection to the proposed amendment, the parties to the *exempted generation agreement* may make the proposed amendment.
- (t) This clause 9.34.6 ceases to have effect in respect of a *generating system* the subject of an *exempted generation agreement* upon the termination of that agreement.

9.35 [Deleted]

9.36 [Deleted]

9.37 Transitional Arrangements for Chapter 5 - Network Connection

9.37.1 [Deleted]

9.37.2 Existing connection and access agreements (clause 5.2)

- (a) The technical connection and network pricing requirements of the Interconnection and Power Pooling Agreement dated 30 March 1994 between the owners of the Gladstone Power Station and the Queensland Electricity Commission (as amended prior to 18 January 1998) are to be taken to be a *connection agreement* in respect of both the Gladstone Power Station and the Boyne Island aluminium smelter unless replacement *connection agreements* are entered into in respect of the power station and smelter.
- (b) Despite anything to the contrary in clause 5.2.2, if the *generating system* at Gladstone Power Station meets the technical connection requirements of the Interconnection and Power Pooling Agreement, or the technical requirements of a replacement *connection agreement* no less onerous than those in the Interconnection and Power Pooling Agreement, the relevant *generating system* is to be deemed to comply with all the technical connection requirements of the *Rules* in respect of the Gladstone Power Station.
- (c) Despite anything to the contrary in clause 5.2.2, if the Boyne Island aluminium smelter meets the technical connection requirements of the

Interconnection and Power Pooling Agreement, or the technical requirements of a replacement *connection agreement* no less onerous than those in the Interconnection and Power Pooling Agreement, the Boyne Island aluminium smelter is to be deemed to comply with all the technical connection requirements of the *Rules* in respect of the Boyne Island aluminium smelter.

- (d) Despite anything to the contrary in clause 5.2.2, if Queensland Rail complies with the technical requirements in the *connection agreements* for Queensland Rail *connections* as at 18 January 1998, Queensland Rail is to be deemed to comply with all the technical connection requirements of the *Rules*.
- (e) *Small Generators* are not required to comply with the conditions of *connection* set out in schedule 5.2 of the *Rules*.

9.37.3 [Deleted]

9.37.4 Regulation of distribution network connection (clause 5.3)

- (a) This clause 9.37.4 applies in respect of the regulation of *connection* to a *Queensland distribution network*.
- (b) Despite anything to the contrary in the *Rules*, the appropriate regulator is responsible for the regulation of *connection* to a *Queensland distribution network*.
- (c) The appropriate regulator is:
 - (1) until the date the *AER* assumes responsibility for the regulation of *connection* to the *Queensland distribution network* – the *Jurisdictional Regulator* for Queensland; and
 - (2) from that date – the *AER*.
- (d) For the purposes of clause 5.3.6(c), any question as to the fairness and reasonableness of an offer to *connect* to a *Queensland distribution network* is to be decided by the appropriate regulator on the basis of the appropriate regulator's opinion of the fairness and reasonableness of the offer.
- (e) If a dispute arises in relation to *connection* to a *Queensland distribution network*, then that dispute must be resolved in accordance with Chapter 8 and for this purpose a reference in Chapter 8 to “*power system*” is deemed to be a reference to the “*Queensland system*”.
- (f) This clause expires on 1 July 2010.

9.37.5 Forecasts for connection points to transmission network (clause 5.6.1)

If a *Network Service Provider*, on the *Queensland system*, modifies forecast information in accordance with clause 5.6.1(d), then that *Network Service Provider* is not required to notify the relevant *Registered Participant* if it has conflicting confidentiality obligations to other *Registered Participants*.

9.37.6 There is no clause 9.37.6

9.37.7 Cross Border Networks

- (a) If:
- (1) the *Minister* considers that a *transmission network* or *distribution network* situated in Queensland is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents, then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.37.7(a), then the *jurisdictional derogations* for Queensland do not apply to the continuation of the relevant *network* which is situated in Queensland.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for Queensland should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of Queensland consents, the *jurisdictional derogations* for Queensland are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.37.8 [Deleted]

9.37.9 Credible contingency events (clause S5.1.2.1 of schedule 5.1)

- (a) The *protection systems* installed on any 110/132kV lines located in Queensland and existing at *market commencement* are deemed to comply with clause S5.1.2.1(d) of schedule 5.1 of the *Rules* except where such *protection system* has a material effect in degrading the stability and security of the *Queensland system* or the *power system*.

9.37.10 Reactive power capability (clause S5.2.5.1 of schedule 5.2)

Clause S5.2.5.1 of schedule 5.2 of the *Rules* is replaced for each of the *generating units* situated at the relevant *power station* listed in the following table by the following:

For the purpose of this clause S5.2.5.1:

'*rated active power output*' means the 'Rated MW (Generated)' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*; and

'*nominal terminal voltage*' means the 'Nominal Terminal Voltage' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*.

- (a) Each of the *generating units*, while operating at any level of *active power* output, must be capable of:
 - (1) supplying at its terminals an amount of *reactive power* of at least the amount that would be supplied if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a lagging power factor of 0.9; and
 - (2) absorbing at its terminals an amount of *reactive power* of at least the amount that would be absorbed if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a leading power factor set out in respect of that *generating unit* in column 3 of the following table.
- (b) In the event that any of the relevant power factors referred to in paragraph (a) above cannot be provided in respect of a *generating unit*, the relevant *Generator* must reach a commercial arrangement under its *connection agreement* with the relevant *Network Service Provider*, or with another *Registered Participant*, for the supply of the deficit in *reactive power* as measured at that *generating unit's* terminals.

Power station	Generating units	Leading power factor
Gladstone	Units 1 to 4	0.99
Gladstone	Units 5 & 6	0.94
Tarong	Units 1 to 4	0.95
Callide "A"	Units 1 to 4	0.95
Callide "B"	Units 1 & 2	0.95
Stanwell	Units 1 to 4	0.95
Swanbank "B"	Units 1 to 4	0.97
Mount Stuart	Units 1 & 2	0.95
Collinsville	Units 1 to 5	0.95

9.37.11 [Deleted]

9.37.12 Voltage fluctuations (clause S5.1.5 of schedule 5.1)

For application in Queensland, clause S5.1.5 of schedule 5.1 of the *Rules* is replaced with the following:

"A *Network Service Provider* whose *network* is a *Queensland transmission network* or a *Queensland distribution network* must include conditions in *connection agreements* in relation to the permissible variation with time of the power generated or load taken by a *Registered Participant* to ensure that other *Registered Participants* are supplied with a power-frequency voltage which fluctuates to an extent that is less than the limit defined by the "Threshold of Perceptibility" or the "Threshold of Irritability" as the case may be for the conditions specified in the paragraph below, in Figure 1 of *Australian Standard AS2279*, Part 4.

A *Network Service Provider* whose *network* is a *Queensland transmission network* or a *Queensland distribution network* must ensure that voltage fluctuations caused by the switching or operation of *network plant* does not exceed the following amounts referenced to Figure 1 of *Australian Standard AS 2279*, Part 4:

- (1) Above 66kV:
 - (A) the "Threshold of Perceptibility" when all *network plant* is in service; and
 - (B) the "Threshold of Irritability" during any *credible contingency event* which is reasonably expected to be of short duration;
- (2) 66kV and below: the "Threshold of Irritability" when all *network plant* is in service.

The requirements of paragraphs (1) and (2) above do not apply to events such as switching of *network plant* to or from an abnormal state or to *network* faults which occur infrequently (ie. less than one event per day).

Where the *Rules* (other than this Part E) refer to clause S5.1.5(a) or (b) of schedule 5.1 of the *Rules* then, in so far as that reference relates to a *Network Service Provider* whose *network* is a *Queensland transmission network* or a *Queensland distribution network* or to a *network* which is a *Queensland transmission network* or a *Queensland distribution network*, that reference must be construed as a reference to the immediately preceding paragraph.

A *Network Service Provider* whose *network* is a *Queensland transmission network* or a *Queensland distribution network* is responsible only for excursions in voltage fluctuations outside the range defined in the first two paragraphs of this clause S5.1.5 caused by *network plant* and the pursuit of all reasonable measures available under the *Rules* to remedy the situation in respect of *Registered Participants* whose *plant* does not perform to the standards defined by clause S5.2.5.2(c) of schedule 5.2 of the *Rules* for *Generators*, the standards set out in the first paragraph below for *Customers* and the standards set out in the second paragraph below for *Market Network Service Providers*.

Each *Customer* must ensure that variations in current at each of its *connection points* including those arising from the *energisation*, *de-energisation* or operation of any *plant* within or supplied from the

Customer's substation are such that the contribution to the magnitude and rate of occurrence of the resulting *voltage* disturbance does not exceed the following limits:

- (i) where only one *Customer* has a *connection point* associated with the point of *supply*, the limit is 80% of the threshold of perceptibility set out in Figure 1 of *Australian Standard AS2279*, Part 4; or
- (ii) where two or more *Distribution Network Service Providers* or *Customers* causing *voltage* fluctuations have a *connection point* associated with a point of *supply*, the threshold of perceptibility limit is to be shared in a manner to be agreed between the *Distribution Network Service Provider* and the *Registered Participant* in accordance with *good electricity industry practice* that recognises the number of *Registered Participants* in the vicinity that may produce *voltage* fluctuations.

Each *Market Network Service Provider* must ensure that variations in current at each of its *connection points* arising from the *energisation*, *de-energisation* or operation of any of its *plant* involved in the provision of *market network services* are such that the contribution to the magnitude and rate of occurrence of the resulting *voltage* disturbance does not exceed the following limits:

- (i) where only one *Market Network Service Provider* has a *connection point* associated with the point of *supply*, the limit is 80% of the threshold of perceptibility set out in Figure 1 of *Australian Standard AS2279*, Part 4; or
- (ii) where two or more *Distribution Network Service Providers*, *Market Network Service Providers* or *Customers* causing *voltage* fluctuations have a *connection point* associated with a point of *supply*, the threshold of perceptibility limit is to be shared in a manner to be agreed between the *Distribution Network Service Provider* and the *Registered Participant* in accordance with *good electricity industry practice* that recognises the number of *Registered Participants* in the vicinity that may produce *voltage* fluctuations.

For these purposes, references to *Australian Standard AS2279* are references to that standard as it existed prior to it being superseded by AS/NZS 61000.3.7:2001."

9.37.13 [Deleted]

9.37.14 [Deleted]

9.37.15 [Deleted]

9.37.16 [Deleted]

9.37.17 [Deleted]

9.37.18 [Deleted]

9.37.19 Generating unit response to disturbances (clause S5.2.5.3 of schedule 5.2)

- (a) Despite the provisions of clause S5.2.5.3 of schedule 5.2 of the *Rules*, the *generating units* listed in the following table are not required to operate continuously outside the corresponding *frequency* band specified in column three of the following table:

Power station	Generating units	Frequency band
Tarong	Units 1 to 4	47.5 Hz to 51 Hz
Callide “B”	Units 1 & 2	47.5 Hz to 51 Hz
Stanwell	Units 1 to 4	47.5 Hz to 51 Hz
Gladstone	Units 1 to 6	47.5 Hz to 51.5 Hz
Collinsville	Units 1 to 4	48.0 Hz to 51 Hz
	Unit 5	48.0 Hz to 52 Hz

(b) [Deleted]

(b1) [Deleted]

9.37.20 Frequency control (clause S5.2.5.11 of schedule 5.2)

For each of the *generating units* situated at the *power stations* listed in the following table, the application of clause S5.2.5.11 of schedule 5.2 of the *Rules* is modified by deleting clause S5.2.5.11(b)(3) and replacing it with the following:

- “(d) A *Generator* must ensure that each of its *scheduled generating units* is capable of automatically increasing its *active power* output by 4% for a 0.1 Hz reduction in *system frequency*”.

Power station	Generating units
Tarong	Units 1 to 4
Callide “A”	Units 1 to 4

Callide “B”	Units 1 & 2
Stanwell	Units 1 to 4
Swanbank “A”	Units 1 to 6
Swanbank “B”	Units 1 to 4

9.37.21 Excitation control system (clause S5.2.5.13 of schedule 5.2)

- (a) For each of the *generating units* listed in the following table:
- (1) the application of clause S5.2.5.13(a) of schedule 5.2 of the *Rules* is modified by amending it to ensure that the short-time average *generating unit* stator *voltage* at highest rated power output level is not required to be more than 5% above nominal stator *voltage*; and
 - (2) the application of clause S5.2.5.13(b) of schedule 5.2 of the *Rules* is modified by deleting the words “all operating conditions” and replacing them with the words “all normal operating conditions and all *single credible contingency events*”.
- (b) For Wivenhoe Power Station, the application of clause S5.2.5.13(c) of schedule 5.2 of the *Rules* is modified by replacing sub-clause (c) with the words “providing a five second ceiling *excitation voltage* to a maximum of 730 V *excitation voltage*.”
- (c) **[Deleted]**
- (d) For Collinsville Power Station, any variation to the minimum performance requirements specified in clause S5.2.5.13 of schedule 5.2 of the *Rules* is to be limited to figures agreed with the *Network Service Provider* to whose *network* the Collinsville Power Station is *connected*.

Power station	Generating units
Tarong	Units 1 to 4
Callide “A”	Units 1 to 4
Callide “B”	Units 1 & 2
Stanwell	Units 1 to 4
Swanbank “A”	Units 1 to 6
Swanbank “B”	Units 1 to 4
Wivenhoe	Units 1 & 2
Barron Gorge	Units 1 & 2
Kareeya	Units 1 to 4
Gladstone	Units 1 to 6

Collinsville	Units 1 to 5
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- (e) A *Generator* whose *generating unit* is situated in Queensland must ensure that each new *synchronous generating unit* of greater than 100MW is fitted with a *static excitation system* or some other *excitation control system* which will provide *voltage* regulation to within 0.5% of the selected setpoint value unless otherwise agreed with the relevant *Network Service Provider*.

9.37.22 [Deleted]

9.37.23 Annual forecast information for planning purposes (schedule 5.7)

Each *Registered Participant* that has a *connection point* to a *Queensland transmission network* must submit to the relevant *Queensland Transmission Network Service Provider* a forecast of the annual *energy* consumption associated with each *connection point* together with the information set out in schedule 5.7 of the *Rules*.

9.38 Transitional Arrangements for Chapter 6 - Network Pricing

9.38.1 [Deleted]

9.38.2 [Deleted]

9.38.3 Arrangements for regulation of distribution pricing

- (a) The *Queensland Competition Authority* remains *Jurisdictional Regulator* for Queensland until the Queensland Minister makes a transfer of regulatory responsibility to the *AER* under clause 11.14.4.
- (b) Subject to clause 11.14.3, the regulation of *distribution network* service pricing for a *Queensland distribution network* must be in accordance with the *Electricity Act* and the *Queensland Competition Authority Act*.
- (c) This clause expires on 1 July 2010 or an earlier date nominated by the Queensland Minister.

9.38.4 Interconnectors between regions

For the purposes of the *Rules*, the *interconnector* between Armidale in New South Wales and Tarong in Queensland, to the extent that it forms part of the *Queensland system*, is deemed to be a *regulated interconnector*.

9.38.5 Transmission pricing for exempted generation agreements

- (a) Notwithstanding the provisions of Chapter 6, the amounts payable for *transmission services* in respect of a *generating system* or a *load* the subject of an *exempted generation agreement* by a *Generator* or *Customer* which is referred to in an *exempted generation agreement*, or the relevant *State Electricity Entity* nominated pursuant to clause 9.34.6(a), as the case may

be, will be the amounts payable under the *connection agreement* in respect of that *generating system* or *load*.

- (b) If the amounts payable for *transmission services* under clause 9.38.5(a) differ to those that would have been payable if the amounts had been calculated in accordance with the provisions of Chapter 6 (as modified by this clause 9.38) then the amount of that difference is to be recovered in accordance with clause 6.5.6(a).
- (c) For the purpose of clause 9.38.5(b), the amount of any difference is to be recovered from *Transmission Customers* located in Queensland and connected to the *Queensland system* and is not otherwise to be taken into account in determining *Transmission Customer common service charges* under clause 6.5.6(a).
- (d) For the application of clause 9.38.5(a) to the *generating system* at Gladstone Power Station and the *load* at the Boyne Island aluminium smelter, the *connection agreement* referred to is the Interconnection and Power Pooling Agreement dated 30 March 1994 between the owners of the Gladstone Power Station and the Queensland Electricity Commission (as amended prior to 18 January 1998), or any *connection agreements* entered into in respect of those *connection points* in replacement of that agreement, provided that in the latter case any difference to be recovered pursuant to clause 9.38.5(b) must not exceed that which would have applied had that agreement continued.
- (e) Clause 9.38.5(a) continues to apply in respect of the *generating system* at Gladstone Power Station and the *load* at the Boyne Island aluminium smelter despite the entering into *connection agreements* in replacement of the Interconnection and Power Pooling Agreement as envisaged in clause 9.38.5(d).

9.39 Transitional Arrangements for Chapter 7 - Metering

9.39.1 Metering installations to which this clause applies

- (a) The transitional *metering* provisions set out in schedule 9G1 apply to Queensland in respect of Chapter 7.
- (b) Notwithstanding the application of schedule 9G1 in Queensland, the transitional arrangements set out in this clause 9.39 apply in relation to a *metering installation* (including a *check metering installation*) that meets the following criteria:
 - (1) at 1 October 1997, the *metering installation*:
 - (i) was a *metering installation* to which the *Queensland Grid Code* applied; and
 - (ii) complied with the metering requirements of the *Queensland Grid Code*; and

- (2) excepting normal repair and maintenance, no part of the *metering installation* has been modified or replaced since 1 October 1997.

9.39.2 [Deleted]

9.39.3 [Deleted]

9.39.4 [Deleted]

9.39.5 [Deleted]

9.40 Transitional Arrangements for Chapter 8 - Administration Functions

9.40.1 [Deleted]

9.40.2 [Deleted]

9.40.3 [Deleted]

9.41 [Deleted]

Schedule 9E1 - Exempted Generation Agreements

Station Name	Owner or Operator of Station	Date of Agreement
Gladstone Power Station	GPS Participants ¹	30 March 1994
Collinsville Power Station	Collinsville Participants ²	30 November 1995
Townsville Power Station	Transfield Townsville Pty Ltd A.C.N. 075 001 991	2 August 1996
Oakey Power Station	Oakey Power Pty Ltd A.C.N. 075 258 114	10 September 1996
Mt Stuart Power Station	Origin Energy Mt Stuart, a general partnership between Origin Energy Mt Stuart BV (ARBN 079 232 572) & Origin Energy Australia Holdings BV (ARBN 079 234 165)	5 August 1996
Various Sugar Mills	Queensland Sugar Power Pool Pty Ltd A.C.N. 072 003 537	21 December 1995
Somerset Dam Hydro	Hydro Power Pty Ltd A.C.N. 010 669 351	1 June 1996
Browns Plains Landfill Gas	EDL LFG (QLD) Pty Ltd A.C.N. 071 089 579 and Energex Limited A.C.N. 078 849 055	31 July 1996

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GPS Participants	Each of:	GPS Power Pty Ltd, A.C.N. 009 103 422; GPS Energy Pty Ltd, A.C.N. 063 207 456; Sunshine State Power B.V., A.R.B.N. 062 295 425; Sunshine State Power (No 2) B.V., ARBN 063 382 829; SLMA GPS Pty Ltd, A.C.N. 063 779 028; Ryowa II GPS Pty Ltd, A.C.N. 063 780 058; and YKK GPS (Queensland) Pty Ltd, A.C.N. 062 905 275.
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Collinsville Participants	Each of:	Transfield Collinsville Pty Ltd, A.C.N. 058 436 847; and Transfield Services Collinsville B.V., A.R.B.N. 070 968 606.
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Part F – Jurisdictional Derogations for Tasmania

9.41A [Deleted]

9.42 Definitions and interpretation

9.42.1 Definitions

For the purposes of this Part F:

- (a) a word or expression defined in the glossary in chapter 10 has the meaning given to it in the glossary, unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Aurora	Aurora Energy Pty Ltd (ABN 85 082 464 622).
Basslink	The project for the interconnection, by means of a DC electricity transmission link, of the Victorian and Tasmanian <i>transmission systems</i> .
ESI Act	The Electricity Supply Industry Act 1995 (Tas).
George Town Substation	The electricity substation located on the land comprised in Certificate of Title Volume 34076 Folio 1.
Hydro Tasmania	The Hydro-Electric Corporation (ABN 48 072 377 158).
Interconnection Date	The date on which <i>Basslink</i> enters into commercial operation, being the Commissioning Date as defined in the Basslink Project Interpretation Memorandum dated 29 November 2002 between the Crown in right of the State of Tasmania, Basslink Pty Ltd, National Grid Transco plc, National Grid Holdings Limited and <i>Hydro Tasmania</i> .

