



National Electricity Amendment (Minor changes 1) Rule 2023 No. 3

The Australian Energy Market Commission makes the following Rule 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 *National Electricity (New South Wales) Act 1997* of New South Wales;
- (e) the *Electricity - National Scheme (Tasmania) Act 1999* of Tasmania;
- (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.

Anna Collyer
Chairperson
Australian Energy Market Commission

National Electricity Amendment (Minor changes 1) Rule 2023 No. 3

1 Title of Rule

This Rule is the *National Electricity Amendment (Minor changes 1) Rule 2023 No. 3*.

2 Commencement

This Rule commences operation on 7 September 2023.

3 Amendment to the National Electricity Rules

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

4 Amendment to the National Electricity Rules As in force in the Northern Territory

The National Electricity Rules as in force in the Northern Territory are amended as set out in Schedule 2.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 2.11.3 Budgeted revenue requirements

In clause 2.11.3(b), omit "7A" and substitute "(7A)".

(7A) *AEMO's* expenditure in relation to *B2B costs*;

[2] Clause 3.9.2B Pricing where AEMO determines a manifestly incorrect input

In clause 3.9.2B(a), in the definition of "trading interval subject to review", omit "clause 3.9.2B(b)" and substitute "clauses 3.9.2B(b) and 3.9.2B(c)."

[3] Clause 3.9.2B Pricing where AEMO determines a manifestly incorrect input

In clause 3.9.2B(b), omit ("a trading interval subject to review") and substitute "(a trading interval subject to review)".

(b) *AEMO* may apply the automated procedures developed in accordance with paragraph (h), to identify a *trading interval* as subject to review ("a trading interval subject to review").

[4] Clause 3.9.2B Pricing where AEMO determines a manifestly incorrect input

Omit clause 3.9.2B(c) and substitute:

(c) *AEMO* may also determine that a *trading interval* is a trading interval subject to review if *AEMO* considers that it is likely to be subject to a manifestly incorrect input, but only where the *trading interval* immediately preceding it was a trading interval subject to review.

[5] Clause 3.9.2B Pricing where AEMO determines a manifestly incorrect input

In clause 3.9.2B(d), omit ("an affected trading interval") and substitute "(an affected trading interval)".

[6] Clause 3.9.2B Pricing where AEMO determines a manifestly incorrect input

Omit clause 3.9.2B(g) and substitute:

(g) As soon as reasonably practicable after the action as described in clause 3.9.2B(e), *AEMO* must *publish* a report outlining:

(1) the reasons for the determination under clause 3.9.2B(d);

- (2) whether that determination was correct; and
- (3) what action will be taken to minimise the risk of a similar event in future.

[7] Clause 3.9.2B Pricing where AEMO determines a manifestly incorrect input

In clause 3.9.2B(h), omit "(the automated procedures)" and substitute "(the automated procedures)".

[8] Clause 3.9.2B Pricing where AEMO determines a manifestly incorrect input

Omit clause 3.9.2B(l) and substitute:

- (l) *AEMO* must report on the findings of the review under paragraph (k) and must include in that report details of all trading intervals subject to review that were not affected trading intervals and an analysis of why such intervals were identified as trading intervals subject to review.

[9] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO and market suspension pricing schedule periods

In clause 3.12.3(c)(1)(i)(A), omit "*Referred Affected Participants* and *Referred Market Customers*" and substitute "*Referred Participants*".

[10] Clause 3.14.5 Pricing during market suspension

Omit clause 3.14.5(c) and substitute:

- (c) *Spot prices* and *ancillary service prices* determined in accordance with paragraph (b) for a *suspended region*:
 - (1) continue to be subject to the application of clause 3.14.2(d1) and clause 3.14.2(d2) in respect of *administered price periods*, and are to be adjusted (where applicable) in accordance with clause 3.14.2(e);
 - (2) are not to be adjusted in the circumstances set out in clause 3.9.2(e)(1) or clauses 3.9.2(e)(2) and 3.9.3; and
 - (3) are not subject to review under clause 3.9.2B.

