



## **Review of Template for Generator Compliance Programs**

### **AEMC Terms of Reference to the Reliability Panel**

**22 November 2011**

#### **Introduction**

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

To facilitate the enforcement and monitoring of generators' compliance with the technical requirements under the National Electricity Rules (Rules), in accordance with the Rule requirements, the Reliability Panel (Panel) developed the template for generator compliance programs (template). The template provides clarity on what constitutes good electricity industry practice with respect to technical standards compliance. The template defines an appropriate compliance framework that assists generators with developing and designing their compliance programs. While generators are responsible for developing their own compliance programs, they need to ensure their programs are consistent with the template.

The template was developed by the Panel through a review process which included extensive stakeholder consultation. In this review process, detailed analysis and consideration were given to the content of the template and technical factors that may affect its application. In accordance with the requirements under the Rules, the Panel completed its review to develop and establish the template in July 2009.

The Rules require that the Panel must conduct a review of the template at least once every three years from the date the template is determined.<sup>1</sup> As the template refers to specific provisions under the Rules that generators must comply with, as well as suitable testing and monitoring methodologies, the review requirement recognises that ongoing review would ensure consistency of the template with the Rules. Reviewing and updating the template would also provide the ability for the template to be improved to take into consideration knowledge gained from practical implementation of the template and in keeping with any technological advancement.

#### **Scope of the review**

The Panel is to undertake a review of the template in accordance with clause 8.8.3 of the Rules, which includes the requirement for the Panel to undertake public consultation in carrying out this review, to consider whether:

- there have been any material changes to the Rules to impact the template;
- there have been any changes in technology that should be reflected in the template;
- there have been changes in performance standards that should be reflected in the template;
- stakeholder experience with the template has identified ways in which the template may be improved; and

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<sup>1</sup> Clause 8.8.3(ba) of the Rules.

- there are any other factors, including outcomes of any market incidents, that should be considered to further clarify and improve the template.

In undertaking this review, the Panel should 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.

In accordance with clause 8.8.3(ba) of the Rules, following this review, the Panel may amend the template in accordance with its final report to the AEMC.

### **Process and timing**

The AEMC requests that the Panel conduct this review in accordance with 8.8.3 of the Rules and complete it by no later than 31 July 2012.

The AEMC requests that the Panel consider these to be standing terms of reference for a review to be completed once every three years from 31 July 2012. The AEMC notes that this does not limit its ability, under clause 8.8.3(ba) of the Rules, to request the Panel to conduct reviews of the template in addition to these three-yearly reviews.