Column 1	Column 2
Minister	The Minister for the time being responsible for administering the <i>ESI Act</i> .
National Electricity Code	The code of conduct called the National Electricity Code approved, in accordance with section 6(1) of the Old National Electricity Law, as the initial Code for the purposes of that Law, and as amended from time to time in accordance with its terms and the Old National Electricity Law.
Old National Electricity Law	The Schedule to the National Electricity (South Australia) Act 1996 (SA) as in force from time to time before the commencement of section 12 of the National Electricity (South Australia) (New National Electricity Law) Amendment Act 2005 (SA).
Price Control Regulations	The Electricity Supply Industry (Price Control) Regulations made under the <i>ESI Act</i> .
Reliability and Network Planning Panel	The panel of that name established by the <i>Tasmanian Electricity Regulator</i> of the <i>Tasmanian Code</i> .
Retail Licence	A licence authorising the retailing of electricity issued under the <i>ESI Act</i> .
Tasmanian Code	The Tasmanian Electricity Code issued under section 49A of the <i>ESI Act</i> .
Tasmanian Code Participant	A person who is a Code Participant within the meaning of the <i>Tasmanian Code</i> .
Tasmanian Determination on Power System Frequency Operating Standards	The Determination on Frequency Operating Standards for the Tasmanian Power System issued by the <i>Reliability and Network Planning Panel</i> .

Column 1	Column 2
Tasmanian Electricity Regulator	The office of the Regulator established pursuant to section 5 of the <i>ESI Act</i> .
Tasmanian Network Service Provider	A person who is a <i>Network Service Provider</i> in respect of a <i>network</i> located in Tasmania (including the <i>Network Service Provider</i> in respect of <i>Basslink</i>).
Tasmanian power system security and reliability standards	The standards governing security and reliability of the power system located in Tasmania determined by the <i>Reliability and Network Planning Panel</i> in accordance with the <i>Tasmanian Code</i> , including the <i>Tasmanian Determination on Power System Frequency Operating Standards</i> and the standards for capacity reserves.
Third Tranche Commencement Date	The day which the <i>Minister</i> notifies <i>NEMMCO</i> is the day on which customers taking an amount of electricity equal to or in excess of 0.75GWh/yr and less than 4GWh/yr at a <i>connection point</i> in Tasmania first become contestable customers (within the meaning of the <i>ESI Act</i>).
Transend	Transend Networks Pty Limited (ABN 57 082 586 892).
Transition Date	The date on and from which section 6 of the Electricity - National Scheme (Tasmania) Act 1999 commences.

9.42.2 Interpretation

In this Part F, references to Tasmania do not include King Island or Flinders Island unless the context otherwise requires.

9.42.3 National grid, power system and related expressions

Notwithstanding anything else in the *Rules*, but subject to the other provisions of this Part F, on and from the *Transition Date*:

- (a) the *connected transmission systems* and *distribution systems* located in Tasmania are to be treated as forming part of the *national grid* and the interconnected *transmission* and *distribution networks*; and

- (b) the electricity power system located in Tasmania, including associated *generation* and *transmission* and *distribution networks* for the *supply* of electricity, is to be treated as forming part of the *power system* and the electricity system,

even if they are not *connected* to a *network* or *networks* in other *participating jurisdictions*.

9.43 Transitional arrangements for Chapter 1 - Introduction - Validity of certain actions taken prior to Transition Date

If:

- (a) the AEMC, the AER, NEMMCO, any *Rules body*, any *Registered Participant*, the *Tasmanian Electricity Regulator* or any *Tasmanian Code Participant* takes any action to enable any entity to perform functions under, or obligations imposed by, a provision of the *Rules* before the *Transition Date* in anticipation of the relevant provision applying in Tasmania on the *Transition Date*; and
- (b) the action was taken so far as reasonably practicable in accordance with the provision (as though the provision applied in Tasmania at the time the relevant action was taken),

then the action is deemed to have been validly taken in accordance with that provision with effect on and from the *Transition Date*. For the avoidance of doubt:

- (c) any action taken for the purposes of this clause 9.43 by the *Tasmanian Electricity Regulator* prior to the *Transition Date* to enable the *Jurisdictional Regulator* to perform functions under, or obligations imposed by, a provision of the *Rules* in anticipation of that provision coming into effect on the *Transition Date* is deemed to have been taken by the *Jurisdictional Regulator*; and
- (d) the AEMC, the AER, NEMMCO, any *Rules body* or other person (“Recipient”) may treat any submission, application, approval, statement or document (“application”) given to it by a person in anticipation of a provision of the *Rules* applying in Tasmania as having been given to the Recipient under that provision of the *Rules* and may take action under the *Rules* on the basis of that application or taking into account that application.

9.44 Transitional arrangements for Chapter 2 – Registered Participants and Registration - Customers (clause 2.3.1(e))

For the purposes of clause 2.3.1(e), and for the purposes of clause 2.4.2(b) in so far as it relates to *Customers*, a person satisfies the requirements of Tasmania for classification of a *connection point* of that person if that person is the holder of a

Retail Licence or is a contestable customer within the meaning of the *ESI Act* in respect of that *connection point*.

9.45 Transitional arrangements for Chapter 3 - Market Rules

9.45.1 Tasmanian Region (clause 3.5)

- (a) Notwithstanding clause 3.5, the State of Tasmania is, and must be, one *region* and that *region* must not include any areas which fall outside of the State of Tasmania.
- (b) Notwithstanding clause 3.5.1(c), the *regional reference node* for the Tasmanian *region* is the 220kV *busbar* located at the *George Town Substation*.
- (c) Clauses 9.45.1(a) and (b) cease to have effect from the beginning of the *Third Tranche Commencement Date*.

9.45.2 Administered Price Cap (clause 3.14.1)

Until a different *administered price cap* is developed, authorised and published in accordance with clause 3.14.1(a) for the Tasmanian *region*, the administered price cap for the Tasmanian region is:

- (1) \$100/MWh between 7.00 am and 11.00 pm on a *business day*; and
- (2) \$50/MWh at all other times.

9.45.3 Settlement Residue Auctions (clause 3.18.1)

- (a) To avoid doubt, *Basslink* is not a *directional interconnector* for the purposes of clause 3.18.
- (b) Clause 9.45.3(a) ceases to have effect at the end of the second anniversary of the *Transition Date*.

9.46 Transitional arrangements for Chapter 4 - Power System Security

9.46.1 Satisfactory Operating State (clause 4.2.2)

If the *frequency* at a *busbar* located in Tasmania is within the containment range for a load event as specified in the *Tasmanian Determination on Power System Frequency Operating Standards*, then that *frequency* will be taken to be within:

- (1) the *normal operating frequency excursion band* for the purposes of the *Rules*; and

- (2) any *frequency band* (whatever it is called) specified in or under the *Rules* or the *power system security and reliability standards* which is applied by *NEMMCO* or any other person for a similar purpose as the *normal operating frequency excursion band* is applied under clause 4.2.2(a).

9.46.2 Secure operating state and power system security (clause 4.2.6(c))

In applying the *power system security* principle specified in clause 4.2.6(c) in relation to Tasmania, *NEMMCO* must have regard to the power *frequency bands* specified in the *Tasmanian Determination on Power System Frequency Operating Standards* in substitution for the *frequency bands* contemplated by that clause.

9.46.3 Market Customer obligations (clause 4.3.5(b))

Notwithstanding clause 4.3.5(b), *Market Customers* must provide their *interruptible load* in respect of *connection points* located in Tasmania in manageable blocks spread over a number of steps within under-*frequency bands* down to the lower limit of the “extreme frequency excursion tolerance limits” (as specified in the *Tasmanian Determination on Power System Frequency Operating Standards*) and not 47.0Hz as specified in clause 4.3.5(b).

9.46.4 Power System Frequency Control Responsibilities (clause 4.4.1)

Notwithstanding clause 4.4.1 and the *power system security and reliability standards*, *NEMMCO* must use reasonable endeavours to ensure that, in Tasmania, the *frequency levels* specified in the *Tasmanian Determination on Power System Frequency Operating Standards* are achieved.

9.47 Transitional arrangements for Chapter 5- Network Connection

9.47.1 Existing Connection Agreements

The following agreements are each to be taken to be a *connection agreement* for the purposes of clause 5.2:

- (a) the Connection Agreement dated 1 July 1998 between *Aurora* and *Hydro Tasmania*;
- (b) the Connection and Network Services Agreement dated 1 July 1998 between *Transend* and *Aurora*;
- (c) the Connection and Network Services Agreement dated 1 July 1998 between *Transend* and *Hydro Tasmania*;
- (d) the Basslink Connection Agreement dated 28 January 2000 between National Grid International Limited and *Transend*; and
- (e) any other connection agreement entered into prior to the *Transition Date* in accordance with the *Tasmanian Code*.

9.47.2 [Deleted]

9.47.3 Frequency variations (clauses S5.1.3 and S5.1.10)

In performing the functions contemplated by clauses S5.1.3 and S5.1.10 of schedule 5.1 of the *Rules* in relation to that part of the *power system* located in Tasmania, *NEMMCO* and *Tasmanian Network Service Providers* must apply the power system *frequency bands* specified in the *Tasmanian Determination on Power System Frequency Operating Standards* in Tasmania in substitution for the *frequency bands* specified in the *power system security and reliability standards*.

9.47.4 Fault clearance times (clauses S5.1.9 and S5.1a.8 and table S5.1a.2)

- (a) Notwithstanding clause S5.1.9 of schedule 5.1 of the *Rules* and clause S5.1a.8, and table S5.1a.2, of schedule 5.1a of the *Rules*, if:
 - (1) there is no system for communication between the faulted end and the remote end of a power line located in Tasmania; or
 - (2) there is a maintenance *outage* of the system for communication between the faulted end and the remote end of a power line located in Tasmania,then the remote end maximum *fault clearance time* in respect of that power line is 600 milliseconds.
- (b) Notwithstanding clause S5.1.9 of schedule 5.1 of the *Rules* and clause S5.1a.8, and table S5.1a.2, of schedule 5.1a of the *Rules*, if there is no circuit breaker failure protection in respect of a power line located in Tasmania, then the breaker fail maximum *fault clearance time* for that line is 1100 milliseconds.
- (c) Clauses 9.47.4(a) and (b) cease to have effect at the end of the first anniversary of the *Transition Date*.

9.48 Transitional arrangements for Chapter 6 - Transmission and Distribution Pricing

9.48.1 [Deleted]

9.48.2 Transmission Service Pricing

- (a) A "Pre-NEM Determination" is a determination, decision or ruling made or set by the *ACCC* which:
 - (1) is made under any of the *ESI Act*, the *Price Control Regulations* or the *Tasmanian Code* (together called the "Tasmanian regulatory regime");
 - (2) relates to or is connected with transmission pricing (including, without limitation, a determination, decision or ruling relating to the setting or re-setting of a revenue cap);

- (3) is made prior to the *Transition Date*, but applies until a date which falls after the *Transition Date*; and
 - (4) is equivalent to or has substantially the same effect as a determination, decision or ruling (“Equivalent Determination”) which the *AER* may make or set under the *Rules* or which is contemplated by the *Rules*.
- (b) Subject to clause 9.48.2(d), a Pre-NEM Determination is:
 - (1) deemed to have been validly made or set under the *Rules* in accordance with any procedures or steps which apply to the making of an Equivalent Determination; and
 - (2) deemed to be an Equivalent Determination under the *Rules*.
- (c) Subject to clause 9.48.2(d), any action taken by a *Tasmanian Code Participant* as a result of, or to implement or following a Pre-NEM Determination under the Tasmanian regulatory regime in accordance with the instruments comprising that regime is deemed to have been validly taken in accordance with the *Rules*.
- (d) If, at any time after the *Transition Date*, it appears to the *AER* that:
 - (1) a Pre-NEM Determination or action referred to in clause 9.48.2(c) is inconsistent with the relevant principles in the *Rules* in a material way; and
 - (2) the inconsistency is due to a material difference between the Tasmanian regulatory regime and the *Rules* or the *National Electricity Code* (in the form the instruments comprising that regime and the *Rules* or the *National Electricity Code* (as the case may be) were in at the time of the Pre-NEM Determination or action),then the *AER* may re-open the Pre-NEM Determination or disallow the action by written notice to the *Minister*. A notice under this clause 9.48.2(d) must set out a summary of the reasons why the *AER* is giving the notice. Clause 9.48.2(b) or (c) (as applicable) ceases to apply to a Pre-NEM Determination or action the subject of a notice under this clause 9.48.2(d) from the time specified in the notice.
- (e) To avoid doubt, the *AER* may make or set a determination, decision or ruling in accordance with the *Rules* that replaces a Pre-NEM Determination re-opened under clause 9.48.2(d).
- (f) **[Deleted]**
- (g) If:
 - (1) Chapter 6 of the *National Electricity Code* was amended after 22 November 2000 and before the *Transition Date* or Chapter 6 of the *Rules* is amended before the *Transition Date*;
 - (2) those amendments contemplate a change in the allocation of costs amongst users of *transmission networks*; and

- (3) those amendments contemplate transitional arrangements for the phasing in of that change,

then equivalent transitional arrangements also apply to users of *transmission networks* located in Tasmania, and the prices which apply immediately before the *Transition Date* are the starting point for the phase-in.

9.48.3 Distribution Service Pricing – Jurisdictional Regulator

- (a) The *Tasmanian Electricity Regulator* remains *Jurisdictional Regulator* for Tasmania until the Tasmanian Minister makes a transfer of regulatory responsibility to the *AER* under clause 11.14.4.
- (b) This clause expires on 1 July 2012 or an earlier date fixed by the Tasmanian Minister and notified in the Tasmanian Government Gazette.

9.48.4 Distribution Service Pricing

- (a) For the purposes of clause 11.14.3(a), but subject to clauses 11.14.3, 11.14.4 and 11.14.6, the regulation of *distribution service* pricing for any *distribution network* situated in Tasmania must be in accordance with the *ESI Act* and the *Tasmanian Code* to the exclusion of provisions or former provisions of these Rules that would otherwise be applicable.
- (b) This clause expires on 1 July 2012 or an earlier date fixed by the Tasmanian Minister and notified in the Tasmanian Government Gazette.

9.48.4A Ring fencing

On the *AER's* assumption of responsibility for the economic regulation of *distribution services* in Tasmania, the following guidelines (as amended or substituted from time to time) will be taken to be distribution ring-fencing guidelines issued by the *AER* under Rule 6.17:

- (1) *Guideline for Ring-fencing in the Tasmanian Electricity Supply Industry* (dated October 2004); and
- (2) *Electricity Distribution and Retail Accounting Ring-fencing Guidelines: Electricity Guideline No 2.2, Issue No 3, May 2005.*

Note:

The AER will assume responsibility for the economic regulation of distribution services on the transfer of regulatory responsibility under clause 11.14.4.

9.48.4B Uniformity of tariffs for small customers

- (a) In making a distribution determination or approving a *pricing proposal* for a Tasmanian *Distribution Network Service Provider*, the *AER* must ensure that distribution tariffs for small customers of a particular class are uniform regardless of where in mainland Tasmania the customer is supplied with electricity.

- (b) In this clause, *small customer* has the same meaning as in regulations under the *Electricity Supply Industry Act 1995* (Tas).

9.48.5 Transmission network

For the purpose of the *Rules*, a *network* operating at "extra high voltage" (as that term is defined in the *ESI Act*) is deemed to be a *transmission network*.

9.48.6 Deemed regulated interconnector

For the purposes of the *Rules*, any *interconnector* between *regions* in Tasmania in existence when those *regions* are established, to the extent that it forms part of the *power system* in Tasmania, is deemed to be a *regulated interconnector*.

9.49 Transitional arrangements for Chapter 8 - Administrative Functions

9.49.1 Frequency Standards (clause 8.8.1)

Notwithstanding anything else in the *Rules*, but subject to the other provisions of this Part F:

- (a) on and from the *Transition Date* until the start of the *Interconnection Date*, the *power system security and reliability standards* applicable in Tasmania are the *Tasmanian power system security and reliability standards* and not those determined by the *Reliability Panel* under clause 8.8;
- (b) on and from the *Interconnection Date* until the end of the second anniversary of the *Transition Date*, the standards governing *frequency* in respect of that part of the *power system* located in Tasmania are those set out in the *Tasmanian Determination on Power System Frequency Operating Standards* and not those in the *power system security and reliability standards* or applying elsewhere in or under the *Rules*; and
- (c) after the second anniversary of the *Transition Date*, the standards governing *frequency* in respect of that part of the *power system* located in Tasmania are those set out in the *power system security and reliability standards* determined as contemplated in clause 9.49.3 and not those in any other set of standards or applying elsewhere in or under the *Rules*,

and provisions of the *Rules* referring to or relating to *frequency*, *frequency operating standards*, *frequency bands*, *frequency ranges* or *frequency limits* must be interpreted accordingly.

9.49.2 Termination of frequency derogations

Clauses 9.46.1, 9.46.2, 9.46.3, 9.46.4 and 9.47.3 cease to have effect from the end of the second anniversary of the *Transition Date*.

9.49.3 Reliability Panel

Before the first anniversary of the *Transition Date*, the *Reliability Panel* must determine *power system security and reliability standards* under clause 8.8 that, in

so far as they apply in respect of Tasmania, reflect the principles set out in clause 9.49.4.

9.49.4 Principles to be applied by Reliability Panel

In determining and amending *power system security and reliability standards* the *Reliability Panel* must ensure that, in so far as they apply in respect of Tasmania, those standards reflect the following principles:

- (a) in so far as they relate to *frequency*, such standards must be made having regard to the following:
 - (1) any existing standards in relation to those matters;
 - (2) the costs and benefits of any change proposed to those existing standards; and
 - (3) the size and characteristics of the separate systems that make up the *power system*;
- (b) where the *network* or *networks* located in a particular area or *region* in Tasmania is or are only *connected* to other areas or *regions* by means of an asynchronous link, the *power system security and reliability standards*, in so far as they relate to *frequency*, may incorporate different standards for the first area or *region* to those applying elsewhere in the *power system*; and
- (c) the *power system security and reliability standards*, in so far as they relate to *frequency*, must allow less stringent standards for the *frequency* of a *network* or *networks* located in a particular area or *region* in Tasmania when that area or *region* is isolated from the remainder of the *power system*.

Part G - Schedules to Chapter 9

Schedule 9G1 - Metering Transitional Arrangements

1. Introduction

- (a) The following minimum requirements apply in respect of *metering installations* commissioned before 13 December 1998.
- (b) [Deleted]

2. [Deleted]

3. General Principle

The general principle is that *meters* are required and a *metering installation(s)* capable of recording half-hour *energy* flows and of providing electronic data for transfer to the *metering database* is to be in place for each *Market Participant's connection point(s)* before the *Market Participant* is permitted to participate in the *market*, and there will be no relaxation of this principle in the *jurisdictional derogations*.

4. [Deleted]

5. Accuracy Requirements

5.1 Existing Metering Installations Transitional Exemptions

In addition to those allowances in clause S7.2.2 of schedule 7.2 - "Metering installations commissioned prior to 13 December 1998", the following conditions/exemptions apply:

- (a) For *Generators*, *generated* quantities together with estimates for *generating unit* auxiliary loads may be used provided there is an agreed method with *NEMMCO* for determining *sent-out* energy. [refer to clause 7.3.2]
- (b) The *check metering* requirements of the *Rules* do not have to be met for Type 1 *metering installations*. A minimum of partial *check metering* is required for Types 1 and 2 *metering installations*. [refer to clause S7.2.4 of schedule 7.2 of Chapter 7]
- (c) Joint use of secondary circuits for *revenue metering* is permitted for Type 1 *metering installations*. [refer to cl.S7.2.6.1(a) of schedule 7.2 of Chapter 7]

5.2 **[Deleted]**

6. **[Deleted]**

7. **[Deleted]**

8. **[Deleted]**

9. **[Deleted]**

10. **[Deleted]**

CHAPTER 10



10. GLOSSARY

AARR

The *aggregate annual revenue requirement* for *prescribed transmission services*.

abnormal conditions

A condition described in clause 4.2.3(f).

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 Trade Practices Act 1974 (Cth).

acceptable credit criteria

The credit criteria defined in clause 3.3.3.

acceptable credit rating

The credit rating determined by *NEMMCO* under clause 3.3.4.

accepted restriction offer

A *restriction offer* accepted by *NEMMCO* in accordance with the *restriction offer procedures*.

access charge

For a *Transmission Network Service Provider* – an amount described in clause 5.4A(g) – (j).

For a *Distribution Network Service Provider* – an amount described in clause 5.5(f)(4).

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 *NEMMCO* under S7.4.2(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*. The measurement is carried out at a *metering point*.

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 3.12.11(e).

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.

ADJR Act

The Administrative Decisions (Judicial Review) Act 1977 (Cth).

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*).

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 *NEMMCO* 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*, with the levels of the price cap being set in accordance with clause

3.14.1 and the circumstances under which it can be invoked by *NEMMCO* being determined as set out in clause 3.14.2.

administered price period

A period declared by *NEMMCO*, in accordance with clause 3.14.2, in which an *administered price cap* may be invoked.

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.

Advocacy Panel

The panel established to administer funding for end-user advocacy in the national electricity market in accordance with clause 8.10.1.

AEMC

The Australian Energy Market Commission, which is established under section 5 of the Australian Energy Market Commission Establishment Act 2004 (SA).

AER

The Australian Energy Regulator, which is established by section 44AE of the Trade Practices Act 1974 (Cth).

affected participant's adjustment claim

Has the meaning given in clause 3.12.11(c1)(3).