[11] Clause 3.14.5A Payment of compensation due to market suspension pricing schedule periods

In clause 3.14.5A(e), omit "equivalent *NTNDP input*" and substitute "equivalent input" in each of the two instances.

[12] Clause 3.15.5 Unaccounted for energy adjustment - local areas

In clause 3.15.5(a), omit the "Note" in its entirety and substitute:

Note

The DDME value for a *local area* that is connected to an adjacent *local area* will appear in the calculation of UFE for both *local areas*. A positive *energy* flow for the calculation of UFE for one *local area* would correspond to a negative flow for the calculation of UFE for the other *local area*.

[13] Clause 3.15.7 Payment to Directed Participants

In clause 3.15.7(c), after "set out below", insert ":",

[14] Clause 4.6.6 System strength impact assessment guidelines

In clause 4.6.6, omit the first instance of "(a)".

[15] Clause 4.6.6 System strength impact assessment guidelines

Omit clause 4.6.6(b)(3) and substitute:

- (3) exclude from the assessment of the *general system strength impact* the impact on any *protection system* for a *transmission network* or *distribution network*;

[16] Clause 4.6.6 System strength impact assessment guidelines

In clause 4.6.6(b), omit the first instance of "(7)".

[17] Clause 5.1.2 Overview of Part B and connection and access under the Rules

In the table in clause 5.1.2(d), in the "Process" column, in row 6, after "Rules 5.3 and 5.3A apply (see clause 5.3.1A for the interaction between the two rules)", insert a new paragraph "The election is not available where *connecting* to a *regulated SAPS*".

[18] Clause 5.1A.1 Purpose and Application

In clause 5.1A.1(f1)(4), omit "(as defined in clause 5.10.2)".

[19] Clause 5.1A.1 Purpose and Application

In clause 5.1A.1(f1)(5), omit "(as defined in clause 5.10.2)" in each of the two instances.

[20] Clause 5.2A.4 Transmission services related to connection

Omit clause 5.2A.4(a0).

[21] Clause 5.2A.4 Transmission services related to connection

Omit clause 5.2A.4(c) and substitute:

- (c) If the capital cost of all the components that make up an *identified user shared asset* is reasonably expected by the *Primary Transmission Network Service Provider* to exceed \$10 million, the detailed design, construction and ownership of each component of the *identified user shared asset* is a *non-regulated transmission service* to the extent that it satisfies the following criteria:
 - (1) the component being constructed is new or a complete replacement of existing assets (and does not involve the reconfiguration of existing assets); and
 - (2) the detailed design and construction of the relevant component of the *identified user shared asset* is separable in that the new component will be distinct and definable from the existing *transmission network*.

[22] Clause 5.2A.4 Transmission services related to connection

In clause 5.2A.4(d), omit "paragraph (c) ("**non-contestable IUSA components**")," and substitute "paragraph (c)".

[23] Clause 5.3A.8 Detailed Response to Enquiry

In clause 5.3A.8(f), omit "the relevant *RIT-D project* (as defined in clause 5.10.2)." and substitute "the relevant *RIT-D project*."

[24] Clause 5.10.2 Definitions

In clause 5.10.2, omit the definition of "**Inputs, Assumptions and Scenario Report**".

[25] Clause 5.13.1 Distribution annual planning review

Omit clause 5.13.1(d1)(3) and substitute:

- (3) to the extent practicable, *primary distribution feeders*,

having regard to:

- (4) the number of customer *connections*;
- (5) *energy* consumption; and
- (6) estimated total output of known *embedded generating units*.

[26] Clause 5.16.2 Regulatory investment test for transmission application guidelines

In clause 5.16.2(a), omit "*transmission consultation procedure*," and substitute "*transmission consultation procedures*,".

[27] Clause 5.17.1 Principles

In clause 5.17.1(c)(7), omit "*non-network options report*" and substitute "*options screening report*".

[28] Clause 5.17.2 Regulatory investment test for distribution application guidelines

In clause 5.17.2(a), omit "*distribution consultation procedure*," and substitute "*distribution consultation procedures*,".

