



Draft National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce
Chairman
Australian Energy Market Commission

Draft National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019*.

2 Commencement

This Rule commences operation on [date rule is made].

3 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.9.2 Determination of spot prices

In clause 3.9.2(e)(2), omit "clauses 3.9.3(c) and 3.9.3(d)" and substitute "clause 3.9.3(c)".

[2] Clause 3.9.3 Pricing in the event of intervention by AEMO

Omit clause 3.9.3(b), and substitute:

(b)

- (1) Subject to subparagraph (3)(i) if, in *AEMO's* opinion, the reason for the *AEMO intervention event* is to obtain either:
 - (i) a service for which a *dispatch price* or *ancillary service price* is determined by the *dispatch algorithm*; or
 - (ii) a service that is a direct substitute for a service for which a *dispatch price* or *ancillary service price* is determined by the *dispatch algorithm*;

then subject to paragraph (c), *AEMO* must in accordance with the methodology or assumptions *published* pursuant to paragraph (e) set the *dispatch price* and *ancillary service prices* for an *intervention price dispatch interval* at the value which *AEMO*, in its reasonable opinion, considers would have applied as the *dispatch price* and *ancillary service price* for that *dispatch interval* had the *AEMO intervention event* not occurred.

- (2) Without limitation, examples of the types of service referred to in subparagraph (1) include:
 - (i) *energy* that is capable of being provided by any *generating unit* within a *region*;
 - (ii) where a *network constraint* or other *constraint* is binding, *energy* that is only capable of being provided by any *generating unit* located in the part of the *region* that includes the *regional reference node*;
 - (iii) *market ancillary services* that are capable of being provided by any *ancillary service generating unit* within a *region*;
 - (iv) where a *network constraint* or other *constraint* is binding, *market ancillary services* that are only capable of being provided by any *ancillary service generating unit* located

- in the part of the *region* that includes the *regional reference node*; and
- (v) demand response that reduces the need for the provision of *energy* or *market ancillary services* within a region.
- (3) *AEMO* must continue to set *dispatch prices* pursuant to clause 3.9.2 and *ancillary service prices* pursuant to clause 3.9.2A if:
- (i) the reason for the *AEMO intervention event* is to obtain:
 - (A) *energy* and *market ancillary services* which, as a result of a *network constraint* or other *constraint*, are only capable of being provided by a *generating unit* or *ancillary service generating unit* in a part of the *region* which due to the *constraint* does not include the *regional reference node*;
 - (B) demand response which, as a result of a *network constraint* or other *constraint*, is needed to reduce demand for *energy* or *market ancillary services* in a part of the *region* which due to the *constraint* does not include the *regional reference node*;
 - (ii) the reason for the *AEMO intervention event* is to obtain a service for which a *dispatch price* or *ancillary service price* is not determined by the *dispatch algorithm*. Without limitation examples of the services referred to in this subparagraph (ii) include the provision of:
 - (A) *inertia*;
 - (B) *voltage* control;
 - (C) system strength;
 - (D) *non-market ancillary services*.

regardless of whether *energy* or *market ancillary services* are also provided as a by-product of the provision of the services listed in sub paragraphs (A) to (D).

- (4) In respect of any *intervention price dispatch interval* in which more than one *AEMO intervention event* occurs, *AEMO* must in accordance with the methodology or assumptions *published* pursuant to paragraph (e) set *dispatch prices* and *ancillary service prices* pursuant to subparagraph (1) as if:
- (i) the services described in subparagraphs (1) and (2) were not provided; and
 - (ii) taking into account any *energy* or *market ancillary services* provided as a by-product of the provision of any services described in subparagraph (3)(ii).

[3] Clause 3.9.3 Pricing in the event of intervention by AEMO

Omit clause 3.9.3(d) and substitute "[Deleted]".

[4] Clause 3.13.6A Report by AEMO

In clause 3.13.6A(a)(6), omit "considered it impractical to set *spot prices* and *ancillary service prices* in accordance with clause 3.9.3(b)" and substitute "determined its approach to setting *spot prices* and *ancillary service prices* in accordance with clause 3.9.3(b)".

[5] Clause 3.20.6 Reporting on RERT by AEMO

In clause 3.20.6(a)(6), omit "considered it impractical to set *spot prices* and *ancillary service prices* in accordance with clause 3.9.3(b)" and substitute "determined its approach to setting *spot prices* and *ancillary service prices* in accordance with clause 3.9.3(b)".