Affected Participant

In respect of a particular *direction* or *dispatch* under a *reserve contract*, as the case may be, in an *intervention price trading interval*:

- (1) a *Scheduled Generator* or *Scheduled Network Service Provider*, which was not the subject of the *direction* or whose *plant* was not *dispatched* under the *reserve contract*, that had its *dispatched* quantity affected by that *direction* or *dispatch* of *plant* under that *reserve contract*; or
- (2) a *Scheduled Generator* or *Scheduled Network Service Provider*, which was the subject of the *direction* or whose *plant* was *dispatched* under the *reserve contract*, that had its *dispatched* quantity for other *generating units* or other services which were not the subject of that *direction* or which were not *dispatched* under that *reserve contract* affected by that *direction* or *dispatch* of *plant* under that *reserve contract*, however, the *Scheduled Generating Unit* 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 were not *dispatched* under that *reserve contract*; or
- (3) an *eligible person* entitled to receive an amount from *NEMMCO* 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* or *dispatch* of *plant* under the *reserve contract*.

agency data collection system

The system used by the operator of an *agency metering database* to collect, process and transfer the *metering data* from a *meter* to the *NEMMCO settlements* process.

agency metering database

A *metering database* which is operated under a service level agreement with *NEMMCO*.

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 *NEMMCO* 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*.

alternative control service

A *distribution service* that is a *direct control service* but not a *standard control service*.

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 *NEMMCO* 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* 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* 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 a *Registered Participant* agrees to provide one or more *non-market ancillary services* to NEMMCO.

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 national transmission review or ANTS review

The review conducted by NEMMCO in accordance with clause 5.6.5.

Annual National Transmission Statement or ANTS

The statement *published* by NEMMCO in accordance with clause 5.6.5.

Annual Planning Report

A report prepared by a *Transmission Network Service Provider* under clause 5.6.2A(a).

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

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) the Commercial Arbitration Act 1984.
- (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 clause 5.3 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 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)(3),

as the case may be.

approved pricing proposal

A *pricing proposal* approved by the *AER*.

ASRR

The *annual service revenue requirement*.

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:

- (1) payable to *NEMMCO* or *eligible persons* under *SRD agreements*; or
- (2) distributed to *Network Service Providers* under clause 3.18.4; or
- (3) recovered by *NEMMCO* under clause 3.18.4 or the *auction rules*.

auction expense fees

The costs and expenses incurred by *NEMMCO* 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 *NEMMCO* under clause 3.18.3, as amended from time to time in accordance with that clause.

augment, augmentation

Works to enlarge a *network* or to increase the capability of a *network* to transmit or distribute *active energy*.

augmentation technical report

A report by the *Inter-regional Planning Committee* of an *augmentation* under clause 5.6.3(j).

Australian Standard (AS)

The most recent edition of a standard publication by Standards Australia (Standards Association of Australia).

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*, *NEMMCO*, 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* 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 5.5(h).

B2B Communications

Communications between *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* relating to an end-user or *supply* to an end-user provided for in the *B2B Procedures*.

B2B Data

Data relating to *B2B Communications*.

B2B Decision

A decision of *NEMMCO* 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 established by *NEMMCO* to facilitate *B2B Communications*.

B2B Objective

The benefits from *B2B Communications* to *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* as a whole should outweigh the detriments to *Local Retailers*, *Market Customers* and *Distribution Network Service Providers* as a whole.

B2B Principles

The following principles:

- (a) *B2B Procedures* should provide a uniform approach to *B2B Communications* in *participating jurisdictions* in which there are no *franchise customers*;
- (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 *Local Retailers*, *Market Customers* and *Distribution Network Service Providers*; and
- (d) *B2B Procedures* should protect the confidentiality of commercially sensitive information.

B2B Procedures

Procedures prescribing the content of, the processes for, and the information to be provided to support, *B2B Communications*.

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 *NEMMCO*, *Local Retailers*, *Market Customers* and *Distribution Network Service Providers*;
- (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 *NEMMCO* (having regard to such market indicators as *NEMMCO* 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*.

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* other than a Saturday, Sunday or a *day* which is lawfully observed as a national public holiday on the same *day* in each of the *participating jurisdictions*.

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 NEMMCO 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*.

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)–(10).

For a *Distribution Network Service Provider* – the factors listed in clause 6.5.7(e)(1)–(10).

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).

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 *NEMMCO* for the *dispatch* of *scheduled generating units*, *scheduled loads*, *scheduled network services* and *market ancillary services* in accordance with clause 3.8.

change

Includes amendment, alteration, addition or deletion.

charging parameters

The constituent elements of a tariff.

check meter

A *meter*, other than a *revenue meter*, used as a source of *metering data* for Type 1 and Type 2 *metering installations* as specified in schedule 7.2.

check metering data

The *metering data* obtained from a *check metering installation*.

check metering installation

A *metering installation* used as the source of *metering data* for validation in the *settlements* process.

clause 4.8.9 instruction

Has the meaning given in clause 4.8.9(a1)(2).

COAG

Council of Australian Governments.

commercial arbitrator

A dispute resolution panel (within the meaning of section 58 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*.

common service

A service that ensures the integrity of a *distribution system* and benefits all *Distribution Customers* and cannot reasonably be allocated on a locational basis.

communication link

All communications equipment, processes and arrangements that lie between the *meter* and the *data logger*, where the *data logger* is external to the device that contains the *measurement elements*, and/or the *data logger* and the telecommunications network.

compensation recovery amount

Has the meaning given in clause 3.15.8(a).

complainant

The party which refers a dispute to the *Adviser* in accordance with clause 8.2.5(a).

confidential information

In relation to a *Registered Participant* or *NEMMCO*, information which is or has been provided to that *Registered Participant* or *NEMMCO* under or in connection with the *Rules* and which is stated under the *Rules*, or by *NEMMCO*, 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.

connect, connected, connection

To form a physical link to or through a *transmission network* or *distribution network*.

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 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.

connection assets

Those components of a *transmission* or *distribution system* which are used to provide *connection services*.

connection point

The agreed point of *supply* established between *Network Service Provider(s)* and another *Registered Participant*, *Non-Registered Customer* or *franchise customer*.

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*).

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 test*;
 - (ii) in respect of a *new small transmission network asset*, an intention to proceed with the project has been published in the *Network Service Provider's Annual Planning Report*; or
 - (iii) in respect of a *funded augmentation* the arrangements have been made for its funding; and
 - (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 NEMMCO 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*, the output of that *generating unit* is limited above the level to which it would otherwise have been *dispatched* by NEMMCO 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*.

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.

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 and reliability standards* to be used by *NEMMCO* 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 *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 *NEMMCO* 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*.

Convener

The *representative* appointed by NEMMCO in accordance with clause 5.6.3 to convene the *Inter-regional Planning Committee*.

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

A cost allocation method which reflects the value of assets used to provide *transmission or distribution services to Network Users*.

cost reflective network pricing methodology or CRNP methodology or modified CRNP methodology

The cost allocation methodologies described in schedule 6A.3.

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 period

The typical period of days over which *maximum credit limit* is calculated in accordance with schedule 3.3.

credit support

An obligation owed to *NEMMCO* by a third party supporting the obligations of a *Market Participant* and having the characteristics required by clause 3.3.2.

credit support provider

The issuing party that assumes obligations to *NEMMCO* pursuant to a *credit support*.

critical single credible contingency event

An event described in clause 4.2.3(d).

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 *NEMMCO* as a *Customer* under Chapter 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 (including where it has been negotiated in accordance with clause 5.4A(f)(3)) that can be reasonably allocated to a *Transmission Network User* on a locational basis, but does not include *Generator transmission use of system services*.

data collection system

All equipment and arrangements that lie between the *metering database* and the point where the *metering data* enters the *telecommunications network*.

data logger

A *metering installation* database or a device that collects electronic signals from a *measurement element* and packages it into 30 minute intervals (or sub-multiples). This device may contain data storage capability, be a separate item of equipment, and/or be combined with the *energy* measuring components within one physical device.

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.

decommission, decommit

In respect of a *generating unit*, ceasing to generate and *disconnecting* from a *network*.

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 *NEMMCO* pursuant to clause 3.15.21(b)(1).

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 *NEMMCO* 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 *NEMMCO* 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 and reliability standards*.

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

An incentive scheme for certain *Distribution Network Service Providers* developed and *published* by the *AER* under clause 6.6.3.

deprival value

A value ascribed to assets which is the lower of economic value or optimised depreciated replacement value.

derogation

Has the meaning given in the *National Electricity Law*.

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*, *Market Generator*, *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* or *NEMMCO*, a person to whom that *Registered Participant* or *NEMMCO* (as the case may be) 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*.

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*, a *scheduled load*, a *scheduled network service*, an *ancillary service generating unit* or an *ancillary service load* in accordance with clause 3.8, or a *direction* or operation of capacity the subject of a *reserve contract* as appropriate.

dispatch algorithm

The algorithm used to determine *central dispatch* developed by *NEMMCO* in accordance with clause 3.8.1(d).

dispatch bid

A notice submitted by a *Market Participant* to *NEMMCO* relating to the *dispatch* of a *scheduled load* in accordance with clause 3.8.7.

dispatch inflexibility profile

Data which may be provided to *NEMMCO* 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 or 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 offer

A *generation dispatch offer* or a *network dispatch offer*.

dispatch offer price

The price submitted by a *Scheduled Generator* or a *Scheduled Network Service Provider* for a *price band* and a *trading interval* in a *dispatch offer*.

dispatch optimisation software

The computer program used by NEMMCO for computing the *dispatch algorithm*.

dispatch price

The price determined for each *regional reference node* by the *dispatch algorithm* each time it is run by NEMMCO.

dispatched generating unit

A *generating unit* which has received instructions from NEMMCO 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 NEMMCO.

dispatched load

The *load* which has been *dispatched* as part of *central dispatch*.

dispute management system (or “DMS”)

The dispute management system which each *Registered Participant* and NEMMCO must adopt in accordance with clause 8.2.3.

dispute resolution panel (or “DRP”)

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 consultation procedures

The procedures set out in Part G of Chapter 6.

Distribution Customer

A *Customer*, *Distribution Network Service Provider*, *Non-Registered Customer* or *franchise 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.

Distribution Network Service Provider Member

A Member appointed to the Information Exchange Committee in that membership category as set out in the 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 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 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 do not constitute a distribution system.

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 NEMMCO 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 NEMMCO 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*.

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.

Eastern Standard Time (EST)

The time which is set at 10 hours in advance of *Co-ordinated Universal Time*.

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 NEMMCO in accordance with clause 3.11.4B.

electronic communication system

Includes the electronic communication and the *electronic data transfer* system provided to *Registered Participants* by NEMMCO.

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 the *Transmission Network Service Provider* has incurred and is likely to incur until the end of the *regulatory control period* as a result of that *positive change event* (as opposed to the revenue impact of that event).

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 the *Distribution Network Service Provider* has incurred and is likely to incur until the end of the *regulatory control period* as a result of that *positive change event* (as opposed to the revenue impact of that event).

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*.

enabled

A *market ancillary service* is enabled when *NEMMCO* has selected the relevant *generating unit* or *load* for the provision of the *market ancillary service* and has notified the relevant *Market Participant* accordingly.

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 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 data

Interval energy data or accumulated energy data.

energy data

~~*Interval energy data, accumulated energy data, or estimated data.*~~

energy data services

The services that involve:

- (1) collation of *energy data* from the *meter* or *meter/associated data logger*;
- (2) the processing of the *energy data* in the *metering installation* database;
- (3) storage of the *energy data* in the *metering installation* database; and
- (4) the provision of access to the data for those parties that have rights of access to the data.

energy packets

The value of *energy data* which is accumulated for a period of 30 minutes and stored as a separate data record.

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.

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*.

estimated energy data

The data that results from an estimation of the flow of electricity in a power conductor where the data applies to a *trading interval* or a period in excess of a *trading interval*. The estimation is made in relation to a *market load* and would not apply to a *metering point* where *accumulated energy data* or *interval energy data* is not available, or an *unmetered connection point*.

excess generation

Aggregate *self dispatch level* of *self-committed generation* which is in excess of the quantity needed to meet the expected *power system demand* and *reserve requirements*.

excess generation period

A period made up of one or more *dispatch intervals* where the sum of the aggregate of *generating unit self dispatch levels* and the required *regulating capability* (which forms part of the *contingency capacity reserves standard*) exceeds the forecast *load* or actual *load* during those *dispatch intervals*.

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).

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*.

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*.

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 and reliability 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 *NEMMCO control centre*, or a *distribution* or *transmission network control centre*);
- (d) facilities providing an *exit service*.

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 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 *NEMMCO* 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.

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 *NEMMCO* 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 standards

The standards which specify the *frequency* levels for the operation of the *power system* set out in the *power system security and reliability 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.

funded augmentation

A *transmission network augmentation* for which the *Transmission Network Service Provider* is not entitled to receive a charge pursuant to Chapter 6.

general purpose

The term applied by the National Measurement Institute to refer to the classification of a *meter*.

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 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 System Design Data Sheet

The data sheet *published* by NEMMCO under clause S5.5.7(a)(1).

Generating System Model Guidelines

The guidelines *published* by NEMMCO under clause S5.5.7(a)(3).

Generating System Setting Data Sheet

The data sheet *published* by NEMMCO under clause S5.5.7(a)(2).

generating unit

The actual generator of electricity and all the related equipment essential to its functioning as a single entity.

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* to NEMMCO relating to the *dispatch* of a *scheduled generating unit* in accordance with clause 3.8.6.

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 NEMMCO as a *Generator* under Chapter 2 and, for the purposes of Chapter 5, the term includes a person who is required to, or intends to register in that capacity.

Generator transmission use of system, Generator transmission use of system service

A service provided to a *Generator* for:

- (a) use of the *transmission network* which has been negotiated in accordance with clause 5.4A(f)(3)(i); or
- (b) use of a *new transmission network investment* asset 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*.

governor system

The automatic *control system* which regulates the speed of the power turbine of a *generating unit* through the control of the rate of entry into the *generating unit* of the primary *energy* input (for example, steam, gas or water).

hedge contract

A contract between two or more parties affording one or each of them protection against certain financial risks.

high voltage (HV)

A *voltage* greater than 1 kV.

Independent Member

A *Member* appointed to the *Information Exchange Committee* in that membership category as set out in the *Information Exchange Committee Election Procedures*.

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 *NEMMCO*;
- (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.

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 7.2A.2(a).

Information Exchange Committee Annual Report

The annual report prepared by the *Information Exchange Committee* in accordance with the *Information Exchange Committee Operating Manual*.

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 recommendation made by the *Information Exchange Committee* to NEMMCO to make *B2B Procedures* or to *change* the *B2B Procedures*.

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.

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 *NEMMCO* 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

1. In Chapter 5, a person including an end user or its *representative* who, in *NEMMCO*'s opinion, has or identifies itself to *NEMMCO* as having an interest in relation to the *network* planning and development activities covered under clause 5.6 or in the determination of *plant standards* covered under clause 5.3.3(b2).
- 1A. Notwithstanding the definition in 1. above, in clause 5.6.6(j), a person including an end user or its *representative* who, in the *AER*'s opinion, has or identifies itself to the *AER* as having, the potential to suffer a material and adverse market impact from the *new large transmission network asset* identified in the clause 5.6.6(j) final report.
2. In Chapter 6 or Chapter 6A, a person (not being a *Registered Participant* or *NEMMCO*) 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*.
3. **[Deleted]**
4. In Chapter 2, a person including an end user or its *representative* who, in *NEMMCO*'s opinion, has or identifies itself to *NEMMCO* as having an interest in relation to the structure of *Participant Fees*.

interim statement

Has the meaning given in clause 3.3.11(a)(1).

intermediary

A person who is registered by *NEMMCO* 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).

inter-regional network constraint

A *constraint* on the *transmission* and/or *distribution networks* between *regions* as specified in clause 3.6.4(a).

Inter-regional Planning Committee

The committee established in accordance with clause 5.6.3.

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 NEMMCO 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 by a *data logger* into intervals which correspond to a *trading interval* or are sub-multiples of a *trading interval*.

intervention price dispatch interval

A *dispatch interval* declared by NEMMCO to be an *intervention price dispatch interval* in accordance with clause 3.9.3.

intervention price trading interval

A *trading interval* in which NEMMCO has declared an *intervention price dispatch interval* in accordance with clause 3.9.3.

intervention settlement timetable

Has the meaning given in clause 3.12.10(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).

intra-regional network constraint

A *constraint* on part of the *transmission* and *distribution networks* within a *region* as specified in clause 3.6.4(b).

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.

involuntary load shedding

Load shedding where the load shed is not an *interruptible load* or a *scheduled load*.

isolation

Electrical isolation of one part of a communication system from another but where the passage of *electronic data transfer* is not prevented.

Jurisdictional System Security Coordinator

A person appointed by the *Minister* of a *participating jurisdiction* in accordance with section 110 of the *National Electricity Law*.

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 *NEMMCO* under clause 7.14.2.

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 *NEMMCO*.

Jurisdictional Regulator

The person authorised by a *participating jurisdiction* to regulate *distribution service* prices in that jurisdiction.

lack of reserve (LOR)

Any of the conditions described in clause 4.8.4(b), (c) or (d).

last resort planning power

The *AEMC*'s power to direct a *Registered Participant* under clause 5.6.4(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 clause 5.6.4(o)-(r).

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 class

A grouping of customers with like *load* characteristics.

load shedding

Reducing or disconnecting *load* from the *power system*.

load shedding procedures

The procedures developed by *NEMMCO* for each *participating jurisdiction* in accordance with clause 4.3.2(h) 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 *NEMMCO* from time to time.

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 *NEMMCO* may determine.

Local Retailer/Market Customer Member

A *Member* appointed to the *Information Exchange Committee* in that membership category as set out in the *Information Exchange Committee Election Procedures*.

local spot price

A price determined according to clause 3.9.1(c).

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*.

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.

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 *NEMMCO*.

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 *NEMMCO* in respect of a *market ancillary service* in accordance with clause 3.8.7A.

market ancillary service specification

Has the meaning given in clause 3.11.2(b).

market ancillary services commencement date

29 September 2001.

market auditor

A person appointed by *NEMMCO* to carry out a *review* under clause 3.13.10(a).

market commencement

The date declared as such by *NEMMCO*, 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 *NEMMCO* as a *Market Customer* under Chapter 2.

market customer's additional claim

Has the meaning given in clause 3.12.11(c1)(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 NEMMCO 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 NEMMCO 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* the electricity relating to which is purchased other than from the *Local Retailer* and which is 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

NEMMCO'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* and *Metering Providers* in connecting to and making use of the *market management systems* from time to time *published* by NEMMCO under clause 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 NEMMCO as a *Market Network Service Provider* under Chapter 2.

Market Participant

A person who is registered by NEMMCO as a *Market Generator*, *Market Customer* 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 Settlement and Transfer Solution Procedures

The procedures from time to time *published* by NEMMCO under clause 7.2.8 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 suspension

Suspension of the *market* by NEMMCO 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 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 the *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* for a *regulatory year* of a *regulatory control period*, the amount calculated as such in accordance with rule 6A.3.

maximum credit limit

In relation to a *Market Participant* a credit limit determined by NEMMCO for that *Market Participant* in accordance with clause 3.3.8.

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 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 capacity reserve

At any time, the amount of surplus generating capacity indicated by the relevant *Generators* as being available for a particular period, being more than 7 *days* in the future but not more than 12 weeks, and which is assessed as being in excess of the capacity requirement to meet the forecast *load* demand, taking into account the known or historical levels of demand management.

medium term capacity reserve standard

The level of *medium term capacity reserves* required for a particular period as set out in the *power system security and reliability standards*.

medium-term PASA

The PASA in respect of the period from the 8th *day* after the current *trading day* to 24 months after the current *trading day* in accordance with clause 3.7.2.

Member

A person appointed to the *Information Exchange Committee* pursuant to the *Information Exchange Committee Election Procedures*, 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*.

metering

Recording the production or consumption of electrical *energy*.

metering data

The data obtained from a *metering installation*, the processed data or substituted data.

metering database

A database of *metering data* and *settlements ready data* maintained and administered by *NEMMCO* in accordance with clause 7.9.

metering installation

The assembly of components and/or processes that are controlled for the purpose of metrology and which lie between the *metering point(s)* or *unmetered connection point* and the point of connection to the *telecommunications network*, as shown in schedule 7.1.

[**Note:** The assembly of components may include the combination of several metering points to derive the metering data for a connection point. The metering installation must be classified as a revenue metering installation and/or a check metering installation.]

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 7.4 and has been accredited by and registered by *NEMMCO* as a Metering Provider.

metering register

A register of information associated with a *metering installation* as required by schedule 7.5.

metering system

The collection of all components and arrangements installed or existing between each *metering point* and the *metering database*, as shown in schedule 7.1 .

metrology procedure

The procedure developed and published by *NEMMCO* in accordance with rule 7.14.

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 technical ancillary service standards

The minimum technical service standards prepared by *NEMMCO* in accordance with clause 3.11.4.

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*.

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 Code

Has the same meaning as in the *National Electricity Law*.

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 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*.

NCAS

A network control ancillary service.

negative change 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.

For a *Distribution Network Service Provider*, a *pass through event* that materially reduces the costs of providing *direct control services*.

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 *network support payments* (if any) that is provided for in the *annual building block revenue requirement* for the provider for that *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*; or
- (c) *use of system services* provided to a *Transmission Network User* and referred to in rule 5.4A(f)(3) in relation to *augmentations* or *extensions* required to be undertaken on a *transmission network* as described in rule 5.4A,

but does not include an *above-standard system shared transmission service* or a *market network service*.