[29] Clause 5.17.4 Regulatory investment test for distribution procedures

In clause 5.17.4(i), omit "of a *options screening report*" and substitute "of an *options screening report*".

[30] Clause 5.20C.3 System Strength Service Provider

Omit clause 5.20C.3(a) and substitute:

- (a) The *System Strength Service Provider* for a *region* is:
 - (1) the *Transmission Network Service Provider* for the *region*; or
 - (2) if there is more than one *Transmission Network Service Provider* for a *region*:
 - (i) the *jurisdictional planning body* for the *participating jurisdiction* in which the *region* is located, if that entity is also a *Transmission Network Service Provider*; or
 - (ii) otherwise, the *Co-ordinating Network Service Provider* for the *region*.

[31] Clause 5.22.7 ISP consumer panel

In clauses 5.22.7(d)(1), (d)(2), (d)(3), (f) and (g), for each occurrence, omit "*consumer panel report*" and substitute "consumer panel report".

[32] Clause 5.22.8 Preliminary consultations

In clause 5.22.8(a), omit ("**Inputs, Assumptions and Scenarios Report**") and substitute "(the *Inputs, Assumptions and Scenarios Report*)".

[33] Clause 5.22.11 Draft Integrated System Plan

In clause 5.22.11(a)(2), omit "*consumer panel report*" and substitute "consumer panel report".

[34] Clause 5.22.14 Final Integrated System Plan

In clause 5.22.14(b)(2), omit "*consumer panel report*" and substitute "consumer panel report".

[35] Clause S5.2.5.11 Frequency control

Omit the heading "[Deleted]" immediately above clause S5.2.5.11(d).

[36] Clause 6.5.6 Forecast operating expenditure

In clause 6.5.6(e)(11), omit "(as defined in clause 5.10.2)".

[37] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(11), omit "(as defined in clause 5.10.2)".

[38] Clause 6.6.3 Demand management incentive scheme

In clause 6.6.3(c)(3), omit "relevant *non-network options*;" and substitute "relevant *non-network options*, or *SAPS options*;".

[39] Clause 6.20.1 Billing for distribution services

In clause 6.20.1(e)(4), omit "*Market Customers Non-Registered Customers*," and substitute "*Market Customers, Non-Registered Customers*,".

[40] Clause 6.20.1 Billing for distribution services

In clause 6.20.1(e)(5), omit "*Market Customers Non-Registered Customers*," and substitute "*Market Customers, Non-Registered Customers*,".

[41] Clause 6A.25.2 Contents of pricing methodology guidelines

Omit clause 6A.25.2(f) and substitute:

(f) [Deleted]

[42] Clause 7.8.2 Metering installation components

Omit clause 7.8.2(f)(4) and substitute:

(4) [Deleted]

[43] Clause 7.16.5 Additional metrology procedure matters

In clause 7.16.5(a)(1)(iv), omit "owner or operator" and substitute "owner, operator or controller".

[44] Chapter 10 Glossary

In Chapter 10, in the definition of "*AEMO advisory matter*", omit "S5.3.11, S5.3a.7., S5.2.6.1, S5.2.6.2, S5.3a.4.1 and S5.2.5.16, S5.3.11, S5.3a.7." and substitute "S5.2.6.1, S5.2.6.2, S5.3.11, S5.3a.4.1 and S5.3a.7.".

[45] Chapter 10 Glossary

In Chapter 10, omit the definition of "*commercial arbitrator*" and substitute:

commercial arbitrator

A dispute resolution panel (within the meaning of section 2 of the *NEL*).

[46] Chapter 10 Glossary

In Chapter 10, in the definition of "*considered project*", omit paragraph (a) and substitute:

- (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 investment test for transmission*;
 - (ii) the *augmentation* has passed the *regulatory investment test for distribution*; or
 - (iii) in respect of a *transmission investment* which has not been subject to a *regulatory investment test for transmission* or the *regulatory investment test for distribution*, an intention

to proceed with the project has been published in the *Network Service Provider's Transmission Annual Planning Report* or *Distribution Annual Planning Report* (as the case may be); and

- (4) construction has either commenced or the *Network Service Provider* has set a firm date for it to commence.

