



## **Draft National Electricity Amendment (Changes to intervention mechanisms) Rule 2020**

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 of the Northern Territory; 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 (Changes to intervention mechanisms) Rule 2020**

### **1 Title of Rule**

This Rule is the *Draft National Electricity Amendment (Changes to intervention mechanisms) Rule 2020*.

### **2 Commencement**

This Rule commences operation on [17 September 2020].

### **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 3.8.1 Central Dispatch**

In clause 3.8.1(b)(10), insert "and" at the end of the clause.

### **[2] Clause 3.8.1      Central Dispatch**

Omit clauses 3.8.1(b)(11) and 3.8.1(b)(12) and substitute:

- (11) the management of negative *settlements residue*, in accordance with clause 3.8.10 and any guidelines issued by *AEMO* under clause 3.8.10(c).

### **[3] Rule 3.12A      Mandatory restrictions**

Omit rule 3.12A and substitute "[DELETED]".

### **[4] Clause 3.14.5      Pricing during market suspension**

In clause 3.14.5(c)(2), insert "and" at the end of the clause.

### **[5] Clause 3.14.5      Pricing during market suspension**

In clause 3.14.5(c)(3), omit "; and" and substitute ".".

### **[6] Clause 3.14.5      Pricing during market suspension**

Omit clause 3.14.5(c)(4).

### **[7] Clause 3.15.9      Reserve settlements**

In clause 3.15.9(b)(2)(ii), omit "," and substitute "; or".

### **[8] Clause 3.15.9      Reserve settlements**

After clause 3.15.9(b)(2)(ii), insert a new clause 3.15.9(b)(2)(iii):

- (iii) to *Affected Participants* and *Market Customers* pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period*,

### **[9] Clause 3.15.9      Reserve settlements**

In clause 3.15.9(b)(2), omit "and" in the last sentence.

**[10] Clause 3.15.9 Reserve settlements**

In clause 3.15.9(b)(3), omit "." and substitute "; and".

**[11] Clause 3.15.9 Reserve settlements**

After clause 3.15.9(b)(3), insert a new clause 3.15.9(b)(4):

- (4) any amounts determined as receivable by *AEMO*:
    - (i) by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period*; or
    - (ii) from *Affected Participants* and *Market Customers* pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period*,
- in respect of the relevant *billing period*.

**[12] Clause 3.15.9 Reserve settlements**

Omit clause 3.15.9(d) and substitute:

- (d) Where either:
  - (1) without the intervention in the *market* of *AEMO* a *region* would otherwise, in *AEMO's* reasonable opinion, fail to meet the minimum *power system security standards* or the *reliability standard*; or
  - (2) a *region* requires a level of *power system reliability* or *reserves* which, in *AEMO's* reasonable opinion, exceeds the level required to meet the *reliability standard*,

then *AEMO* must:

- (3) recover its net liabilities, or distribute its net profits, under the terms of *reserve contracts* entered into to meet these requirements; and
- (4) recover any amounts determined as payable by *AEMO* to *Affected Participants* and *Market Customers* (less any amounts determined as receivable by *AEMO* from *Affected Participants* and *Market Customers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
- (5) recover any amounts determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*,

from or to the *Market Customers* in that *region* in accordance with paragraph (e).

### [13] Clause 3.15.9 Reserve settlements

Omit clause 3.15.9(e) and substitute:

- (e) In respect of:
- (1) *reserve contracts* entered into by *AEMO*; and
  - (2) any amounts determined as payable by *AEMO* to *Affected Participants* and *Market Customers* (less any amounts determined as receivable by *AEMO* from *Affected Participants* and *Market Customers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
  - (3) any amounts determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*,

*AEMO* 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:

$$MCP = \left[ \frac{E_{UC} \times UC}{\sum E_{UC}} \right] + \left[ \frac{E_{OC} \times OC}{\sum E_{OC}} \right]$$

where:

MCP is the amount payable by a *Market Customer* for a *region* in respect of a *billing period*;

UC is:

- (1) the total usage charges (or equivalent charges) paid by *AEMO* under *reserve contracts*, as allocated in accordance with paragraph (e1); and
- (2) the total amount determined as payable by *AEMO* to *Affected Participants* and *Market Customers* (less any amounts determined as receivable by *AEMO* from *Affected Participants* and *Market Customers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
- (3) the total amount determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*.

$E_{UC}$  is the sum of all that *Market Customer's adjusted gross energy* amounts in the relevant *region* (the "**relevant region**") in each *trading interval* during which *reserves* were *dispatched* or *activated* under a *reserve contract* 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*;

$\sum E_{UC}$  is the sum of all amounts determined as " $E_{UC}$ " in accordance with this paragraph (e) in respect of that *region* for the relevant *billing period*;

OC is the total amount paid by *AEMO* under *reserve contracts* in the relevant *region* in the *billing period*, other than:

- (1) amounts determined as "UC" in accordance with this paragraph (e) in respect of that *billing period*; and
- (2) operational and administrative costs described in paragraph (g);

$E_{OC}$  is the sum of all that *Market Customer's adjusted gross energy* amounts in the relevant *region* in the *billing period*, excluding any *loads* in that *region* in respect of which the *Market Customer* submitted a *dispatch bid* for any *trading interval* during that *billing period*; and

$\sum E_{OC}$  is the sum of all amounts determined as " $E_{OC}$ " in accordance with this paragraph (e) in respect of that *region* for the relevant *billing period*.

#### **[14] Clause 3.15.10B Restriction contract amounts**

Omit clause 3.15.10B and substitute "[DELETED]".

#### **[15] Clause 3.20.2 Reliability and emergency reserve trader**

In clause 3.20.2(a)(2)(i), omit "3.12A.5,".

#### **[16] Clause 4.8.9 Power to issue directions and clause 4.8.9 instructions**

In clause 4.8.9(h)(1), insert "or" at the end of the clause.

#### **[17] Clause 4.8.9 Power to issue directions and clause 4.8.9 instructions**

In clause 4.8.9(h)(2), omit "; or" and substitute ".".

#### **[18] Clause 4.8.9 Power to issue directions and clause 4.8.9 instructions**

Omit clause 4.8.9(h)(3).

## **[19] Chapter 10            Glossary**

In Chapter 10, omit the following definitions:

<i>accepted restriction offer</i>
<i>mandatory restrictions</i>
<i>mandatory restriction period</i>
<i>mandatory restriction schedule</i>
<i>restriction demand reduction</i>
<i>restriction offer</i>
<i>restriction offer procedures</i>
<i>restriction shortfall amount</i>