Negotiated Transmission Service Criteria

For a *Transmission Network Service Provider* under a *transmission determination*, the criteria set out in that *transmission determination* pursuant to clause 6A.9.4.

Negotiated Transmission Service Principles

The principles set out in clause 6A.9.1.

negotiated use of system service

A *use of system service* in respect of which:

- (a) a *Connection Applicant* may negotiate with a *Transmission Network Service Provider*;
- (b) an *Embedded Generator* may negotiate with a *Distribution Network Service Provider*; or
- (c) a *Market Network Service Provider* may negotiate with a *Distribution Network Service Provider*,

in accordance with clauses 5.4A(f)(3) or 5.5(f)(3).

negotiated use of system charges

The charges described in clauses 5.4A(f)(3) or 5.5(f)(3).

negotiating framework

For a *Transmission Network Service Provider*, the negotiating framework approved or included by the AER for that *Transmission Network Service Provider* in a final decision under clause 6A.14.1(6).

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).

NEM

The *National Electricity Market*.

NEMMCO

National Electricity Market Management Company Limited A.C.N. 072 010 327.

NEMMCO co-ordinating centre

The control centre from which *NEMMCO* conducts *market* related activities and the coordination of the operation of the *national grid*.

NEMMCO power system security responsibilities

The responsibilities described in clause 4.3.1.

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 capability

The capability of the *network* or part of the *network* to transfer electricity from one location to another.

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 constraint

A *constraint* on a *transmission network* or *distribution network*.

network control ancillary service

A service identified in clause 3.11.4(a) which provides *NEMMCO* with a capability to control the real or *reactive power flow* into or out of a *transmission network* in order to:

- (a) maintain the *transmission network* within its current, *voltage*, or stability limits following a *credible contingency event*; or

- (b) enhance the value of *spot market* trading in conjunction with the *central dispatch* process.

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 dispatch offer

An notice submitted by a *Scheduled Network Service Provider* to *NEMMCO* 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, *reactive plant* and *monitoring equipment* and control equipment.

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 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 *NEMMCO* as a *Network Service Provider* under Chapter 2.

network service provider performance report

A report prepared by the *AER* under section 28V of the Law.

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 *network support payments* (if any) that is provided for in the

annual building block revenue requirement for the Transmission Network Service Provider for that 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*.

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

A payment by a *Transmission Network Service Provider* to:

- (a) any *Generator* providing *network support services* in accordance with clause 5.6.2; or
- (b) any other person providing a *network support service* that is an alternative to *network augmentation*.

Network User

A *Generator*, a *Transmission Customer*, a *Distribution Customer* or a *Market Network Service Provider*.

new distribution network investment

Investment in a *new large distribution network asset* or a *new small distribution network asset*.

new large distribution network asset

An asset of a *Distribution Network Service Provider* which is an *augmentation* and in relation to which the *Distribution Network Service Provider* has estimated it will be required to invest a total capitalised expenditure in excess of \$10 million, unless the *AER* publishes a requirement that a *new large distribution network asset* is to be distinguished from a *new small distribution network asset* if it involves investment of a total capitalised expenditure in excess of another amount, or satisfaction of another criterion. Where such a specification has been made, an asset must require total capitalised expenditure in excess of that amount or satisfaction of those other criteria to be a *new large distribution network asset*.

new large network asset

A *new large distribution network asset* or a *new large transmission network asset*.

new large transmission network asset

An asset of a *Transmission Network Service Provider* which is an *augmentation* and in relation to which the *Transmission Network Service Provider* has estimated

it will be required to invest a total capitalised expenditure in excess of \$10 million, unless the *AER* publishes a requirement that a *new large transmission network asset* is to be distinguished from a *new small network asset* if it involves investment of a total capitalised expenditure in excess of another amount, or satisfaction of another criterion. Where such a specification has been made, an asset must require total capitalised expenditure in excess of that amount or satisfaction of those other criteria to be a *new large transmission network asset*.

new network investment

New distribution network investment or new transmission network investment.

new small distribution network asset

An asset of a *Distribution Network Service Provider* which is an *augmentation* and:

- (a) in relation to which the *Distribution Network Service Provider* has estimated it will be required to invest a total capitalised expenditure in excess of \$1 million, unless the *AER* publishes a requirement that an asset will be a *new small distribution network asset* if it involves investment of a total capitalised expenditure in excess of another amount, or satisfaction of another criterion. Where such specification has been made, an asset must require total capitalised expenditure in excess of that amount or satisfaction of those other criteria to be a *new small distribution network asset*; and
- (b) is not a *new large distribution network asset*.

new small network asset

A new small distribution network asset or a new small transmission network asset.

new small transmission network asset

An asset of a *Transmission Network Service Provider* which is an *augmentation* and:

- (a) in relation to which the *Transmission Network Service Provider* has estimated it will be required to invest a total capitalised expenditure in excess of \$1 million, unless the *AER* publishes a requirement that an asset will be a *new small transmission network asset* if it involves investment of a total capitalised expenditure in excess of another amount, or satisfaction of another criterion. Where such a specification has been made, an asset must require total capitalised expenditure in excess of that amount or satisfaction of those other criteria to be a *new small transmission network asset*; and
- (b) is not a *new large transmission network asset*.

new transmission network investment

Investment in a *new large transmission network asset* or a *new small transmission network asset*.

NMAS

A non-market ancillary service.

NMI

A National Metering Identifier as described in clause 7.3.1(d).

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*;
- (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*;
- (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 *NEMMCO* 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*.

non-credible contingency event

An event described in clause 4.2.3(e).

non-market ancillary service

Network control ancillary services and *system restart ancillary services*.

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-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 NEMMCO 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-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*.

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 and reliability 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 and reliability 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 NEMMCO, 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.

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.

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)–(10).

For a *Distribution Network Service Provider* – the factors listed in clause 6.5.6(e)(1)–(10).

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 and reliability standards*.

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-recovery amount

Any amount by which the revenue earned from the provision of *prescribed transmission services* in previous *financial years* exceeds the sum of the *AARR* in those *financial years*, grossed up by the application of an annual interest rate approved by the *AER* for this purpose.

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* of a *scheduled generating unit*, *scheduled load* or *scheduled network service*, including any capability that can be made available within 24 hours.

pass through event

Any of the following is a pass through event:

- (a) a regulatory change event;
- (b) a service standard event;
- (c) a tax change event;

- (d) a terrorism event.

An *insurance event* is a pass through event for a *transmission determination* (in addition to those listed above).

An event nominated in a distribution determination as a pass through event is a pass through event for the determination (in addition to those listed above).

payment date

The 20th *business day* after the end of a *billing period*.

payment period

The typical period between trading and payment defined in schedule 3.3.

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:
 - (1) accepted by *NEMMCO* in accordance with rule 4.14(d)(1);
 - (2) taken to be an applicable performance standard in accordance with clause 5.3.4A(i);
 - (3) deemed to apply in accordance with rule 4.14(h); or
 - (4) determined pursuant to rule 4.14(m); or
- (b) is included in the register of *performance standards* established and maintained by *NEMMCO* 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.

plant

In relation to a *connection point*, includes all equipment involved in generating, utilising or transmitting electrical *energy*.

In relation to *dispatch bids and offers*, controllable generating equipment and controllable *loads*.

In relation to the *statement of opportunities* prepared by NEMMCO, individually controllable generating facilities registered or capable of being registered with NEMMCO.

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 *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*.

For a *Distribution Network Service Provider*, a *pass through event* that materially increases the costs of providing *direct control services*.

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 *network support payments* (if any) that is provided for in the *annual building block revenue requirement* for the provider for that *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.5.1.

For a *Distribution Network Service Provider*, the model prepared and *published* by the *AER* in accordance with clause 6.4.1.

potential transmission project

New transmission network investment identified by the *AEMC* which, in the opinion of the *AEMC*, is likely, if constructed, to relieve forecast *constraints* in respect of *national transmission flow paths* between *regional reference nodes*.

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 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 *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 and reliability standards

The standards (other than 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 *NEMMCO*, but which may include but are not limited to standards for the *frequency* of the *power system* in operation, *contingency capacity* reserves (including guidelines for assessing requirements), *short term capacity reserves* and *medium term capacity reserves*.

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-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).

prescribed common transmission services

Prescribed transmission services that provide equivalent benefits to all *Transmission Customers* who have a *connection point* with the relevant *transmission network* without any differentiation based on their location within the *transmission system*.

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 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 *NEMMCO* to be provided under the *Rules*; 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:

- (a) provide different benefits to *Transmission Customers* who have a *connection point* with the relevant *transmission network* depending on their location within the *transmission system*; and
- (b) are not *prescribed common transmission services*, *prescribed entry services* or *prescribed exit services*.

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 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 restart service

A *system restart ancillary service* that meets the technical and availability requirements of a *primary restart service* specified by NEMMCO under clause 3.11.4A(d).

profile

Energy 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 NEMMCO.

Proponent

In respect of clause 5.7.7 has the meaning given in clause 5.7.7(a).

proposed contingent capital expenditure

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 *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).

prospective reallocation

A *reallocation transaction* that occurs in a *trading interval* that takes place at a time after the *reallocation request* is made.

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 margin

A dollar amount to be determined by *NEMMCO* in accordance with clause 3.3.8.

prudential requirements

The requirements which must be satisfied as a condition of eligibility to remain a *Market Participant* in accordance with clause 3.3.

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.

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* supplied from a *generating unit*, supplied to a *load* or transferred by a *scheduled network service*.

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*.

reaction period

The estimated period of time taken to remove defaulting *Market Participants* from the *market* as defined in schedule 3.3.

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.

reallocation

A process under which two *Market Participants* request NEMMCO to make matching debits and credits to the position of those *Market Participants* with NEMMCO.

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 NEMMCO under clause 3.15.11A.

reallocation request

A request to NEMMCO 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 *NEMMCO* in accordance with rule 2.5B.

reasonable worst case

A position that, while not being impossible, is to a probability level that the estimate would not be exceeded more than once in 48 months.

rebid

A variation to a bid or offer made in accordance with clause 3.8.22.

reduced payment period request

A written request to *NEMMCO* for the purpose of schedule 3.3, paragraph VI(C).

Referred Affected Participant

An *Affected Participant* who has a claim referred to an independent expert pursuant to clauses 3.12.11(f) or 3.12.11(g).

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 3.12.11(f) or 3.12.11(g).

region, regional

An area recommended by *NEMMCO* and approved by the AEMC in accordance with clause 3.5, 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 *NEMMCO* in accordance with clause 3.5.1.

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 NEMMCO under clause 3.5.5 that provides a list of all *regions*, *regional reference nodes* and the *region* to which each *market connection point* is assigned.

registered bid and offer data

Data submitted by *Scheduled Generators* and *Market Participants* to NEMMCO in relation to their *scheduled loads*, *scheduled generating units* and *scheduled market network services* in accordance with schedule 3.1.

Registered Participant

A person who is registered by NEMMCO in any one or more of the categories listed in clauses 2.2 to 2.7 (in the case of a person who is registered by NEMMCO as a *Trader*, such a person is only a *Registered Participant* for the purposes referred to in clause 2.5A). However, as set out in clause 8.2.1(a1), for the purposes of some provisions of clause 8.2 only, NEMMCO and *Connection Applicants* who are not otherwise *Registered Participants* are also deemed to be *Registered Participants*.

Registered Participant Agent

An agent of a *Registered Participant* appointed under clause 4.11.5.

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 NEMMCO 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 NEMMCO 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 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 test

The test developed and published by the AER in accordance with clause 5.6.5A, as in force from time to time, and includes amendments made in accordance with clause 5.6.5A.

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*.

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).

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 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 safety net end date

A date which is the earlier of:

- (a) a date determined by the *AEMC* and published in the South Australian Government Gazette, having regard to any recommendation of the *Reliability Panel* under clause 3.12.1(b); or
- (b) 1 July 2008.

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 *metering installation*, where the acquisition process transmits the *metering data* from the site of the *metering point* to the *metering database*, and does not, at any time, require the presence of a person at, or near, the interval *meter* 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 remote acquisition includes but is not limited to methods that transmit *metering data* via:

- (1) direct dial-up;
- (2) satellite;
- (3) the internet;
- (4) a general packet radio service;
- (5) power line carrier; or
- (6) any other equivalent technology.

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 the *Transmission Network Service Provider* has saved and is likely to save until the end of the *regulatory control period* as a result of that *negative change event* (as opposed to the revenue impact of that event).

In respect of a negative change event for a *Distribution Network Service Provider*, the costs in the provision of *direct control services* that the *Distribution Network Service Provider* has saved and is likely to save up to the end of the *regulatory control period* as a result of the *negative change event* (as opposed to the revenue impact of that event).

reserve

Short term capacity reserve and *medium term capacity reserve* as contracted by NEMMCO under clause 3.12.

reserve contract

A contract between a *Registered Participant* and NEMMCO to provide any *reserve* and includes a contract between a *Market Network Service Provider* and NEMMCO to facilitate *reserves* in one *region* being made available in another *region*.

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

The person who has responsibility for the provision of a *metering installation* for a particular *connection point*, being either the *Local Network Service Provider* or the *Market Participant* as described in Chapter 7.

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 *NEMMCO* for all or part of a *mandatory restriction period* made in accordance with the *restriction offer procedures*.

restriction offer procedures

The procedures developed by *NEMMCO* in accordance with clause 3.12A.1.

restriction shortfall amount

The amount determined in accordance with clause 3.12A.7(b).

retailer of last resort

In relation to a jurisdiction, means a person or persons required under the retailer of last resort arrangements of that jurisdiction to assume the obligations under the *Rules* (including the obligation to pay *trading amounts* and other amounts due under the *Rules*) of a *Market Customer* that has defaulted in the performance of its obligations under the *Rules*.

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 meter

The *meter* that is used for obtaining the primary source of *metering data*.

revenue metering data

The *metering data* obtained from a *revenue metering installation*.

revenue metering installation

A *metering installation* used as the primary source of *metering data* for the *settlements* process.

revenue metering point

The *metering point* at which the *revenue metering installation* is *connected*.

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 *NEMMCO* 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.

routine revised statement

A *settlement statement* issued by *NEMMCO* 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 *NEMMCO*, 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 *generating unit* so classified in accordance with Chapter 2.

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 *NEMMCO* pursuant to clause 3.3.17.

scheduled load

A *market load* which has been classified by *NEMMCO* 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*.

scheduled low price

The dollar amount per MWh or MW, as the case may be, determined as such by *NEMMCO* pursuant to clause 3.3.17.

scheduled network service

A *network service* which is classified as a *scheduled network service* in accordance with Chapter 2.

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 *scheduled network service* or a *scheduled load* classified by or in respect to that *Registered Participant* in accordance with Chapter 2.

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*.

secondary restart service

A *system restart ancillary service* that meets the technical and availability requirements of a *secondary restart service* specified by *NEMMCO* under clause 3.11.4A(d).

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 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 *NEMMCO*.

self-decommitment

Decommitment, where the decision to *decommit* a *generating unit* was made by the relevant *Generator* without instruction or direction from *NEMMCO*.

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 *NEMMCO* in that *trading interval* unless otherwise *dispatched* in accordance with clause 3.8 or unless required to operate under a *direction* issued by *NEMMCO* in accordance with clause 4.8.9.

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

According to context:

- (a) a person who is an existing or intending *Registered Participant* or a person who is eligible to become a *Registered Participant*; or
- (b) a person who asks a *Distribution Network Service Provider* for access to a *distribution service*.

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 NEMMCO 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 NEMMCO for the purpose of *settlements* and is delivered to the *metering database*.

settlements residue

Any surplus or deficit of funds retained by NEMMCO upon completion of *settlements* to all *Market Participants* in respect of a *trading interval*.

settlement residue committee

The committee established by NEMMCO in accordance with clause 3.18.5.

settlement residue distribution agreement or SRD agreement

Has the meaning given in clause 3.18.1(b).

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 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 capacity reserve

At any time, the amount of surplus or unused generating capacity indicated by the relevant *Generators* as being available for any half hour period during the next 7

days and which is assessed as being in excess of the capacity requirement to meet the current forecast *load* demand, taking into account the known or historical levels of demand management.

short term capacity reserve standard

The level of *short term capacity reserve* required for a particular period in accordance with the *power system security and reliability standards*.

short term PASA

The *PASA* in respect of the period from 2 *days* after the current *trading day* to the end of the 7th day after the current *trading day* inclusive in respect of each *trading interval* in that period.

short term PASA inputs

The inputs to be prepared by *NEMMCO* in accordance with clause 3.7.3(d).

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.

single credible contingency event

An event described in clause 4.2.3(c).

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 *reserve*.

Special Participant

A System Operator or a Distribution System Operator.

special revised statement

A settlement statement issued by NEMMCO under clause 3.15.19(a)(3).

spot market

The spot market established and operated by *NEMMCO* 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

A system restart ancillary service.

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 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 opportunities

A statement prepared by NEMMCO to provide information to assist 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.

statement of regulatory intent

A statement issued by the AER under clause 6.5.4(c).

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*.

submission guidelines

The guidelines made by the *AER* in accordance with rule 6A.10 for the purposes of guiding a *Transmission Network Service Provider* in the submission of a *Revenue Proposal* under Part E of Chapter 6A.

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.

supply

The delivery of electricity.

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 3.14.5(a).

suspension notice

A notice issued by *NEMMCO* to a *defaulting Market Participant* pursuant to clause 3.15.21(c).

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

Plant, similar in construction to a *generating unit* of the *synchronous generator* category, which operates at the equivalent speed of the *frequency* of the *power system*, specifically provided to generate or absorb *reactive power* through the adjustment of rotor current.

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 *NEMMCO* has engaged as its agent, or appointed as its delegate, under clause 4.3.3 to carry out some or all of *NEMMCO*'s rights, functions and obligations under Chapter 4 of the *Rules* and who is registered by *NEMMCO* as a *System Operator* under Chapter 2.

system restart ancillary service

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(a)(1a), 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-wide benefits

Benefits that extend beyond a *Transmission Network User*, or group of *Transmission Network Users*, at a single *transmission 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*.

tariff class

A class of customers for one or more *direct control services* who are subject to a particular tariff or particular tariffs.

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 *NEMMCO* for the delivery of *metering data*.

terms and conditions of access

According to context:

- (a) the terms and conditions described in clause 6A.1.2 (access to transmission services);
- (b) the terms and conditions described in clause 6.1.3 (access to *distribution services*).

terrorism event

An act (including, but not limited to, the use of force or violence or the threat of force or violence) of any person or group of persons (whether acting alone or on behalf of in connection with any organisation or government), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons (including the intention to influence or intimidate any government and/or put the public, or any section of the public, in fear) and which *materially* increases the costs to a *Transmission Network Service Provider* of providing *prescribed transmission services* or the costs to a *Distribution Network Service Provider* of providing *direct control services*.

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.

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 *NEMMCO* 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 *NEMMCO* 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 *NEMMCO* 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 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 line

A power line that is part of a *transmission network*.

transmission network

A *network* within any *participating jurisdiction* operating at nominal *voltages* of 220 kV 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 66 kV and 220 kV that is not referred to in paragraph (a) but is deemed by the *AER* to be part of the *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*, a *Generator* whose *generating unit* is directly connected to the *transmission network* or a *Network Service Provider* whose *network* is connected to the *transmission network*.

transmission network user access

The *power transfer capability* of the *transmission network* in respect of:

- (a) *generating units* or group of *generating units*;
- (b) *network elements*; or
- (c) *plant*,

at a *connection point* which has been negotiated in accordance with rule 5.4A.

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 *Service 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 6A.1.2, that is for determination by a *commercial arbitrator* under Part K of Chapter 6A.

transmission system

A *transmission network*, together with the *connection assets* associated with the *transmission network*, which is connected to another *transmission or distribution system*.

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

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* above which the *metering data* that is extracted or emanates from a type 5 *metering installation* must be extracted or emanate as *interval energy data* for the purpose of producing *settlements ready data*.

[**Note:** Below the type 5 accumulation boundary, the metering data may be extracted or emanate from the metering installation as accumulated energy data for the purpose of producing settlements ready data, in which case the metering installation must be registered with NEMMCO as a type 6 metering installation. Otherwise the metering data may be extracted or emanate as interval energy data for the purpose of producing settlements ready data in which case the metering installation must be registered with NEMMCO 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*.

under-recovery amount

Any amount by which the sum of the *AARR* in previous *financial years* exceeds the revenue earned from the provision of *prescribed transmission services* in those previous years, grossed up by the application of an annual interest rate approved by the *AER* for this purpose.

unmetered connection point

A *connection point* at which a *meter* is not necessary under schedule 7.2.

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.

value of lost load (VoLL)

A price cap on *regional reference prices*, described in clause 3.9.4.

verifying authorities

~~Authorities appointed by the National Measurement Institute under the *National Measurement Act*.~~

violation

In relation to *power system security*, a failure to meet the requirements of Chapter 4 or the *power system security and reliability 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.

WACC

Weighted average cost of capital.

weighted average cost of capital

For a *Transmission Network Service Provider* for a *regulatory control period*, the return on capital for that *Transmission Network Service Provider* for that *regulatory control period* as calculated in accordance with clauses 6A.6.2(b) to (e), and in any other case an amount determined in a manner consistent with schedule 6.1.