[47] Chapter 10 Glossary

In Chapter 10, omit the definition of "*consumer panel report*".

[48] Chapter 10 Glossary

In Chapter 10, in the definition of "*efficiency benefit sharing scheme*", omit "clause 6A.5." and substitute "clause 6A.6.5."

[49] Chapter 10 Glossary

In Chapter 10, in the definition of "*Electricity Procedures*", omit paragraph (d) and substitute:

- (d) procedures dealing with any other subject on which the *Rules* empower the making of procedures.

[50] Chapter 10 Glossary

In Chapter 10, omit the definition of "*Inputs, Assumptions and Scenarios Report*" and substitute:

Inputs, Assumptions and Scenarios Report

The report published by *AEMO* under clause 5.22.8(a).

[51] Chapter 10 Glossary

In Chapter 10, in the definition of "*network pricing objective*", omit "paragraph 6.18.5(a)." and substitute "clause 6.18.5(a)."

[52] Chapter 11 Savings and Transitional Rules

In Chapter 11, omit Part ZZZZZH and substitute:

Part ZZZZZH 2023 Savings and Transitional Rules

11.158 Rules consequential on the making of the National Electricity Amendment (Ministerial Reliability Instrument) Rule 2023

11.158.1 Ministerial T-3 reliability instrument for 2025/2026

If a *Minister* has made a Ministerial T-3 reliability instrument to which section 14JA(8) of the *National Electricity Law* applies, then the following amendments apply to the *Rules* in respect of a T-1 reliability instrument for a *region* that is related to that T-3 reliability instrument:

- (a) clause 4A.C.3(b)(3) - delete "second" and substitute "first";
- (b) Rule 4A.D.7 - delete "that is 18 months after the date the relevant T-3 reliability instrument is effective" and substitute "that falls 12 months before the contract position day".

11.159 Rules consequential on the making of the National Electricity Amendment (Efficient reactive current access standards for inverter-based resources) Rule 2023

11.159.1 Definitions

- (a) In this rule 11.159:

Amending Rule means the *National Electricity Amendment (Efficient reactive current access standards for inverter-based resources) Rule 2023*.

effective date means the date of commencement of Schedule 1 of the Amending Rule.

existing application to connect has the meaning given in clause 11.159.4(a)(1).

existing connection agreement means a *connection agreement* entered into before the effective date.

existing connection enquiry has the meaning given in clause 11.159.3(a)(1).

I ESS rule means the *National Electricity Amendment (Integrating energy storage systems into the NEM) Rule 2021 No. 13*.

initial implementation period means the period of three months starting on the effective date.

new clause S5.2.5.5 means clause S5.2.5.5 of new Chapter 5.

new Chapter 5 means Chapter 5 as in force on and from the effective date.

new Chapter 10 means Chapter 10 as in force on and from the effective date.

old Chapter 5 means Chapter 5 as in force immediately prior to the effective date.

- (b) Italicised terms used in this rule 11.159 have the same meaning as in new Chapter 10.

11.159.2 Interaction with the IESS rule

- (a) On and from the effective date, a reference in rule 11.145.13 to Schedule 5.2 of the new rules means Schedule 5.2 of the new rules (as defined in rule 11.145.1) as amended by the Amending Rule.

11.159.3 Application of the Amending Rule to existing connection enquiries

- (a) This clause applies where, before the effective date, a *Connection Applicant* has, in respect of *plant* that the *Connection Applicant* proposes to *connect*:

- (1) made a *connection* enquiry in accordance with clauses 5.3.2 or 5.3A.5 (**existing connection enquiry**); and
- (2) not made an *application to connect* to a *Network Service Provider*.

