



Generator Compliance Template Review - 2019

AEMC Terms of Reference to the Reliability Panel

Introduction

These terms of reference are intended to guide the Reliability Panel (the Panel) in the requested review of the template for generator compliance programs (the template). The purpose, scope, and timing for this review are set out below.

Background

Under clause 8.8.1(a)(2b) of the National Electricity Rules (NER), the Panel must determine, and modify as necessary, and publish the template. The Panel must determine the template in accordance with clause 8.8.3.

Clause 8.8.3(ba) of the NER requires the Panel to conduct a review of the template at least every five years from the date the template for generator compliance programs determined pursuant to clause 8.8.3(a) of the NER and at such other times as the AEMC may request. Following such a review, the Panel may amend the template for generator compliance programs in accordance with its report to the AEMC submitted under clause 8.8.3(j) of the NER.

Purpose of the review

To maintain power system security of the National Electricity Market (NEM), market participants must comply with the relevant technical standards. Achieving high levels of compliance with technical standards is fundamental to the safe and reliable operation of the NEM within the power system's technical envelope.

The template provides clarity on what constitutes good electricity industry practice with respect to technical standard compliance. By defining an appropriate compliance framework, it assists generators with developing and designing their compliance programs. While generators are responsible for instituting and maintaining their own compliance programs, they need to ensure their programs are consistent with the template. The template may also assist the Australian Energy Regulator (AER) with its enforcement and monitoring of generators' compliance with the technical requirements under the NEM.

On 5 October 2018 the Commission made the National Electricity Amendment (Generator Technical Performance Standards) Rule 2018, the GTPS rule. The GTPS rule amended existing technical requirements and added new requirements applying to generator connections under Schedule 5.2 of the NER. Clause 4.15(b)(1) of the NER requires generators to have a compliance program which is consistent with the template for generator compliance within 6 months of connecting to the power system. As a result, the template needs to be updated to reflect the amended rule requirements prior to the next scheduled review.

Scope of the review

In accordance with clause 8.8.3(c) of the NER, the AEMC requests the Panel to undertake a review of the template. In undertaking this review, the AEMC requests the Panel to consider whether:

- there have been any changes to technology and cost that should be reflected in the template
- stakeholder experiences with the template indicate ways in which the template may be improved
- there are any other factors, including outcomes of power system incidents, that should be considered to further clarify and improve the template
- changes or additions to the template are necessary to account for the changes to performance standards made in the GTPS rule
- there have been any other material changes to the NER that impact the template or its use.

In undertaking this review, the Panel should also consider the compliance principles as set out in the latest version of the template, and the national electricity objective as set out in section 7 of the National Electricity Law.

Timing and deliverables

The Panel must carry out the review of the template in accordance with the following process:

- publish notice of review, including particulars of the terms of reference for the review, and the deadlines for the receipt of any submissions and public meeting requests
- publish a draft report and invite submissions for a period of at least four weeks
- if a public meeting has been requested, notify stakeholders that a public meeting will be held. At least two weeks' notice of the public meeting must be given
- publish a final report and submit this report to the AEMC no later than eight weeks after the period for consultation on the draft report has closed.