For a *Distribution Network Service Provider* for a *regulatory control period*, the return on capital for that *Distribution Network Service Provider* for that *regulatory control period* calculated in accordance with clause 6.5.2.

CHAPTER 11

11. Savings and Transitional Rules

Part A Negative Inter-Regional Settlements Residue (2006 amendments)

11.1 Rules consequent on making of the National Electricity Amendment (Negative Inter-Regional Settlements Residue) Rule 2006

11.1.1 Recovery of accrued negative settlements residue

- (a) Clause 3.6.5(a)(4), as in force immediately before 1 July 2006 which is the date the National Electricity Amendment (Negative Inter-Regional Settlements Residue) Rule 2006 commences operation, continues to apply to any negative *settlements residue* amounts arising before 1 July 2005 and not recovered as at 1 July 2005 until all such negative amounts have been recovered.
- (b) Where negative *settlements residue* amounts arise on or after 1 July 2005 and are not recovered before 1 July 2006 which is the date the National Electricity Amendment (Negative Inter-Regional Settlements Residue) Rule 2006 commences operation, then:
 - (i) the whole or any part of the amount may be recovered from the proceeds of the first *auction* after 1 July 2006 which is the date the National Electricity Amendment (Negative Inter-Regional Settlements Residue) Rule 2006 commences operation; and
 - (ii) if the whole or a part of the amount is not recoverable under clause 11.1.1(b)(i), the unrecovered amount may be recovered from the proceeds of successive *auctions* until the negative amount is recovered.
- (c) Clause 3.6.5(a)(4A), as in force immediately before 30 June 2009, continues to apply to any *negative settlements residue* amounts arising on or after 1 July 2006 but before 30 June 2009, and not recovered as at 30 June 2009, until all such negative amounts have been recovered.

11.1.2 Recovery of interest costs associated with accrued negative settlements residue

- (a) Where interest costs interest costs incurred by *NEMMCO* in relation to any unrecovered negative *settlements residue* amounts referred to in clause 3.6.5(a)(4A) arise on or after 1 July 2005 and are not recovered before 1 July 2006 which is the date the National Electricity Amendment (Negative Inter-Regional Settlements Residue) Rule 2006 commences operation, then:
 - (i) the whole or any part of the interest costs may be recovered from the proceeds of the first *auction* after 1 July 2006 which is the date the National Electricity Amendment (Negative Inter-Regional Settlements Residue) Rule 2006 commences operation; and

- (ii) if the whole or a part of the interest costs are not recoverable under clause 11.1.2(b)(i), the unrecovered interest costs may be recovered from the proceeds of successive *auctions* until the interest costs are recovered.
- (b) Clause 3.6.5(a)(4B), as in force immediately before 30 June 2009, continues to apply to any interest costs arising on or after 1 July 2006 but before 30 June 2009, and not recovered as at 30 June 2009, until all such interest costs have been recovered.

Part B System Restart Ancillary Services (2006 amendments)

11.2 Rules consequent on making of the National Electricity Amendment (System Restart Ancillary Services and pricing under market suspension) Rule 2006 No.6

11.2.1 Transitional provision for acquisition of non-market ancillary services

- (a) For the purposes of clause 11.2.1:

Amending Rule means the National Electricity Amendment (System Restart Ancillary Services and pricing under market suspension) Rule 2006.

Existing NMAS contract means an *ancillary services agreement* between NEMMCO and another person to acquire *non-market ancillary services* from that person, entered into prior to the NMAS commencement date.

NMAS commencement date means the date of commencement of the National Electricity Amendment (System Restart Ancillary Services and pricing under market suspension) Rule 2006;

- (b) On the NMAS commencement date

- (1) Any action taken by NEMMCO or a *Rules body* prior to the NMAS commencement date in anticipation of the commencement of the Amending Rule is deemed to have been taken for the purpose of the Amending Rule and continues to have effect for that purpose.
- (2) NEMMCO may continue to acquire *non-market ancillary services* under an existing NMAS contract and may extend the period of an existing NMAS contract for such period as NEMMCO and that person reasonably determine.
- (3) At any time when no *system restart standard* under clause 8.8.3(a)(1a) is in force, NEMMCO must develop and *publish* an interim *system restart standard* that is:
 - (i) consistent with the requirements in clause 8.8.3(a); and
 - (ii) approved by the *Reliability Panel*;and the interim *system restart standard* applies until such time as the *Reliability Panel* determines a *system restart standard*.

11.3 Rules consequent on making of the National Electricity Amendment (Advocacy Panel) Rule 2006

11.3.1 Continuation of things done under old clause 8.10

- (a) For the purposes of clause 11.3.1:

amending Rule means the National Electricity Amendment (Advocacy Panel) Rule 2006;

commencement date means the date of commencement of the amending Rule;

new clause 8.10 means clause 8.10 after the commencement of the amending Rule;

old clause 8.10 means clause 8.10 before the commencement of the amending Rule.

- (b) On the commencement date:

- (1) persons appointed under the old clause 8.10 and clauses 24 and 25 of Schedule 2 to the *National Electricity Law* as Acting Chairperson and members of the *Advocacy Panel*, are taken to be the persons appointed to comprise the interim *Advocacy Panel* under the new clause 8.10 until 1 October 2006;
- (2) any action taken by the interim *Advocacy Panel* referred to in clause 11.3.1(b)(1) for the purpose of preparing the provisional funding requirements for end-user advocacy for the 2006-2007 *financial year*, is deemed to have been taken for the purposes of the new clause 8.10 and continues to have effect for this purpose;
- (3) an application for funding for end-user advocacy that was determined by the *Advocacy Panel* in accordance with the old clause 8.10 as at the commencement date, continues in effect and is taken to be a determination made by the *Advocacy Panel* under the new clause 8.10;
- (4) an application for funding for end-user advocacy made to, but not determined by, the *Advocacy Panel* under the old clause 8.10 as at the commencement date, is taken to be an application under the new clause 8.10, and the *Advocacy Panel* must take any action after the commencement date for the purpose of determining that application in accordance with the new clause 8.10;
- (5) guidelines for making funding applications and funding criteria in force under the old clause 8.10.3, continue to have effect, and are taken to have been issued, for the purposes of the new clause 8.10.6 until 1 March 2007;
- (6) guidelines for the appointment of members of the *Advocacy Panel* in force under the old clause 8.10.2(e), continue to have effect and are

taken to have been issued, for the purposes of the new clause 8.10.3 until 1 March 2007; and

- (7) any action taken by *NEMMCO* for the purpose of recovering amounts from *Participant fees* for the 2006-2007 *financial year* in contemplation of the commencement of the amending Rule, is deemed to have been taken for the purposes of the amending Rule.

Part C Dispute Resolution for Regulatory Test (2006 amendments)

11.4 Rules consequent on making of the National Electricity Amendment (Dispute Resolution for Regulatory Test) Rule 2006

11.4.1 Continuation of things done under old clause 5.6.6

- (a) For the purposes of clause 11.4.1:

amending Rule means the National Electricity Amendment (Dispute Resolution for Regulatory Test) Rule 2006

commencement date means the date of commencement of the amending Rule

new clause 5.6.6 means clause 5.6.6 after the commencement of the amending Rule

old clause 5.6.6 means clause 5.6.6 before the commencement of the amending Rule.

- (b) On the commencement date:

- (1) any dispute commenced under the old clause 5.6.6 and not completed before the commencement date, must continue to be conducted and completed as if it were a dispute commenced in accordance with the old clause 5.6.6.
- (2) Subject to clause 11.4.1(b)(1), any action taken under the old clause 5.6.6 is deemed to have been taken for the purposes of the corresponding requirement in the new clause 5.6.6 and continues to have effect for those purposes.

Part D Metrology (2006 amendments)

11.5 Rules consequential on the making of the National Electricity Amendment (Metrology) Rule 2006

11.5.1 Definitions

For the purposes of this rule 11.5:

Amending Rule means the National Electricity Amendment (Metrology) Rule 2006.

commencement date means the day on which the Amending Rule commences operation.

old Chapter 7 means Chapter 7 of the *Rules* as in force immediately before the commencement date.

new Chapter 7 means Chapter 7 of the *Rules* as in force immediately after the commencement date.

11.5.2 Metrology procedures continues to apply until 31 December 2006

A metrology procedure as in force under the old Chapter 7 continues in force in accordance with the old Chapter 7 until 31 December 2006.

11.5.3 Responsible person

A *Local Network Service Provider* who is the responsible person for a *metering installation* under Chapter 9 of the *Rules* immediately before the commencement date continues to be the *responsible person* for that *metering installation* for the purposes of clause 7.2.3.

11.5.4 NEMMCO's responsibility to develop a metrology procedure

- (a) Subject to this clause 11.5.4, *NEMMCO* must *publish* an initial metrology procedure by 1 January 2007 in accordance with the new Chapter 7 and this procedure must commence operation on 1 January 2007.
- (b) The requirement in clause 7.14.1(b) that requires a minimum period of 3 months between the date the *metrology procedure* is published and the date the *metrology procedure* commences does not apply to the initial metrology procedure developed and published under this clause 11.5.4.
- (c) Any action taken by *NEMMCO* for the purpose of developing and publishing an initial metrology procedure prior to the commencement date is taken to satisfy the equivalent actions required for a *metrology procedure* under the new Chapter 7.
- (d) *NEMMCO* may dispense with, or not comply with, any relevant action under rule 7.14, if the action duplicates or is consistent with action that has already been taken under paragraph (c).
- (e) An initial metrology procedure developed and published under this clause 11.5.4 is taken to be the *metrology procedure* for the purposes of Chapter 7 of the *Rules*.
- (f) The initial metrology procedure is not required to incorporate the matters referred to in clause 7.14.1(c)(4) until 30 June 2008 and *NEMMCO* may develop a separate procedure for those matters during that period to 30 June 2008.

11.5.5 Jurisdictional metrology material in the metrology procedure

- (a) For the purposes of this clause 11.5.5, **expiry date** means 1 January 2009.

- (b) Until the expiry date, the *Ministers of the MCE* is taken to be each *Minister of the participating jurisdictions*, acting on behalf of that jurisdiction and undertaking the role of the *Ministers of the MCE* in relation to *jurisdictional metrology material* under clause 7.14.2.
- (c) For the avoidance of doubt, a *Minister of a participating jurisdiction* may delegate the role of submitting *jurisdictional metrology material* to *NEMMCO* under paragraph (b) by instrument in writing.
- (d) A certified copy of any delegation given under paragraph (c) must be provided to *NEMMCO* at the time any *jurisdictional metrology material* is submitted to *NEMMCO* under clause 7.14.2.

[**Note:** Ministers of participating jurisdiction have powers of delegation under their own jurisdictional legislation governing the procedure for conferring such delegations.]

Part E Economic Regulation of Transmission Services (2006 amendments)

11.6 Rules consequent on making of the National Electricity Amendment (Economic Regulation of Transmission Services) Rule 2006

11.6.1 Definitions

Subject to this rule 11.6, in this rule 11.6:

Amending Rule 2006 means the National Electricity Amendment (Economic Regulation of Transmission Services) Rule 2006.

commencement date means the date on which the *Amending Rule 2006* commences operation.

current regulatory control period means the regulatory control period applicable to an existing revenue determination.

distribution matters includes matters relating to the economic regulation of *distribution services*, including, but not limited to, existing determinations, decisions, instruments, agreements or any other relevant action.

ElectraNet means ElectraNet Pty Ltd ACN 094 482 416 trading as ElectraNet.

existing revenue determination means any determination made, or deemed to be made, by the *ACCC* or the *AER* on or prior to the commencement date for the purpose of regulating the revenues of a *Transmission Network Service Provider*.

first regulatory control period means a *regulatory control period* immediately after a current regulatory control period.

first revenue cap determination means the first *revenue cap determination* after an existing revenue cap determination.

new Chapter 6A means Chapter 6A of the *Rules* as in force immediately after the commencement of the *Amending Rule 2006*.

old Chapter 6 means Chapter 6 of the *Rules* as in force immediately before the commencement of the *Amending Rule 2006*.

old clause 6.5.9 means clause 6.5.9 of the *Rules* as in force immediately before the commencement of the *Amending Rule 2006*.

old Part C means Part C (Transmission Pricing) of Chapter 6 of the *Rules* as in force immediately before the commencement of the *Amending Rule 2006*.

old Part F means Part F (Interconnections) of Chapter 6 of the *Rules* as in force immediately before the commencement of the *Amending Rule 2006*.

relevant action includes (without limitation) any of the following actions in relation to *distribution* matters:

- (a) the performance or exercise of any function, power, obligation or right;
- (b) the making or publishing of any guideline, standard, procedure, report, negotiating framework or other document;
- (c) the giving, publishing, service or receipt of any communication, notice or other document;
- (d) the provision or receipt of any submission or information;
- (e) the making or receiving any inquiry, request or application;
- (f) the undertaking or completion of any transaction;
- (g) the payment of any monetary amount or fee.

renumbered Chapter 6 means Chapter 6 of the *Rules* as in force immediately after the commencement of the *Amending Rule 2006*.

SP AusNet means SPI PowerNet Pty Ltd ACN 079 798 173.

Statement of Regulatory Principles means the Statement of Principles published by the *AER* as part of the Compendium of Electricity Transmission Regulatory Guidelines dated August 2005.

VENCorp means the Victorian Energy Networks Corporation established under the Gas Industry Act 1994 (Vic) and continued under the Gas Industry Act 2001 (Vic).

11.6.2 New Chapter 6A does not affect existing revenue determinations

- (a) Subject to this rule 11.6, the old Chapter 6 continues to apply to and in respect of, existing revenue determinations as if the new Chapter 6A had not been made.
- (b) The Amending Rule 2006 has no effect on the continuing operation of clause 9.8.4G.
- (c) The Amending Rule 2006 has no effect on the continuing operation of clause 9.16.5 in so far as it:
 - (1) applies to deem a revenue cap for the *financial year* commencing on 1 July 2004;

- (2) specifies the basis on which prices for certain transmission services during the *financial year* commencing on 1 July 2004 are to be determined;
- (3) specifies the manner in which clause 6.4.3C of the old Chapter 6 is to apply for the *financial year* commencing on 1 July 2005; and
- (4) deems a revenue cap for the period commencing on 1 July 2004 until the end of 30 June 2009 to be for a period of five years.

11.6.3 Old Part C and Schedules 6.2, 6.3, 6.4, 6.7 and 6.8 of old Chapter 6

Subject to this rule 11.6 and rule 11.8, old Part C (including Schedules 6.2, 6.3, 6.4, 6.7 and 6.8) continues to apply for the duration of a current regulatory control period.

11.6.4 Old Part F of Chapter 6

Subject to this rule 11.6, old Part F of Chapter 6 continues to apply for the duration of a current regulatory control period.

11.6.5 Application of new Chapter 6A to Transmission Network Service Providers

Subject to this rule 11.6, a *Transmission Network Service Provider* is not required to submit a *Revenue Proposal* or a proposed *negotiating framework* to the AER under the new Chapter 6A until a date that is 13 months before the expiry of a current regulatory control period.

11.6.6 Application of Chapter 6 to old distribution matters

- (a) The restructuring and renumbering of provisions of the old Chapter 6 by the *Amending Rule 2006* does not affect:
 - (1) *distribution* matters occurring or in existence before the commencement date; or
 - (2) anything done or omitted to be done in respect of *distribution* matters before the commencement date.
- (b) Without limiting paragraph (a), anything done or omitted to be done under a provision of the old Chapter 6 in respect of *distribution* matters before the commencement date is deemed to have been done or omitted to be done under the corresponding provision of that Chapter as restructured and renumbered by the *Amending Rule 2006*, as if that Rule had been in operation when the thing was done or omitted to be done.

11.6.7 References to the old Chapter 6

Unless the context otherwise requires, on and from the commencement date every reference to the old Chapter 6 in a document (however described) is deemed to be a reference to the renumbered Chapter 6 or the new Chapter 6A (as the case may be).

11.6.8 References to provisions of the old Chapter 6

Unless the context otherwise requires, on and from the commencement date every reference to a provision of the old Chapter 6 in a document (however described) is deemed to be a reference to the corresponding provision of the renumbered Chapter 6 or the corresponding provision (if any) of the new Chapter 6A (as the case may be).

11.6.9 Roll forward of regulatory asset base for first regulatory control period

In making a *revenue determination* for the first *regulatory control period*, the value of the regulatory asset base at the beginning of the first *regulatory year* of that period calculated in accordance with clause S6A.2.1(f), may be adjusted having regard to an existing revenue determination and any other arrangements agreed between the AER and the *Transmission Network Service Provider*.

11.6.10 Other adjustment carry-over mechanisms from current to first regulatory control period

The *maximum allowed revenue* that a *Transmission Network Service Provider* may earn in any *regulatory year* of the first *regulatory control period* may be adjusted for any carry-over mechanisms provided for in the relevant existing revenue determination and in any other arrangements agreed between the AER and the *Transmission Network Service Provider* for the purposes of, and in accordance with, the existing revenue determination.

11.6.11 Transition to new Chapter 6A: existing prescribed transmission services

- (a) References to *prescribed transmission services* in the new Chapter 6A include a service provided by an asset used in connection with, or committed to be constructed for use in connection with, a *transmission system* as at 9 February 2006:
 - (1) to the extent that the value of the asset is included in the regulatory asset base for that *transmission system* under an existing revenue determination in force at that time; or
 - (2) if the price for that service has not been negotiated under a negotiating framework established pursuant to old clause 6.5.9,and, but for this clause, that service would not otherwise be a *prescribed transmission service*.
- (b) Where a service is a *prescribed transmission service* by virtue of the operation of this clause, that service is taken not to be a *negotiated transmission service*.
- (c) For the purposes of this clause 11.6.11, an asset is, and is only, to be taken to be committed to be constructed if it satisfies the criteria which a project needs to satisfy to be a “committed project” for the purposes of the *regulatory test*.

11.6.12 Powerlink transitional provisions

Definitions

- (a) In this clause 11.6.12:

contingent project means a project identified in the transitional revenue determination as a contingent project.

Powerlink means the Queensland Electricity Transmission Corporation Limited (ACN 078 849 233), trading as Powerlink Queensland .

transitional regulatory control period means the regulatory control period commencing on 1 July 2007 and ending on 30 June 2012.

transitional revenue determination means a final revenue determination by the *AER* for the Powerlink transmission network, in respect of the transitional regulatory control period.

trigger means the unique investment driver identified in the transitional revenue determination as a trigger for a contingent project.

Scope and application

- (b) This clause 11.6.12:

- (1) applies only in respect of the Powerlink *transmission network* and applies only until 30 June 2012; and
- (2) prevails, to the extent of any inconsistency, over any other clause in the *Rules*.

Transitional revenue determination

- (c) Except as provided in this clause 11.6.12, and despite any changes to the old Chapter 6:

- (1) the old Chapter 6 continues to apply in respect of the *AER* setting the revenue cap for the transitional regulatory control period for the Powerlink *transmission network*; and
- (2) in setting the revenue cap for the transitional regulatory control period, the *AER* must substantially adhere to the Statement of Regulatory Principles including the ex ante approach to setting the revenue cap set out in the statement.

- (d) The *AER* must calculate the *weighted average cost of capital* for the transitional regulatory control period, in accordance with the values, methodologies or benchmarks in the new Chapter 6A, in respect of the following items:

- (1) the nominal risk free rate including the maturity period and source of the benchmark;
- (2) the debt risk premium including the maturity period and source of the benchmark;
- (3) the equity beta;

- (4) the market risk premium; and
 - (5) the ratio of the market value of debt as a proportion of the market value of equity and debt.
- (e) In calculating the WACC for the transitional regulatory control period, the AER must use an average gamma of 0.5.

Contingent projects

- (f) Where the trigger event identified in respect of a contingent project occurs prior to 30 June 2012, the AER must, in accordance with the transitional revenue determination:
 - (1) determine:
 - (i) the amount of capital and incremental operating expenditure for that contingent project for each remaining regulatory year of the transitional regulatory control period, which the AER considers is reasonably required for the purpose of undertaking the contingent project;
 - (ii) the likely commencement and completion dates for the contingent project;
 - (iii) the incremental revenue which is likely to be earned by Powerlink in each remaining regulatory year of the transitional regulatory control period as a result of the contingent project being undertaken; and
 - (iv) the *maximum allowed revenue* for each regulatory year in the remainder of the transitional regulatory control period by adding the incremental revenue for that regulatory year; and
 - (2) calculate the estimate referred to in subparagraph (1)(iii):
 - (i) on the basis of the rate of return for Powerlink for the transitional regulatory control period in accordance with the transitional revenue determination; and
 - (ii) consistently with the manner in which depreciation is calculated under the transitional revenue determination; and
 - (3) amend the transitional revenue determination to apply for the remainder of the transitional regulatory control period in accordance with paragraph (g).
- (g) The AER may only vary the transitional revenue determination to the extent necessary:
 - (1) to adjust the forecast capital expenditure for the transitional regulatory control period to accommodate the amount of additional capital expenditure determined under paragraph (f)(1)(i);

- (2) to adjust the forecast operating expenditure for the current regulatory control period to accommodate the amount of additional operating expenditure determined under paragraph (f)(1)(i); and
 - (3) to reflect the effect of any resultant increase in forecast capital expenditure and incremental operating expenditure on the maximum allowed revenue for each regulatory year in the remainder of the transitional regulatory control period.
- (h) An application for approval of a contingent project may only be made if the intended date for commencing the contingent project is during the transitional regulatory control period.
- (i) For the first *regulatory control period* after the transitional regulatory control period, the forecast of capital expenditure for that first *regulatory control period* must be determined by applying the provisions of clause 6A.6.7 of the new Chapter 6A, in respect of the capital expenditure for a contingent project, with such modifications as are necessary to properly apply clause 6A.6.7.