- (b) On and from the effective date:

- (1) new clause S5.2.5.5 applies for the purposes of determining the *access standards* that apply to the *plant* that the *Connection Applicant* proposes to *connect*;
- (2) the existing connection enquiry remains valid despite the Amending Rule and the *Network Service Provider* must continue to process the existing connection enquiry; and
- (3) the *Network Service Provider* must:

- (i) within 10 *business days* after the effective date, use its reasonable endeavours to provide written notification to a *Connection Applicant* to which this clause applies that the existing connection enquiry will be treated as a *connection* enquiry under new Chapter 5; and
- (ii) within 20 *business days* after providing the written notification in subparagraph (3)(i), in consultation with *AEMO* and where necessary, provide each *Connection Applicant* notified under subparagraph (3)(i) with:

- (A) any further information required under clause 5.3.3 of new Chapter 5 relevant to the proposed *plant*; and

(B) written notice of any further information or data to be provided by the *Connection Applicant* to the *Network Service Provider*,

to enable the *Connection Applicant* to submit an *application to connect* in accordance with new Chapter 5 with respect to the proposed *plant*.

- (c) Where the *Network Service Provider* has charged the *Connection Applicant* any fees or charges with respect to the existing connection enquiry, the *Network Service Provider* must not charge the *Connection Applicant* any additional fees or charges on or from the effective date with respect to such existing connection enquiry, except to the extent necessary to cover the reasonable costs of work required to notify the *Connection Applicant* and provide any relevant information under subparagraph (b)(3)(ii). For the avoidance of doubt, this clause does not preclude a *Network Service Provider* recovering an application fee from the *Connection Applicant* under clauses 5.3.4(b) or 5.3A.9.

11.159.4 Application of the Amending Rule to existing applications to connect

- (a) This clause applies where, before the effective date, a *Connection Applicant* has, in respect of *plant* that the *Connection Applicant* proposes to *connect*:
- (1) made an *application to connect* to a *Network Service Provider* (**existing application to connect**); and
 - (2) not received an offer to *connect* from the relevant *Network Service Provider* in respect of the existing application to connect.
- (b) On and from the effective date but subject to paragraph (b1):
- (1) new clause S5.2.5.5 applies for the purposes of determining the *access standards* that apply to the *plant* that the *Connection Applicant* proposes to *connect*;
 - (2) the existing application to connect remains valid despite the Amending Rule and the *Network Service Provider* must continue to process the existing application to connect; and
 - (3) the *Network Service Provider* must:
 - (i) within 10 *business days* after the effective date, use its reasonable endeavours to provide written notification to a *Connection Applicant* to which this clause applies that the existing application to connect will be treated as an *application to connect* under new Chapter 5; and

(ii) within 20 *business days* after providing the written notification in subparagraph (3)(i), in consultation with *AEMO* and where necessary, provide each *Connection Applicant* notified under subparagraph (3)(i) (with a copy to be provided to *AEMO*) with:

- (A) any further information required under clause 5.3.3 or clause 5.3A.5 of new Chapter 5 relevant to the proposed *plant*, including for each technical requirement, written details of the *automatic access standards*, *minimum access standards* and *negotiated access standards* that are *AEMO advisory matters*; and
- (B) written notice of any further information to be provided by the *Connection Applicant* (which may include information required to be provided under clauses 5.2.5(d) and (e), clauses 5.2.5A(d) and (e) and Schedule 5.5),

necessary for the *Network Service Provider* to prepare an offer to *connect* in accordance with new Chapter 5 with respect to the proposed *plant*.

- (b1) For an existing application to connect that is also an Existing Application To Connect as defined in clause 11.143.9(a), new clause S5.2.5.5 applies for the purpose of determining the *access standards* that apply to the *plant* that the *Connection Applicant* proposes to *connect* but otherwise, clause 11.143.9 continues to apply for that purpose.
- (c) Where the *Network Service Provider* has charged the *Connection Applicant* any fees or charges with respect to the existing application to *connect*, the *Network Service Provider* must not charge the *Connection Applicant* any additional fees or charges on or from the effective date with respect to such existing application to *connect*, except to the extent necessary to cover the reasonable costs of work required for the *Network Service Provider* to prepare an offer to *connect* in accordance with new Chapter 5, including the requirements to notify the *Connection Applicant* and provide any relevant information under subparagraph (b)(3).
- (d) A *Network Service Provider* to which this clause applies may extend the period referred to in clause 5.3.6(a) to reasonably allow for any additional time taken in excess of the period allowed in the *preliminary program* that is necessary to take account of the differences in *access standards* between old Chapter 5 and new Chapter 5.