Cost pass-through

- (j) For the duration of the transitional regulatory control period:
- (1) subject to subparagraph (2), clause 6A.7.2 of the new Chapter 6A applies to a *network support event* under the transitional revenue determination;
 - (2) the process to apply to the calculation, presentation and approval of pass through resulting from a network support event is as set out in the transitional revenue determination; and
 - (3) in respect of any *positive change event* or *negative change event*, the new Chapter 6A applies, with any modifications that are necessary to apply the relevant provisions to the transitional revenue determination.

Roll forward of regulatory asset base

- (k) For the avoidance of doubt, in making a *revenue determination* for the first *regulatory control period* after the transitional regulatory control period, the value of the regulatory asset base at the beginning of the first *regulatory year* of that period calculated in accordance with clause S6A.2.1(f), may be adjusted having regard to the transitional revenue determination and any other arrangements agreed between the AER and Powerlink.

Application of efficiency benefit sharing scheme

- (l) The *efficiency benefit sharing scheme* in force under clause 6A.6.5 applies to Powerlink during the transitional regulatory control period.

Power to re-open transitional revenue determination

- (m) Clause 6A.7.1 applies to the transitional revenue determination, and a reference in the clause to:

- (1) “revenue determination” is taken to be a reference to the transitional revenue determination;
 - (2) “regulatory control period” is taken to be a reference to the transitional regulatory control period;
 - (3) “contingent project” has the meaning referred to in paragraph (a); and
 - (4) “X Factor” has the same meaning as in the transitional revenue determination.
- (n) Subject to rule 11.8, old Part C (including Schedules 6.2, 6.3, 6.4, 6.7 and 6.8 of old Chapter 6) continues to apply for the duration of the transitional regulatory control period

11.6.13 ElectraNet easements transitional provisions

- (a) In this clause 11.6.13:
- current regulatory control period** means the regulatory control period for ElectraNet commencing on 1 January 2003 and ending on 30 June 2008.
- Determination** means the South Australian Transmission Network Revenue Cap Decision of the ACCC dated 11 December 2002.
- easement** means easements referred to in the Determination.
- (b) Without limiting the operation of the new Chapter 6A, in establishing the opening regulatory asset base for ElectraNet for the regulatory control period subsequent to ElectraNet’s current regulatory control period, the *AER* may also consider adjustments to the regulatory asset base for ElectraNet that relate to easements, as agreed by letter dated 3 August 2004, between the ACCC and ElectraNet.

11.6.14 TransGrid contingent projects

- (a) In this clause 11.6.14:
- contingent project** means a project identified in the Determination as a contingent project.
- current regulatory control period** means the period 1 July 2004 to 30 June 2009.
- Determination** means the “Final Decision, NSW and ACT Transmission Network Revenue Cap TransGrid 2004-05 to 2008-09” dated 27 April 2005 determined by the ACCC pursuant to clause 6.2.4(b) of the National Electricity Code.
- TransGrid** means the energy services corporation constituted under section 6A of the Energy Services Corporations Act 1995 (NSW) and specified in Part 1A of Schedule 1 to that Act.
- (b) For the purposes of the application of clause 11.6.2(a) to the Determination, a reference to the old Chapter 6 is a reference to the old Chapter 6 as modified by rule 8A.1.

- (c) For the first *regulatory control period* after the current regulatory control period, the forecast of capital expenditure for TransGrid for that first *regulatory control period* must be determined by applying the provisions of clause 6A.6.7 in respect of the capital expenditure for a contingent project, with such modifications as are necessary to properly apply clause 6A.6.7.

11.6.15 Transmission determination includes existing revenue determinations

The definition of a *transmission determination* may, where the context so requires, include a determination (or substituted determination) made, or deemed to be made, by the *AER* or the *ACCC* prior to the commencement date.

11.6.16 References to regulatory control period

A reference to a *regulatory control period* may, where the context so requires, include a period during which a revenue cap applied by virtue of a determination (or substituted determination) made, or deemed to be made, by the *AER* or the *ACCC* prior to the commencement date.

11.6.17 Consultation procedure for first proposed guidelines

- (a) In this clause 11.6.17:
guideline means:
 - (1) the *post-tax revenue model* referred to in rule 6A.5.2;
 - (2) the *roll forward model* referred to in rule 6A.6.1;
 - (3) an *efficiency benefit sharing scheme* referred to in rule 6A.6.5;
 - (4) a *service target performance incentive scheme* referred to in rule 6A.7.4;
 - (5) *submission guidelines* referred to in rule 6A.10.2; and
 - (6) *Cost Allocation Guidelines* referred to in rule 6A.19.3.
- (b) The *AER* must develop and *publish* the first proposed guidelines on or before 31 January 2007, and may carry out consultation in the preparation of those proposed guidelines as the *AER* considers appropriate.
- (c) Each proposed guideline must be *published* in accordance with the requirements of rule 6A.20(b), including an explanatory statement and an invitation for written submissions.
- (d) The invitation for written submissions for the proposed guidelines must allow no less than 60 *business days* for the making of submissions.
- (e) The *AER* may *publish* papers and hold conferences or information sessions in relation to the proposed guidelines as provided by rule 6A.20(d).
- (f) Rule 6A.20(e)-(f) applies to the publication of the final decision of the *AER* in relation to the first guidelines, which must be published under rule 6A.20 on or before 30 September 2007.

11.6.18 Reliance on proposed guidelines for SP AusNet, VENCorp and ElectraNet

- (a) In this clause 11.6.18:

guideline has the same meaning as in clause 11.6.17.

proposed guideline means a proposed guideline published under clause 11.6.17.

relevant provider means SP AusNet, VENCorp or ElectraNet.

2008 determination means a transmission determination to be made in 2008 for a relevant provider.

- (b) For the purposes of making a 2008 determination for the regulatory control period to be covered by a 2008 determination, anything that must be done in accordance with a guideline must instead be done in accordance with the corresponding proposed guideline.
- (c) Unless sooner revoked, a proposed guideline ceases to have effect in relation to a relevant provider at the end of the regulatory control period covered by a 2008 determination applying to the provider. For the avoidance of doubt, a proposed guideline does not apply to or in respect of the making of a subsequent transmission determination.
- (d) For the purposes of making a 2008 determination for the regulatory control period to be covered by a 2008 determination, a relevant provider is taken to have complied with a requirement to comply with a *Cost Allocation Methodology* under the new Chapter 6A if the AER is satisfied that the relevant provider has complied with the relevant proposed guideline for cost allocation referred to in clause 11.6.17(a)(6), but only until the AER has approved a *Cost Allocation Methodology* for that provider under clause 6A.19.4.

11.6.19 EnergyAustralia transitional provisions

- (a) In this clause 11.6.19:

contingent project means a project approved by the ACCC and identified in the Determination as a contingent project.

current regulatory control period means the period 1 July 2004 to 30 June 2009.

Determination means the “Final Decision, NSW and ACT Transmission Network Revenue Cap EnergyAustralia 2004-05 to 2008-09”.

EnergyAustralia means the energy services corporation constituted under section 7 of the Energy Services Corporations Act 1995 (NSW) and specified in Part 2 of Schedule 1 to that Act.

maximum allowed revenue means the maximum allowed revenue in the Determination.

trigger event means an event identified as a trigger in Appendix A of the Determination in respect of a contingent project.

triggered contingent project means the contingent project referred to in Appendix A of the Determination as “A.1 Replacement of Feeders 908/909”.

Application of Chapter 6A to Determination

- (b) Subject to paragraph (c), clauses 6A.7.1, 6A.7.2 and 6A.7.3 apply to the Determination from the commencement date.
- (c) In applying clause 6A.7.1 to the Determination, a reference in the clause to:
 - (1) “revenue determination” is taken to be a reference to the Determination;
 - (2) “regulatory control period” is taken to be a reference to the current regulatory control period;
 - (3) “contingent project” has the meaning referred to in paragraph (a); and
 - (4) “X Factor” has the same meaning as in the Determination.

Treatment of contingent projects

- (d) Where the trigger event identified in respect of a contingent project occurs prior to 1 July 2009, the *AER* must, in accordance with the Determination:
 - (1) determine:
 - (i) the total capital expenditure which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project* including any amount for forecast capital expenditure already included in the Determination in respect of the triggered contingent project;
 - (ii) the forecast capital and incremental operating expenditure for that contingent project (in addition to any amount for forecast capital expenditure already included in the Determination in respect of the triggered contingent project) for each remaining regulatory year of the current regulatory control period, which the *AER* considers is reasonably required for the purpose of undertaking the contingent project in accordance with Appendix A of the Determination;
 - (iii) the likely commencement and completion dates for the contingent project;
 - (iv) the incremental revenue which is likely to be earned by EnergyAustralia in each remaining regulatory year of the current regulatory control period as a result of the contingent project being undertaken; and

- (v) the maximum allowed revenue for each regulatory year in the remainder of the current regulatory control period by adding the incremental revenue for that regulatory year;
 - (2) calculate the estimate referred to in subparagraph (1)(iv) in accordance with the Determination, including:
 - (i) on the basis of the rate of return for EnergyAustralia for the current regulatory control period; and
 - (ii) consistently with the manner in which depreciation is calculated under the Determination; and
 - (3) vary the Determination to apply for the remainder of the current regulatory control period in accordance with paragraph (e).
- (e) The *AER* may only vary the Determination to the extent necessary:
- (1) to adjust the forecast capital expenditure for the current regulatory control period to accommodate the amount of additional capital expenditure determined under paragraph (d)(1)(ii); and
 - (2) to adjust the forecast operating expenditure for the current regulatory control period to accommodate the amount of additional operating expenditure determined under paragraph (d)(1)(ii); and
 - (3) to reflect the effect of any resultant increase in forecast capital expenditure and incremental operating expenditure on the maximum allowed revenue for each regulatory year in the remainder of the current regulatory control period.
- (f) The intended date for commencing the contingent project must be during the current regulatory control period.
- (g) For the first *regulatory control period* after the current regulatory control period, the forecast of capital expenditure for EnergyAustralia for that first *regulatory control period* must be determined by applying the provisions of clause 6A.6.7 in respect of the capital expenditure for a contingent project, with such modifications as are necessary to properly apply clause 6A.6.7.

11.6.20 Basslink transitional provisions

Definitions

- (a) In this clause 11.6.20:

Basslink has the meaning provided in the *Electricity Supply Industry Act 1995* of Tasmania, and means the interconnection between the electricity grids of the States of Tasmania and Victoria by means of:

- (1) a high voltage, direct current, submarine cable across Bass Strait;
- (2) converter stations in those States;
- (3) direct current connecting lines to those converter stations;

- (4) alternating current transmission connections to the transmission networks of those States; and
- (5) related infrastructure.

previous regulatory approach means the methodologies, objectives and principles for determination of a regulatory asset base applied in the previous regulatory determinations.

previous regulatory determinations means the decision (including the reasons for decision) made under clause 2.5.2(c) of the National Electricity Code or clause 2.5.2(c) of the *Rules* (as the case may be):

- (1) by the ACCC, entitled the “Murraylink Transmission Company Application for Conversion and Maximum Allowable Revenue” dated 1 October 2003; and
- (2) by the AER, entitled “Directlink Joint Ventures’ Application for Conversion and Revenue Cap” dated 3 March 2006.

Application

- (b) Where, after the commencement date, a service provided by means of, or in connection with, the Basslink *transmission system* ceases to be classified as a *market network service*:
 - (1) paragraph (c) applies to that service to the exclusion of clause 2.5.2(c); and
 - (2) paragraphs (d),(e),(f) and (g) apply to that service to the exclusion of clause S6A.2.1(e)(1) and (2).
- (c) If, after the commencement date, a *network service* provided by means of, or in connection with, the Basslink *transmission system* ceases to be classified as a *market network service*, it may at the discretion of the AER be determined to be a *prescribed transmission service*, in which case the relevant *total revenue cap* may be adjusted in accordance with Chapter 6A and this clause 11.6.20 to include to an appropriate extent the relevant *network elements* which provide those *network services*.
- (d) Where services are determined to be *prescribed transmission services* as referred to in paragraph (c), the value of the regulatory asset base, as at the beginning of the first *regulatory year* of the first *regulatory control period* for which those *prescribed transmission services* are to be regulated under a *revenue determination*, is the amount that is determined by the AER in accordance with paragraphs (e), (f) and (g).
- (e) Subject to paragraph (f), the AER must determine the value of the regulatory asset base for the Basslink *transmission system* for the purposes of paragraph (d) by applying the previous regulatory approach to the circumstances of that *transmission system*.
- (f) In the event of an inconsistency between the previous regulatory approach adopted in each of the previous regulatory determinations, the approach adopted in a decision of the AER regarding the Directlink *transmission*

system prevails over the approach adopted in the decision of the ACCC regarding the Murraylink *transmission system* to the extent of the inconsistency.

- (g) Without limiting paragraph (e), the *AER* must, when exercising any discretion in relation to the application of paragraph (e) above:
 - (1) have regard to the prudent and efficient value of the assets that are used by the relevant *Transmission Network Service Provider* to provide those *prescribed transmission services* (but only to the extent that those assets are used to provide such services); and
 - (2) for this purpose, determine that value having regard to the matters referred to in clause S6A.2.2.

11.6.21 SPI Powernet savings and transitional provision

Definitions

- (a) In this clause 11.6.21:

easements tax change event means a change in the amount of land tax that is payable by SPI PowerNet in respect of the easements which are used for the purposes of SPI PowerNet's *transmission network* where that change results in SPI PowerNet incurring higher or lower costs in providing *prescribed transmission services* than it would have incurred but for that event. For these purposes the change in the amount of land tax that is payable by SPI PowerNet must be calculated by applying the relevant land tax rate to the difference between:

- (1) the value of the easements which is used for the purposes of assessing the land tax that is payable; and
- (2) the value of the easements which is assumed for the purposes of the *revenue determination* for the *regulatory control period*,

and an *easements tax change event* does not include an event described in paragraphs (a), (b) or (c) of the definition of *tax change event*.

Regulated owner and **SPI PowerNet** both have the meaning provided in clause 9.3.1(2) of the *Rules*.

Transition to new Chapter 6A: existing prescribed transmission services

- (b) Notwithstanding clause 11.5.11, references to *prescribed transmission services* in the new Chapter 6A include a service provided by an asset used in connection with, or committed to be constructed for use in connection with, a *transmission system* as at 9 February 2006, where that asset is the subject of an agreement between SPI PowerNet and any of:
 - (1) VENCORP;
 - (2) a Distributor;
 - (3) a Regulated owner;

- (4) a *Generator*; or
- (5) a *Market Network Service Provider*,
and:
- (6) the agreement provides or contemplates that following an interim period the relevant asset will become subject to regulation under a revenue determination applicable to SPI PowerNet; and
- (7) in the case of an agreement with a *Generator* or a *Market Network Service Provider*, the service the subject of the agreement is for *connection assets* provided on a non-contestable basis.

Method of adjustment of value of regulatory asset base

- (c) For the avoidance of doubt, in adjusting the previous value of the regulatory asset base for SPI PowerNet's *transmission system* as required by clause S6A.2.1(f), the previous value of the regulatory asset base must be increased by the amount of capital expenditure specified in, or that forms the basis of, agreements pursuant to which SPI PowerNet constructed assets during the previous regulatory control period used to provide *prescribed transmission services*, adjusted for outturn inflation and depreciation in accordance with the terms of those agreements.
- (d) For the purposes of a *revenue determination* for SPI PowerNet (including but not limited to, a 2008 determination as defined in clause 11.6.18(a)), a *pass through event* includes an easements tax change event.

11.6.22 Interim arrangements pricing-related information

- (a) Clause 6.2.5(a1) as in force immediately before the commencement date continues to apply during the current regulatory control period.
- (b) The *information guidelines* may, in addition to the matter referred to in clause 6A.17.2(e), require the inclusion in the certified annual statements of:
 - (1) information on the amount of each instance, during the relevant reporting period, of any reduction in the prices payable by a *Transmission Customer* for *prescribed transmission services* provided by the *Transmission Network Service Provider*;
 - (2) information on each instance, during the relevant reporting period, of a reduction in the prices payable by a *Transmission Customer* for *prescribed transmission use of system services* or *prescribed common transmission services* (or both) that were recovered from other *Transmission Customers* for *prescribed transmission use of system services* or *prescribed common transmission services*; and
 - (3) information to substantiate any claim by the *Transmission Network Service Provider* that the information provided to the AER with respect to reductions in the prices payable by a *Transmission Customer* for the relevant *prescribed transmission services* under subparagraphs (2) or (3) is confidential information.

Part F Reform of Regulatory Test Principles (2006 amendments)

11.7 Rules consequent on making of the National Electricity Amendment (Reform of the Regulatory Test Principles) Rule 2006 No.19

11.7.1 Definitions

For the purposes of this rule 11.7:

Amending Rule means the National Electricity Amendment (Reform of the Regulatory Test Principles) Rule 2006 No.19.

commencement date means the date on which the Amending Rule commences operation.

current application means any action taken or process commenced under the *Rules*, which relies on or is referenced to, the *regulatory test*, and is not completed as at the commencement date.

new clause 5.6.5A means clause 5.6.5A of the *Rules* as in force immediately after the commencement of the Amending Rule.

old clause 5.6.5A means clause 5.6.5A of the *Rules* as in force immediately before the commencement of the Amending Rule.

transitional application means any action taken or process commenced under the *Rules*, which relies on or is referenced to, the *regulatory test* and is not completed on 31 December 2007, or the date on which amendments (if any) to the *regulatory test* commence, whichever is the earlier.

11.7.2 Amending Rule does not affect old clause 5.6.5A

- (a) On the commencement date, the *regulatory test* promulgated by the AER in accordance with the old clause 5.6.5A and in effect immediately before the commencement date, continues in effect and is taken to be consistent with the new clause 5.6.5A until 31 December 2007.
- (b) Old clause 5.6.5A, and the *regulatory test* promulgated under that clause 5.6.5A, continues to apply to and in respect of, any current application and any transitional application.

Part G Pricing of Prescribed Transmission Services (2006 amendments)

11.8 Rules consequent on making the National Electricity Amendment (Pricing of Prescribed Transmission Services) Rule 2006

11.8.1 Definitions

Subject to this rule 11.8, in this rule 11.8:

agreed interim requirements means interim requirements that are equivalent to the requirements of the *pricing methodology guidelines* referred to in rule 6A.25

and have been developed in consultation with the relevant providers for the purposes of a proposed 2008 pricing methodology.

ElectraNet means ElectraNet Pty Ltd ACN 094 482 416 trading as ElectraNet.

existing assets means *transmission system* assets in existence as at 24 August 2006.

previous regulatory determinations means the decision (including the reasons for decision) made under clause 2.5.2(c) of the National Electricity Code or clause 2.5.2(c) of the *Rules* (as the case may be):

- (1) by the ACCC, entitled the “Murraylink Transmission Company Application for Conversion and Maximum Allowable Revenue” dated 1 October 2003; and
- (2) by the AER, entitled “Directlink Joint Ventures’ Application for Conversion and Revenue Cap” dated 3 March 2006.

Pricing Rule commencement date means the date on which the National Electricity Amendment (Pricing of Prescribed Transmission Services) Rule 2006 commences operation.

relevant provider means SPAusNet, ElectraNet or VENCORP.

SPAusNet means SPI PowerNet Pty Ltd ACN 079 798 173.

2008 pricing methodology means a pricing methodology to be made in 2008 for a relevant provider.

VENCORP means the Victorian Energy Networks Corporation established under the Gas Industry Act 1994(Vic) and continued under the Gas Industry Act 2001(Vic).

11.8.2 Regulated interconnectors

- (a) All *interconnectors* that formed part of the *power system* in the *participating jurisdictions* as at 31 December 1997 continue to be taken to be *regulated interconnectors*.
- (b) All *interconnectors* that ceased to be classified as a *market network service* by a previous regulatory determination made before 28 December 2006 are taken to be *regulated interconnectors*.
- (c) All *interconnectors* that, by a decision made after 28 December 2006 under clause 2.5.2(c) of the *Rules* cease to be classified as a *market network service* are taken to be *regulated interconnectors*.

11.8.3 Application of new Part J of Chapter 6A to Transmission Network Service Providers

- (a) Subject to this rule 11.8, a *Transmission Network Service Provider* is not required to submit a proposed *pricing methodology* to the AER under the new Part J of Chapter 6A until a date that is 13 months before the expiry of a current *regulatory control period*.

- (b) For the purposes of this clause 11.8.3, the transitional regulatory control period referred to in rule 11.6.12 (a) for Powerlink is taken to be the current *regulatory control period*.

11.8.4 Reliance on agreed interim guideline for ElectraNet, SPAusNet, and VenCorp

For the purpose of making a 2008 pricing methodology, anything that must be done in accordance with the *pricing methodology guidelines* must instead be done in accordance with the agreed interim requirements.

11.8.5 Prudent discounts under existing agreements

- (a) A *Transmission Network Service Provider* may continue to recover discounts arising as a result of agreements that were entered into prior to 10 October 2001 so long as the agreement remains in effect and its terms are not renegotiated.
- (b) A *Transmission Network Service Provider* may continue to recover discounts arising as a result of agreements that were entered into prior to 28 December 2006 so long as the agreement remains in effect and its terms are not renegotiated.
- (c) The *AER* is not required to re-approve discounts arising under paragraphs (a) or (b) that were approved prior to 28 December 2006, and any approval for the recovery of such discounts is valid so long as the agreement between the *Transmission Network Service Provider* and the *Transmission Customer* remains in effect and its terms are not renegotiated.

11.8.6 Application of prudent discounts regime under rule 6A.26

- (a) Despite clause 11.6.3, a *Transmission Network Service Provider* may apply rule 6A.26 during a current regulatory control period (as defined in clause 11.6.1).
- (b) Where a *Transmission Network Service Provider* applies to the *AER* under clause 6A.26.2 for approval to recover a proposed recovery amount in circumstances where paragraph (a) applies, the *AER* must make a determination in accordance with clause 6A.26.2 notwithstanding that there is no approved *pricing methodology* for that provider.

11.8.7 Prudent discounts pending approval of pricing methodology

- (a) This clause 11.8.7 applies where:
 - (1) a *Transmission Network Service Provider* has submitted or resubmitted a proposed *pricing methodology* to the *AER* under clause 6A.10.1, 6A.11.2 or 6A.12.3;
 - (2) the *AER* has not made a final decision approving or amending that methodology under rule 6A.13; and

- (3) a *Transmission Customer* requests the provider to charge lower prices for *prescribed TUOS services* or *prescribed common transmission services* than the prices determined in accordance with the provider's *pricing methodology* as referred to in clause 6A.26.1(d).
- (b) Despite clause 6A.26.1, a *Transmission Network Service Provider* may agree to charge lower prices for *prescribed TUOS services* or *prescribed common transmission services* than the prices determined as referred to in clause 6A.26.1(d) in accordance with:
 - (1) in the case where the *AER* has made a draft decision in which it proposes to approve a proposed *pricing methodology*, - that proposed *pricing methodology*; or
 - (2) if subparagraph (1) does not apply, the *pricing methodology* most recently approved for that *Transmission Network Service Provider* prior to the proposed *pricing methodology* referred to in subparagraph (a)(1); or
 - (3) if there is no a previously approved *pricing methodology* for that *Transmission Network Service Provider*, - the previous method used by the *Transmission Network Service Provider* to establish prices, however determined must be used in place of an approved *pricing methodology*.
- (c) Where a *Transmission Network Service Provider* applies to the *AER* under clause 6A.26.2 for approval to recover a proposed recovery amount in circumstances where paragraphs (a) and (b) apply, the *AER* must make a determination in accordance with clause 6A.26.2 notwithstanding that the reduced charges were agreed before a *pricing methodology* was approved.
- (d) The subsequent approval by the *AER* of a *pricing methodology* for a *Transmission Network Service Provider* does not require the provider to adjust, reverse or recompense any amounts to *Transmission Customers* in connection with charges for services established pursuant to this clause 11.8.7.

Part H Reallocations (2007 amendments)

11.9 Rules consequent on the making of the National Electricity Amendment (Reallocations) Rule 2007

11.9.1 Definitions

For the purposes of this rule 11.9:

Amending Rule means the National Electricity Amendment (Reallocations) Rule 2007.

commencement date means the day on which the Amending Rule commences operation.

existing reallocation means a *reallocation* in place immediately before the commencement date.

new reallocation means a *reallocation* undertaken in accordance with the *Rules* after the date of *publication* of the *reallocation procedures* under clause 3.15.11A(d).

transitional reallocation means a *reallocation* in place immediately after the commencement date but prior to the date of *publication* of the *reallocation procedures* by NEMMCO under clause 3.15.11A(d).

11.9.2 Existing and transitional reallocations

- (a) Subject to paragraph (c), an existing reallocation is to be treated as if the Amending Rule had not been made.
- (b) Subject to paragraph (c), a transitional reallocation is to be treated as if the Amending Rule had not been made.
- (c) A *Market Participant* who is a party to an existing reallocation or a transitional reallocation may elect to have the reallocation treated as a new reallocation if the participant obtains the agreement of the *Market Participant* who is the other party to the reallocation.

Part I Technical Standards for Wind Generation (2007 amendments)

11.10 Rules consequent on making of the National Electricity Amendment (Technical Standards for Wind Generation and other Generator Connections) Rule 2007

11.10.1 Definitions

Subject to this rule 11.10, in this rule 11.10:

Amending Rule means the National Electricity Amendment (Technical Standards for Wind Generation and other Generator Connections) Rule 2007.

commencement date means the date on which the Amending Rule commences operation.

new Chapter 5 means Chapter 5 of the *Rules* in force immediately after the commencement date.

old Chapter 5 means Chapter 5 of the *Rules* in force immediately prior to the commencement date.

11.10.2 Provision of information under S5.2.4 in registration application

- (a) Any requirements in the Amending Rule that require a person who is applying to be a *Registered Participant* to submit information in relation to clause S5.2.4 for the purposes of clause 2.9.2 does not apply to any person who has, in accordance with clause 2.9.1:
 - (1) submitted an application to be registered as a *Registered Participant*;

- (2) commenced a process for submitting further information in relation to the application referred to in subparagraph (1); or
 - (3) has submitted further information in relation to the application referred to in subparagraph (1),
- and, at the commencement date, has not been registered by *NEMMCO* in accordance with clause 2.9.2 as a *Registered Participant*.
- (b) A person registered in accordance with this clause 11.10.2:
 - (1) subject to subparagraph (2), is taken to be registered in accordance with the requirements of the *Rules* as amended by the Amending Rule; and
 - (2) must submit all information required under clause S5.2.4 within six months of the commencement date.

11.10.3 Access standards made under the old Chapter 5

- (a) Any *automatic access standard* or *negotiated access standard* that applied to a *generating unit or generating system* under the old Chapter 5 continues to apply to that system or unit as if the Amending Rule had not been made.
- (b) Unless a *Generator* and a *Network Service Provider* otherwise agree, a *negotiated access standard* that is the subject of a negotiating process as at the commencement date, is to be negotiated in accordance with the old Chapter 5, as if the Amending Rule had not been made.

11.10.4 Modifications to plant by Generators

Unless the *Generator* and the relevant *Network Service Provider* otherwise agree, a *Generator* who at the commencement date has proposed to modify a *plant* and has commenced negotiations with a *Network Service Provider* under the old Chapter 5 is to continue the negotiating process in accordance with the old Chapter 5 as if the Amending Rule had not been made.

11.10.5 Technical Details to Support Application for Connection and Connection Agreement

- (a) Subject to paragraphs (b) and (c), any decision or action taken by *NEMMCO* for the purpose of developing and *publishing* an initial *Generating System Design Data Sheet*, an initial *Generating System Setting Data Sheet* and initial *Generating System Model Guidelines* under clause S5.5.7 prior to the commencement date has continuing effect as if the decision had been made or the action had been taken under the Amending Rule.
- (b) Pending the final *publication* of the *Generating System Design Data Sheet* and the *Generating System Setting Data Sheet* under clause S5.5.7:
 - (1) schedule 5.5.1 of the *Rules* as in force immediately before the commencement date is taken to be the interim *Generating System Design Data Sheet*; and

- (2) schedule 5.5.2 of the *Rules* as in force immediately before the commencement date is taken to be the interim *Generating System Setting Data Sheet*.
- (c) The interim *Generating System Design Data Sheet* and interim *Generating System Setting Data Sheet* referred to in paragraph (b) continue in force until *NEMMCO publishes* the equivalent data sheet under S5.5.7 which must be no later than 29 February 2008.

11.10.6 Transitional arrangements for establishment of performance standards

For the purposes of the definition of performance requirement in clause 4.16.1, clauses S5.2.8 and S5.2.9 of the old Chapter 5 applies as if the Amending Rule had not been made.

11.10.7 Jurisdictional Derogations for Queensland

- (a) For the purposes of clause 9.37.12, clause S5.2.5.2(c) of the old Chapter 5 applies as if the Amending Rule had not been made.
- (b) For the purposes of clause 9.37.21, clause S5.2.5.13 of the old Chapter 5 applies as if the Amending Rule had not been made.

Part L Abolition of Snowy Region (2007 amendments)

11.13 Rules consequent on making the National Electricity Amendment (Abolition of Snowy Region) Rule 2007

11.13.1 Definitions

In this rule 11.13:

Amending Rule 2007 means the National Electricity Amendment (Abolition of Snowy Region) Rule 2007.

current Regions Publication means the document published by *NEMMCO* entitled “List of Regional Boundaries and Marginal Loss Factors for the 2007/08 Financial Year”.

Draft Determination date means 25 January 2007.

implementation period means the period specified in clause 11.13.4.

implementation plan means the plan referred to in clause 11.13.5.

implementation function means a function referred to in clause 11.13.6.

Loss Factors Publication means the document *published* by *NEMMCO* from time to time under clauses 3.6.1(f) and 3.6.2(f1) which sets out *marginal loss factors*.

modified regions means the *regions* identified as the New South Wales *region* and the Victoria *region* in the current *Regions Publication*, modified as a result of the abolition of the Snowy *region* under the *Amending Rule 2007* taking effect.

new regions means the unmodified *regions* and the modified *regions*.

New South Wales region, Snowy region and Victoria region each have the same meaning as in clause 3.5.6.

old regions means the *regions* identified in the current *Regions Publication*.

Rule commencement date means the date on which the *Amending Rule 2007* commences operation.

unmodified regions means the *regions* known as the Queensland *region*, the South Australia *region* and the Tasmania *region* as identified in the current *Regions Publication*, the boundaries of which are not affected by the abolition of the Snowy *region* under the *Amending Rule 2007*.

11.13.2 Purpose of rule 11.13

The purpose of this rule 11.13 is to enable the efficient and effective implementation of a change of *region* boundaries as a result of the abolition of the Snowy *region* during the implementation period, prior to the start of the new *regions*, and to support a smooth transition from the old *regions* to the new *regions*.

11.13.3 Application of rule 11.13

This rule 11.13 applies despite any other provision of the *Rules* (including any guideline or procedure made under the *Rules*), and to the extent of any inconsistency, this rule 11.13 prevails during the implementation period.

11.13.4 Implementation period

- (a) The implementation period starts on the Rule commencement date and ends on 15 July 2008.
- (b) Any decision made or action taken by *NEMMCO* for the purpose of implementing the abolition of the Snowy *region* between the Draft Determination date and the Rule commencement date, has continuing effect as if the decision had been made or the action had been taken under the *Rules* as amended by the *Amending Rule 2007*.

11.13.5 Publishing of implementation plan by NEMMCO

- (a) *NEMMCO* must develop and *publish* by 15 September 2007 an implementation plan that identifies the key implementation steps to be taken during the implementation period, including the proposed exercise by *NEMMCO* of the implementation functions.
- (b) *NEMMCO* may, during the implementation period, amend the implementation plan as necessary, and must *publish* the amended plan.

11.13.6 NEMMCO implementation functions

- (a) Subject to this rule 11.13, *NEMMCO* has, during the implementation period, the following functions and powers ('the implementation functions'):

- (1) the power to make a decision or take any action (including the power to refrain from making a decision or taking action) that is necessary or consequential to the implementation of the *Amending Rule 2007*; and
 - (2) the other functions and powers specified under this rule 11.13.
- (b) The exercise of the implementation functions by *NEMMCO* must be referable to and consistent with the implementation plan as *published*.

11.13.7 Software modifications to implement abolition of Snowy region

Despite clause 3.17.1 and subject to this clause 11.13.7, *NEMMCO*:

- (1) may, as an implementation function, alter, reconfigure, reprogram or otherwise modify or enhance any computer software required for the operation of the *market*; and
- (2) must, to the extent practicable, adhere to the procedures for change management under the document entitled “NEM Systems IT Procedure Manual: Change Management” and *NEMMCO* may make the changes under paragraph (1) without authorisation by the *AER* even if *NEMMCO* does not fully adhere to that document.

11.13.8 Allocation of transmission connection points as a result of abolition of Snowy region

Each *transmission network connection point* previously assigned to the Snowy region as at the Rule commencement date is allocated to the New South Wales region and the Victoria region as follows:

Loads

Location	Voltage kV	TNI code	Region
Khancoban	330	NKHN	Victoria

Generation

Location	Voltage kV	Connection point ID	TNI code	Region
Jindabyne pump at Guthega	132	NGJP	NGJP	Victoria
Guthega	132	NGUT	NGUT	NSW
Guthega Ancillary Services 2	132	NGUT2	NGUT	NSW
Guthega	132	NGUT8	NGUT	NSW
Lower Tumut	330	NLTS	NLTS	NSW
Lower Tumut Ancillary	330	NLTS3	NLTS	NSW

Location	Voltage kV	Connection point ID	TNI code	Region
Services 2 (pumps)				
Lower Tumut Ancillary Services 3	330	NLTS5	NLTS	NSW
Lower Tumut	330	NLTS8	NLTS	NSW
Murray Ancillary Services 1	330	NMUR11	NMUR	Victoria
Murray Ancillary Services 2	330	NMUR13	NMUR	Victoria
Murray Ancillary Services 3	330	NMUR5	NMUR	Victoria
Murray Ancillary Services 4	330	NMUR7	NMUR	Victoria
Murray	330	NMUR8	NMUR	Victoria
Murray Ancillary Services 5	330	NMUR9	NMUR	Victoria
Upper Tumut	330	NUTS	NUTS	NSW
Upper Tumut Ancillary Services 2	330	NUTS3	NUTS	NSW
Upper Tumut Ancillary Services 3	330	NUTS5	NUTS	NSW
Upper Tumut Ancillary Services 4	330	NUTS7	NUTS	NSW
Upper Tumut	330	NUTS8	NUTS	NSW

11.13.9 Location of region boundaries

The location of the *region* boundary between the New South Wales region and the Victoria *region* as a result of the abolition of the Snowy *region* is as follows:

- (1) at Red Cliffs Terminal Station on the 0X1 Red Cliffs to Buronga 220 Transmission Line;
- (2) at Wodonga Terminal Station on the 060 Wodonga to Jindera 330 Transmission Line;
- (3) at Murray Switching Station on the 066 Murray to Lower Tumut 330 Transmission Line;
- (4) at Murray Switching Station on the 065 Murray to Upper Tumut 330 Transmission Line;
- (5) at the Guthega 132kV Switchyard 132kV Bus No 2-3 bus Section Disconnecter 4128.

11.13.10 2008/09 Regions Publication and Loss Factors Publication

- (a) *NEMMCO* must, as an implementation function, review and *publish* by 1 April 2008:
 - (1) the 2008/09 *Regions Publication*; and
 - (2) the 2008/09 Loss Factors Publication,making any changes necessary in accordance with the *Amending Rule 2007*, including but not limited to the allocation of *transmission network connection points* under clause 11.13.8 and the location of *region* boundaries under clause 11.13.9.
- (b) In relation to the publications referred to in paragraph (a) (or subsequent annual *Regions Publications* or Loss Factors Publications), nothing prevents *NEMMCO*:
 - (1) amending those publications to implement:
 - (i) the *Amending Rule 2007* or future *region* boundary changes under the *Rules*;
 - (ii) future physical changes to the *transmission network*; or
 - (iii) changes in the configuration of *connection points* requested by *Registered Participants* for the purposes of participation in the *NEM*; or
 - (2) publishing the annual *Regions Publication* and the Loss Factors Publication in a single document.

11.13.11 Reserve margin calculations

NEMMCO may, as an implementation function, determine estimates of the minimum reserve levels to be applied to the modified *regions* provided that the process used to determine the estimates is *published*.

11.13.12 Re-calculation of network constraints and transmission loss factors

- (a) A *Transmission Network Service Provider* must, to the extent practicable, provide to *NEMMCO* on request information for or with respect to the re-calculation of *network constraints* and *transmission loss factors* including but not limited to:
 - (1) advice on the re-calculation of *network* limits, including stability limits; and
 - (2) information relating to the determination of *network losses* and *loss factors*.
- (b) Where a *Transmission Network Service Provider* advises *NEMMCO* that it is not practicable to provide information relating to the re-calculation of *network* limits or losses within the time period specified in the request, *NEMMCO* may:

- (1) request the *Transmission Network Service Provider* to provide the information to *NEMMCO* as it becomes available to the provider;
 - (2) determine *inter-regional loss factors* on the basis of estimates;
 - (3) apportion losses for the purpose of *settlements residue payments* using estimates; or
 - (4) re-formulate existing *network constraints* to apply to the new *regions* using estimates.
- (c) *NEMMCO* must *publish* the process used for determining estimates under paragraph (b).

11.13.13 Transition of settlements residue auction arrangements

- (a) Terms used in this clause 11.13.13 that are used in the *auction rules* have the same meaning as in those rules.
- (b) Despite anything in rule 3.18, *NEMMCO*:
 - (1) may, as an implementation function:
 - (i) amend the *auction rules*;
 - (ii) remove or modify Unit Categories affected by the abolition of the *Snowy region* and the consequential modification of the *New South Wales region* and the *Victoria region*;
 - (iii) re-set *auction expense fees* as required to align with any new Unit Categories;
 - (iv) conduct *auctions* in relation to new Unit Categories; and
 - (v) take any other action in relation to *auctions* that is necessary or consequential on the abolition of the *Snowy region*; and
 - (2) must consult with the *Settlements Residue Committee* in amending the *auction rules* under paragraph (1) and is only required to comply with the *Rules consultation procedures* to the extent practicable in the circumstances of the implementation of the abolition of the *Snowy region*.

11.13.14 Continuity of regions

Subject to this rule 11.13 and clause 3.5.6, on and from 00:00 hours *EST* on 1 July 2008:

- (1) the unmodified *regions* continue and are taken to be *regions* specified under clause 3.5.1 for all purposes under the *Rules*; and
- (2) the *New South Wales region* and the *Victoria region* as modified by the *Amending Rule 2007* continue and are taken to be *regions* specified under clause 3.5.1 for all purposes under the *Rules*.

Part M Economic Regulation of Distribution Services (2007 amendments)

Division 1 General Provisions

11.14.1 Application of this Division

This Division has no application in relation to Victoria.

11.14.2 Definitions

amending rules means the *National Electricity (Economic Regulation of Distribution Services) Amendment Rules 2007*.

current Chapter 6 means Chapter 6 of these *Rules* as currently in force.

former Chapter 6 means Chapter 6 of these *Rules* as in force before the substitution of the *current Chapter 6* by the amending rules.

jurisdictional pricing determination for a *participating jurisdiction* means a determination regulating *distribution service* pricing made by the *Jurisdictional Regulator* for the *participating jurisdiction* and in force immediately before the date of the relevant amendment.

new regulatory provisions means the provisions of *current Chapter 6* or (if applicable) of later Divisions of this Part providing for the economic regulation of *distribution services* after the transitional regulatory period comes to an end.

old regulatory regime for a *participating jurisdiction* includes:

- (a) the jurisdictional pricing determination for the *participating jurisdiction*; and
- (b) the laws (including the *former Chapter 6*) governing the making, monitoring, administration and enforcement of the jurisdictional pricing determination;
- (c) any other determination, guideline, code or document (whatever its description) of a kind contemplated by the *former Chapter 6* that was made for the *participating jurisdiction* by the relevant *Jurisdictional Regulator* and was in force immediately before the date of the relevant amendment;
- (d) any other obligation imposed by or under the *former Chapter 6*;
- (e) any power or function of the *Jurisdictional Regulator* under the *former Chapter 6*.

new regulatory regime means the system for the economic regulation of *distribution services* contemplated by the new regulatory provisions.

relevant amendment means the substitution of the *current Chapter 6* for the *former Chapter 6* by the amending rules.

transitional regulatory period for a *participating jurisdiction* means the *regulatory control period* for which the *jurisdictional pricing determination* for the relevant *participating jurisdiction* was made.

11.14.3 Preservation of old regulatory regime

- (a) Subject to this Part, a *Distribution Network Service Provider* who was providing *distribution services* in a *participating jurisdiction* at the date of the relevant amendment
 - (1) remains subject to the old regulatory regime for the duration of the transitional regulatory period; and
 - (2) does not become subject to the new regulatory regime until the end of the transitional regulatory period.

Examples:

- 1. *Reporting, monitoring and other compliance requirements continue under the old regulatory regime until the end of the transitional regulatory period and (subject to this Part) are unaffected by the new regulatory provisions.*
- 2. *Price regulation continues under the old regulatory regime until the end of the transitional regulatory period and is unaffected by the new regulatory provisions.*
- 3. *Prudential, billing and settlement issues are governed by rules 6.7 and 6.8 of former Chapter 6 and any applicable regulatory instruments (rather than Parts J and K of current Chapter 6).*
- 4. *Access disputes are dealt with under the old regulatory regime (and cannot be notified under Part L of current Chapter 6).*

- (b) However:
 - (1) the new regulatory provisions govern the making of a distribution determination for the *Distribution Network Service Provider* at the end of the transitional regulatory period; and
 - (2) in that respect the *new regulatory provisions* apply to a *Distribution Network Service Provider* who is still subject to the old regulatory regime as if the *jurisdictional pricing determination* were a distribution determination approaching the end of its *regulatory control period*.