11.159.5 Application of the Amending Rule to existing offers to connect

- (a) This clause applies where, before the effective date, a *Connection Applicant*, other than a *Connection Applicant* to whom clause 11.159.4 applies, in respect of *plant* that the *Connection Applicant* proposes to connect:
 - (1) has received an offer to *connect* from the relevant *Network Service Provider* in respect of an *application to connect*; and
 - (2) has not entered into a *connection agreement* with the relevant *Network Service Provider* in respect of that *application to connect*.
- (b) Subject to paragraph (c), on and from the effective date, old Chapter 5 applies for the purposes of determining the *access standards* that apply to any *plant* that the *Connection Applicant* proposes to *connect* under that offer to *connect*.
- (c) A *Network Service Provider*, *AEMO* and a *Connection Applicant* may agree to apply new clause S5.2.5.5 for the purposes of determining the *access standards* that apply to the *plant* that the *Connection Applicant* proposes to *connect* under that offer to *connect*.

11.159.6 Extension of time frames

- (a) For each clause listed in paragraph (b), where:
 - (1) the clause specifies, or provides a means to determine, a maximum number of *business days* for a *Network Service Provider* or *AEMO* to perform an obligation in relation to a *connection enquiry* or an *application to connect* that (in either case) was submitted before or during the initial implementation period; and
 - (2) the first of those *business days* falls in the initial implementation period,

the maximum number of *business days* by which the obligation must be performed is extended by 30 *business days* in respect of that *connection enquiry* or *application to connect*.
- (b) The clauses referred to in paragraph (a) are:
 - (1) clause 5.3.3(b);
 - (2) clause 5.3.3(b1);
 - (3) clause 5.3.3(c);
 - (4) clauses 5.3.4A(d) and (e);
 - (5) clause 5.3.6(a)(1);
 - (6) clause 5.3A.5(g);

- (7) clause 5.3A.7(a); and
- (8) clause 5.3A.8(c).

11.159.7 Application of the Amending Rule to existing connection agreements

- (a) None of the provisions in the Amending Rule are intended to have, nor should they be read or construed as having, the effect of:
 - (1) altering the terms of an existing connection agreement;
 - (2) altering the contractual rights or obligations of any of the parties under an existing connection agreement including the nature of, or standards of performance applicable to, any service provided under the agreement; or
 - (3) relieving the parties under any such existing connection agreement of their contractual obligations under such an agreement.
- (b) If, after the effective date, a *Registered Participant* who has entered into an existing connection agreement is required, in accordance with the *Rules*, to amend any of the *performance standards* set out in that existing connection agreement, new clause S5.2.5.5 applies for the purposes of amending such *performance standards*.

[53] Chapter 11 Savings and Transitional Rules

In Chapter 11, omit Part ZZZZZI.

**Schedule 2 Amendment to the National Electricity Rules
As in force in the Northern Territory**

(Clause 4)

**[1] Clause 5.3.1A Application of rule to connection of
embedded generating units**

In clause 5.3.1A(c), omit:

- (4) a person (including a *non-registered embedded generator*) who is seeking *connection* for a *large inverter based resource*,

**[2] Clause 5.3.1A Application of rule to connection of
embedded generating units**

After clause 5.3.1A(c)(2), insert:

- (2A) a person (including a *non-registered embedded generator*) who is seeking *connection* for a *large inverter based resource*;

[3] Clause 5.3A.1 Application of rule 5.3A

In clause 5.3A.1(c)(1), omit:

- (iv) a person (including a *non-registered embedded generator*) who is seeking *connection* for a *large inverter based resource*,

[4] Clause 5.3A.1 Application of rule 5.3A

After clause 5.3A.1(c)(1)(ii), insert:

- (ii1) a person (including a *non-registered embedded generator*) who is seeking *connection* for a *large inverter based resource*;