11.14.4 Transfer of regulatory responsibility

- (a) The Minister for a *participating jurisdiction* may, during the course of the transitional regulatory period, transfer responsibility for the economic regulation of *distribution services* in the relevant jurisdiction from the *Jurisdictional Regulator* to the AER.
- (b) A Minister for a *participating jurisdiction* makes (or is taken to make) a transfer of regulatory responsibility under this clause:

- (1) by giving notice of the transfer to the *Jurisdictional Regulator* and the *AER*; or
 - (2) if powers exist apart from this clause under the law of the *participating jurisdiction* to transfer regulatory responsibility from the *Jurisdictional Regulator* to the *AER* – by exercising those powers.
- (c) If the Minister makes a transfer of regulatory responsibility under this clause:
 - (1) the *AER* is subrogated to the position of the *Jurisdictional Regulator*; and
 - (2) the *AER* may therefore exercise powers and functions of the *Jurisdictional Regulator* (including legislative powers and functions) under the old regulatory regime; and

Note:

The AER may also use its powers (e.g. for information gathering) under the Law.

- (3) references to the *Jurisdictional Regulator* in a determination or other instrument (including a legislative instrument) related to the old regulatory regime will be read as references to the *AER*.

11.14.5 Special requirements with regard to ring fencing

- (a) The requirements of the old regulatory regime with regard to ring fencing (rule 6.12 of *former Chapter 6* and related guidelines) apply to a *Distribution Network Service Provider* until the *AER* assumes regulatory responsibility at the end of the transitional regulatory period or on the earlier transfer of regulatory responsibility to the *AER*.
- (b) On the *AER's* assumption of regulatory responsibility, a *Distribution Network Service Provider*:
 - (1) ceases to be subject to the requirements of the old regulatory regime with regard to ring fencing; and
 - (2) becomes subject to the ring fencing requirements of the new regulatory regime; but
 - (3) guidelines in force for a *participating jurisdiction* immediately before the *AER's* assumption of regulatory responsibility (**transitional guidelines**) continue in force for that jurisdiction subject to amendment, revocation or replacement by guidelines made under the new regulatory regime.
- (c) The transitional guidelines:
 - (1) are taken to be guidelines made by the *AER* under the new regulatory regime; and
 - (2) are to be construed as if references to a *Jurisdictional Regulator* were references to the *AER*.

- (d) A waiver granted, or additional ring fencing requirement imposed, by a *Jurisdictional Regulator* under the transitional guidelines continues in force under the transitional guidelines subject to variation or revocation by the *AER*.

11.14.6 Additional requirements with regard to cost allocation

- (a) Even though a *Distribution Network Service Provider* remains subject to the old regulatory regime, the provider is also subject, as from the date of the relevant amendment, to the requirements of Part F of the current Chapter 6 (Cost Allocation).
- (b) This clause applies only for the purposes of the next distribution determination for the *Distribution Network Service Provider*.

11.14.7 Construction of documents

To facilitate the transition from the old regulatory regime to the new regulatory regime, references in determinations and other documents to provisions of former Chapter 6 are to be read (where the context admits) to corresponding provisions of the current Chapter 6.

Division 2 Special provisions applying to New South Wales and the Australian Capital Territory for the Regulatory Control Period 2009-2014

11.15 Special provisions applying to New South Wales and the Australian Capital Territory

11.15.1 Regulatory control period 2009-2014 for NSW and ACT

There is to be a regulatory control period of 5 years for the NSW and ACT Distribution Network Service Providers commencing on 1 July 2009, which is referred to in this Division 2 as the regulatory control period 2009-2014.

11.15.2 Application of Chapter 6 to NSW and ACT for regulatory control period 2009-2014

- (a) Chapter 6 of the *Rules* applies in relation to the NSW and ACT Distribution Network Service Providers in respect of the regulatory control period 2009-2014 as if that Chapter were amended so as to be in the form set out in Appendix 1 to the *Rules*.
- (b) However, anything required to be done by or in relation to the NSW and ACT Distribution Network Service Providers during the regulatory control period 2009-2014 for the purposes of the *regulatory control period* commencing on 1 July 2014 is to be done in accordance with general Chapter 6, but (where appropriate) taking into account anything done under transitional Chapter 6.

- (c) Accordingly general Chapter 6 does not apply in relation to the NSW and ACT Distribution Network Service Providers in respect of the regulatory control period 2009-2014 except:
 - (1) as provided by paragraphs (a) and (b); and
 - (2) to the extent that a provision of transitional Chapter 6 expressly applies a provision of general Chapter 6 or expressly provides that an act, matter or thing has to be done in accordance with a provision of or a procedure in general Chapter 6.
- (d) For the avoidance of doubt, this rule 11.15 and transitional Chapter 6 do not apply to *Distribution Network Service Providers* not referred to in paragraph (c).
- (e) References in the *Rules* (other than Chapter 6 and this rule 11.15) to Chapter 6 or a provision of Chapter 6 are references to transitional Chapter 6 or a provision of transitional Chapter 6 so far as the references relate to the regulatory control period 2009-2014 for the NSW and ACT Distribution Network Service Providers.
- (f) In this rule 11.15:
 - “general Chapter 6” means Chapter 6 as in force apart from this rule 11.15.
 - “transitional Chapter 6” means Chapter 6 in the form set out in Appendix 1 to the Rules.

Division 3 Transitional arrangements for first distribution determination for Queensland Distribution Network Service Providers

11.16 Transitional arrangements for first distribution determination for Queensland Distribution Network Service Providers

11.16.1 Definitions

In this Division 3:

2005 determination means the Final Determination: Regulation of Electricity Distribution of the Queensland Competition Authority dated April 2005.

EDSD Review means the review by the Independent Panel appointed by the Queensland Government into Electricity Distribution and Service Delivery for the 21st Century which was established in March 2004 and reported in July 2004.

ENERGEX means Energex Limited A.C.N 078 849 055 and any successor business.

Ergon Energy means Ergon Energy Corporation Limited A.C.N. 087 646 062 and any successor business.

Queensland Competition Authority means the authority established by section 7 of the *Queensland Competition Authority Act 1997* (Qld).

regulatory control period means the *regulatory control period* beginning 1 July 2010.

11.16.2 Application of Part to Queensland 2010 distribution determinations

The requirements of this Division 3 apply for the purposes of making a distribution determination for ENERGEX and Ergon Energy for the regulatory control period and modify the application of Chapter 6 of the Rules to the extent set out in this Division 3.

11.16.3 Treatment of the regulatory asset base

- (a) Nothing in Chapter 6 of the *Rules* requires ENERGEX or Ergon Energy to amend the approach allowed in the 2005 determination in relation to the treatment of *standard control services* and other services in the regulatory asset base for the regulatory control period.
- (b) The *AER* must accept the approach proposed by ENERGEX and Ergon Energy for the regulatory control period if it is consistent with the approach in the 2005 determination.
- (c) The *AER* must provide for any necessary adjustments or mechanisms in the *distribution determination* for the regulatory control period to prevent any cross-subsidies between *standard control services* and other *distribution services*.

Note:

The regulatory asset bases for Ergon Energy and ENERGEX are likely to include assets used to provide services which are not standard control services and accordingly the expected revenue for each year will need to be adjusted to avoid double recovery of those costs.

11.16.4 Efficiency Benefit Sharing Scheme

- (a) An *efficiency benefit sharing scheme* for ENERGEX and Ergon Energy for the regulatory control period must not cover efficiency gains and losses relating to capital expenditure.
- (b) For the purposes of clause 6.5.8(c) the *AER* must also have regard to the continuing obligations on ENERGEX and Ergon Energy throughout the regulatory control period to implement the recommendations from the EDSR Review adopted by the Queensland Government.

11.16.5 Service Target Performance Incentive Scheme

In formulating a *service target performance incentive scheme* to apply to ENERGEX and Ergon Energy for the regulatory control period, the *AER*, in addition to the requirements in clause 6.6.2(b), must also:

- (1) take into account the continuing obligations on ENERGEX and Ergon Energy throughout the regulatory control period to implement the

recommendations from the EDSD Review adopted by the Queensland Government;

- (2) take into account the impact of severe weather events on service performance; and
- (3) consider whether the scheme should be applied by way of a paper trial or whether a lower powered incentive is appropriate.

11.16.6 Framework and approach

- (a) If either ENERGEX or Ergon Energy submits a proposal to the *AER* as to the classification of services and control mechanism for the regulatory control period on or before 31 March 2008, the *AER* must publish its *framework and approach paper* under clause 6.8.1 in relation to those issues within five months of receiving the proposal from ENERGEX or Ergon Energy (as the case may be).
- (b) This clause does not affect the timing or the processes of the *AER* in preparing and publishing its *framework and approach paper* on the remaining issues in clause 6.8.1 for ENERGEX or Ergon Energy if they submit a proposal under paragraph (a).

11.16.7 Regulatory Proposal

- (a) For the purposes of submitting a *regulatory proposal* under clause 6.8.2 for the regulatory control period, ENERGEX and Ergon Energy may, for the purposes of calculating indicative prices referred to in clause 6.8.2(c)(4) and including X factors for the purposes of clause 6.5.9, treat the proposed *statement of regulatory intent* published under clause 6.16(b)(1) as if it were the applicable *statement of regulatory intent*.
- (b) If the *statement of regulatory intent* differs materially from the proposed *statement of regulatory intent*, ENERGEX or Ergon Energy may revise its calculation of indicative prices and proposed X factors in its *regulatory proposal* on or before 1 July 2009.
- (c) The *AER* must *publish* any revised information submitted by ENERGEX or Ergon Energy under this clause.

11.16.8 Side constraints

For the regulatory control period, nothing in clause 6.18.6 should preclude the implementation of any price paths approved by the Queensland Competition Authority (including any necessary adjustment of those price paths in light of the expected revenue for the first *regulatory year* of the regulatory control period).

11.16.9 Cost pass throughs

- (a) If an event or circumstance occurs before 1 July 2010 which would constitute a pass through under the 2005 determination and no application for a pass through has been made in relation to that event or circumstance,

ENERGEX or Ergon Energy may apply to the *AER* within a year of the event or circumstance occurring to accommodate the impact of the event in the regulatory control period.

- (b) The *AER* must allow a pass through of such amounts if the event or circumstance would have constituted a pass through under the 2005 determination as if the amounts were *approved pass through amounts* under clause 6.6.1.

11.16.10 Capital Contributions Policy

- (a) ENERGEX and Ergon Energy must comply with a capital contributions policy published under this clause 11.16.10 for the regulatory control period.
- (b) By 1 July 2009, ENERGEX and Ergon Energy must publish on their website a capital contributions policy based upon the requirements relating to capital contributions in their Network Pricing Principles Statements approved by the Queensland Competition Authority immediately in force prior to 1 July 2009.
- (c) The *AER* may by written notice, before 1 January 2010, direct ENERGEX or Ergon Energy to revise and republish their capital contributions policy within 15 *business days* of the notice only if the published policy does not give effect to the requirements relating to capital contributions in their Network Pricing Principles Statement.
- (d) After 1 January 2010, ENERGEX or Ergon Energy may apply to the *AER* to amend their published capital contributions policy and the *AER* may, after such consultation as it considers appropriate, approve or not approve that amendment.

Division 4 – Transitional provisions of specific application to Victoria

11.17.1 Definitions

In this Division:

AMI Order in Council means the Order in Council made by the Governor of Victoria under section 15A and section 46D of the *Electricity Industry Act 2000* (Vic) and published in the Victoria Government Gazette on 28 August 2007 (and includes that Order in Council as amended from time to time).

ESC cost allocation guidelines means *Electricity Industry Guideline No.3, Regulatory Information Requirements* made by the ESC and dated 14 December 2006 (and includes those guidelines as amended from time to time).

ESC distribution pricing determination means the Victorian distribution pricing determination as defined in section 3(1) of the *National Electricity (Victoria) Act 2005*.

Victorian Distribution Network Service Provider means a *Distribution Network Service Provider* for a *distribution network* situated wholly or partly in Victoria.

11.17.2 Calculation of estimated cost of corporate income tax

- (a) This clause applies to the calculation of the estimated cost of corporate income tax for the purposes of distribution determinations that are to take effect on 1 January 2011 for Victorian Distribution Network Service Providers.
- (b) For calculating the estimated cost of corporate income tax, the *AER* must adopt:
 - (1) the taxation values of assets carried over from the ESC distribution pricing determination; and
 - (2) the classification of assets, and the method of classification, adopted for the ESC distribution pricing determination; and
 - (3) the same method of depreciation as was adopted by the ESC for the ESC distribution pricing determination.
- (c) The *AER* may, however, depart from methods of asset classification or depreciation mentioned in paragraph (b)(2) or (3) to the extent required by changes in the taxation laws or rulings given by the Australian Taxation office.
- (d) A *post-tax revenue model* must be consistent with this clause.

11.17.3 Decisions made in the absence of a statement of regulatory intent

- (a) This clause applies if a Victorian Distribution Network Service Provider submits a *building block proposal* before the *AER* issues a *statement of regulatory intent*.
- (b) In deciding questions to which the considerations stated in clause 6.5.4(e) are relevant, the *AER* must have regard to those considerations.

11.17.4 Cost allocation guidelines

- (a) In formulating the *Cost Allocation Guidelines* under clause 6.15.3, the *AER* must include guidelines specifically applicable to Victorian Distribution Network Service Providers (the *guidelines of specific application to Victoria*).
- (b) The guidelines of specific application to Victoria:
 - (1) must be formulated with regard to the ESC cost allocation guidelines; and
 - (2) must be designed to ensure, to the maximum practicable extent, consistency between cost allocation as required by the ESC

distribution pricing determination and cost allocation in later *regulatory control periods*.

11.17.5 Modification of requirements related to cost allocation method

- (a) Clause 6.15.4(a) applies to a Victorian Distribution Network Service Provider as if, instead of requiring submission of the provider's proposed *Cost Allocation Method* within 12 months after the commencement of Chapter 6, it required submission of the proposed *Cost Allocation Method* together with the first *building block proposal* to be submitted by the provider after the commencement of Chapter 6.
- (b) The references in clauses 6.5.6(b)(2) and 6.5.7(b)(2) to the *Cost Allocation Method* are, if paragraph (a) is applicable, to be read as references to the proposed *Cost Allocation Method* submitted with the *building block proposal*.
- (c) The *AER* must include in its *framework and approach paper* prepared for a Victorian *Distribution Network Service Provider*, in relation to the first *building block proposal* to be submitted by the provider after the commencement of Chapter 6, a statement of its likely approach to cost allocation based on the guidelines then in force.
- (d) The *AER*:
 - (1) must, in deciding under clause 6.15.4(c) whether to approve a *Cost Allocation Method* submitted by a Victorian Distribution Network Service Provider, have regard to previous cost allocation in accordance with the ESC distribution pricing determination; and
 - (2) must not approve the *Cost Allocation Method* unless it allows effective comparison of historical and forecast cost allocation between the period to which the ESC distribution pricing determination applies and later *regulatory control periods*; and
 - (3) may, subject to the relevant *Cost Allocation Guidelines*, refuse to approve the *Cost Allocation Method* if it differs from the method previously used by the Victorian Distribution Network Service Provider.

11.17.6 AMI Order in Council

- (a) Metering services that are regulated under the AMI Order in Council are not, while so regulated, subject to regulation under a distribution determination but, on cessation of regulation under the AMI Order in Council, are liable to regulation under a distribution determination.
- (b) However, for a relevant *regulatory control period*, services to which exit fees under clause 7, or restoration fees under clause 8, of the AMI Order in Council applied are to be classified as alternative control services and are to be regulated by the *AER* on the same basis as applied under the AMI Order in Council.

- (c) For paragraph (b), a relevant *regulatory control period* is a *regulatory control period* commencing on or after 1 January 2016 and before 1 January 2021.
- (d) Until there is a transfer of regulatory responsibility from the *ESC* to the *AER* under a law of Victoria, clause 7.3.6(f) in its application to Victoria will be read as if it permitted the recovery of the costs to which it refers in accordance with a determination made either by the *AER* or by the *ESC*.
- (e) This clause expires on 1 January 2021.

Part N Registration of Foreign Based Persons and Corporations as Trader Class Participants (2007 amendments)

11.18 Rules consequential on the making of the National Electricity Amendment (Registration of Foreign Based Persons and Corporations as Trader Class Participants) Rule 2007

11.18.1 Definitions

For the purposes of this rule 11.18:

Amending Rule means the National Electricity Amendment (Registration of Foreign Based Persons and Corporations as Trader Class Participants) Rule 2007.

commencement date means the day on which the Amending Rule commences operation.

11.18.2 Auction rules

- (a) *NEMMCO* must amend the *auction rules* by 1 September 2008 in accordance with clause 3.18.3 to incorporate the amendments to the *Rules* made by the Amending Rule.
- (b) Any action taken by *NEMMCO* prior to the commencement date, in anticipation of the commencement date, to amend the *auction rules* for the purpose of the Amending Rule is taken to satisfy the equivalent action under clause 3.18.3.

Part P Integration of NEM Metrology Requirements

11.20 Rules consequential on the making of the National Electricity Amendment (Integration of NEM Metrology Requirements) Rule 2008

11.20.1 Definitions

For the purposes of this rule 11.20:

Amending Rule means the National Electricity Amendment (Integration of NEM Metrology Requirements) Rule 2008.

commencement date means the day on which the Amending Rule commences operation.

first-tier jurisdictional requirements publication means the publication published by NEMMCO in accordance with clause 11.20.6

Minimalist Transitioning Approach has the same meaning as in the Queensland Electricity Industry Code.

new clause 7.3.1 means clause 7.3.1 of the *Rules* immediately after the commencement date.

Victorian first-tier load means a load in Victoria where the electricity flowing through the *connection point* is equal to, or greater than, 160 MWh per annum.

11.20.2 Metering installations for non-market generating units immediately prior to 30 June 2008

- (a) A metering installation for a non-market generating unit that was installed immediately prior to 30 June 2008 and complied with the applicable jurisdictional requirements for that installation on 30 June 2008 is taken to satisfy the requirements for metering installations for non-market generating units in new clause 7.3.1.
- (b) Where a metering installation for a non-market generating unit did not comply with the requirements referred to in paragraph (a), that installation must be repaired or replaced in accordance with the requirements of new clause 7.3.1.
- (c) The applicable jurisdictional requirements for metering installations for non-market generating units referred to in paragraph (a) must be ~~listed~~referred to in the first-tier jurisdictional requirements publication.

11.20.3 First-tier load metering installations

- (a) Subject to clause 11.20.5, a first-tier load metering installation as at 30 June 2008 that complied with the applicable jurisdictional requirements for that installation as at that date is taken to comply with the *Rules* provided the metering installation continues to comply with the applicable jurisdictional requirements as at 30 June 2008.
- (b) A first-tier load metering installation that does not satisfy the requirements of paragraph (a) must be repaired or replaced in accordance with the *Rules*.
- (c) The applicable jurisdictional requirements referred to in paragraph (a) for first-tier load metering installations must be ~~listed in~~referred to in the first-tier jurisdictional requirements publication.

11.20.4 First-tier load metering installations in Victoria

- (a) Subject to paragraph (b) and despite the *Rules*, a Market Participant who is responsible for a Victorian first-tier load with a type 5 or type 6 metering

installation immediately before the commencement date is taken to be the responsible person for that metering installation.

- (b) A Market Participant who is taken to be the responsible person for the metering installation referred to in paragraph (a) must ensure the metering installation meets the applicable jurisdictional requirements for that installation as ~~included~~referred to in the first-tier jurisdictional requirements publication in accordance with clause 11.20.3(c).

11.20.5 Minimalist Transitioning Approach in Queensland

For the duration of the Minimalist Transitioning Approach, clauses 7.2.3(i)(2), 7.2.5(b)(2), 7.2.5(d)(6) and 7.3.1(f) of the Rules do not apply in respect of a metering installation which:

- (a) is the responsibility of a Market Participant or responsible person who is operating under the Minimalist Transitioning Approach in Queensland; and
- (b) in accordance with the Market Settlement and Transfer Solution Procedures:
- (1) has a NMI classification of SMALL; and
- (2) the Local Network Service Provider has not received a valid request from a Market Customer for the NMI to be registered with NEMMCO.

11.20.6 Jurisdictional first-tier requirements publication

- (a) NEMMCO must, in consultation with participating jurisdictions, publish a document ('first-tier jurisdictional requirements publication') that lists the documents that contain the applicable jurisdictional requirements referred to in clauses 11.20.2, 11.20.3 and 11.20.4.
- (b) NEMMCO must publish the ~~jurisdictional~~—first-tier requirements jurisdictional publication by 30 June 2008.

11.20.7 Metrology procedure

- (a) NEMMCO must make the required amendments to the metrology procedure as a result of the Amending Rule by ~~30 June~~31 July 2008.
- (b) All actions taken by NEMMCO prior to the commencement date to amend the metrology procedure in accordance with paragraph (a) are deemed to be valid as at the commencement date to the extent that those actions were taken in accordance with the relevant requirements of rule 7.14 (as though the Amending Rule was in force at the time that the action was taken).
- (c) The metrology procedure published in accordance with rule 7.14 immediately before the commencement date continues to apply as if the Amending Rule had not been made and until NEMMCO publishes the amended the metrology procedure in accordance with paragraph (a).