



Draft National Electricity Amendment (Early Implementation of Market Impact Parameters) Rule 2009

under the National Electricity Law as applied by:

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

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

John Tamblyn
Chairman
Australian Energy Market Commission

Draft National Electricity Amendment (Early Implementation of Market Impact Parameters) Rule 2009

1. Title of Rule

This Rule is the *Draft National Electricity Amendment (Early Implementation of Market Impact Parameters) Rule 2009*.

2. Commencement

This Rule commences operation on [].

3. Amendment of the National Electricity Rules

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

Schedule 1 Amendment of National Electricity Rules

(Clause 3)

[1] Chapter 11 Savings and transitional rules

After rule 11.[], insert:

Part [] Earlier Application of Market Impact Parameters

11.[] Rules consequent on the making of the National Electricity Amendment (Early Implementation of Market Impact Parameters) Rule 2010

11.[].1 Definitions

For the purposes of this rule 11.[]:

Amending Rule means the National Electricity Amendment (Early Implementation of Market Impact Parameters) Rule 2010.

cap has the meaning given in the *service target performance incentive scheme* dated March 2008.

commencement date means the day on which the Amending Rule commences operation.

market impact component of the service target performance incentive scheme means the market impact component described in the *service target performance incentive scheme* dated March 2008.

performance target has the meaning given in the *service target performance incentive scheme* dated March 2008.

Powerlink means the Queensland Electricity Transmission Corporation Limited (ACN 078 849 233), trading as Powerlink Queensland.

proposal means the proposal described in clause 11.[].3(c).

transitional regulatory control period means, in respect of Powerlink, the regulatory control period commencing on 1 July 2007 and ending on 30 June 2012.

11.[]2 **Purpose**

The purpose of this rule 11.[] is to allow a *Transmission Network Service Provider* to seek the earlier application of the *market impact component of the service target performance incentive scheme* from the *AER* than permitted under clause 6A.7.4(f).

11.[]3 **Earlier application of the market impact component of the service target performance incentive scheme**

- (a) The Amending Rule only applies:
- (1) to a *Transmission Network Service Provider* which is subject to the *market impact component of the service target performance incentive scheme* (as set out in the *AER's* final decision on the *service target performance incentive scheme* dated March 2008); and
 - (2) for a *regulatory control period* which commenced before the commencement date and as at the commencement date, has not ended; or
 - (3) in respect of Powerlink, for the transitional regulatory control period.
- (b) If the *AER* publishes a *service target performance incentive scheme* after the commencement date which amends the *market impact component of the service target performance incentive scheme*, a *Transmission Network Service Provider* may not apply for the earlier application of the *market impact component of the service target performance incentive scheme* under the Amending Rule.

Submission of proposal

- (c) If a *Transmission Network Service Provider* seeks the earlier application of the *market impact component of the service target performance incentive scheme* than permitted under clause 6A.7.4(f), it must submit a proposal to the *AER*, at least 4 months prior to the proposed start date for the earlier application of the *market impact component of the service target performance incentive scheme*, setting out:
- (1) a proposed start date for the earlier application of the *market impact component of the service target performance incentive scheme*; and

- (2) the proposed values for a *performance target* and a *cap* for the purpose of determining the *market impact component of the service target performance incentive scheme* in accordance with the *service target performance incentive scheme* dated March 2008.

Preliminary examination and determination of non-compliance with relevant information requirements

- (d) If the *AER* receives a proposal, it must:
 - (1) make a determination on whether the proposal complies with the relevant information requirements of the *submission guidelines* in respect of the *service target performance incentive scheme* dated March 2008; and
 - (2) notify the *Transmission Network Service Provider* of its determination within 10 *business days* of receiving the proposal.
- (e) A determination referred to in paragraph (d) must be accompanied by written reasons that set out the respects in which the proposal does not comply with the relevant information requirements of the *submission guidelines* in respect of the *service target performance incentive scheme* dated March 2008 and the requirements that have not been complied with.

Resubmission of proposal

- (f) If the *AER* notifies a *Transmission Network Service Provider* of a determination under paragraph (d), the *Transmission Network Service Provider*:
 - (1) must, within 10 *business days* of that notice, resubmit its proposal in a form that complies with the relevant information requirements identified in that determination; and
 - (2) may only make changes to its proposal to address the matters raised in the determination under paragraph (d).
- (g) The *AER* must, as soon as practicable, publish on the *AER*'s website and make available for public inspection at the *AER*'s public office:
 - (1) the proposal, submitted or resubmitted to it by the *Transmission Network Service Provider* under paragraphs

- (c) and (f), except to the extent that the *submission guidelines* provide that it will not be publicly disclosed (and, in that case, the relevant *Transmission Network Service Provider* has not otherwise consented); and
- (2) an invitation for written submissions from any person on the proposal. The closing date for submissions must be not earlier than 10 *business days* after the invitation for submissions is published under this paragraph.
- (h) Any person may make a written submission to the *AER* on the *Transmission Network Service Provider's* proposal within the time specified in the invitation referred to in paragraph (g).
- (i) The *AER* may publish, on the *AER's* website and make available for public inspection at the *AER's* public office, an issues paper examining the issues raised in connection with the proposal, at the same time as, or subsequent to, publication of the invitation to make submissions referred to in paragraph (g).

Making of final decision

- (j) Subject to rule 6A.16(a), the *AER* must consider any submissions made on the proposal, or on any revised proposal, and must make a final decision in relation to the proposal in accordance with paragraphs (k) – (n).

Requirements relating to final decision

- (k) A final decision made under paragraph (j) is a decision by the *AER* on whether it approves or refuses to approve the proposed values for a *performance target* or a *cap* for the *market impact component of the service target performance incentive scheme*, setting out reasons for the decision.
- (l) The *AER* must approve the proposed values for a *performance target* or a *cap* for the *market impact component of the service target performance incentive scheme* if it is satisfied that those values comply with the requirements of the *service target performance incentive scheme* dated March 2008.
- (m) If the *AER's* final decision is to refuse to approve the proposed values for a *performance target* or a *cap* for the *market impact component of the service target performance incentive scheme*, the *AER* must include in its final decision a substitute value which it reasonably considers will comply with the relevant requirements of

the *service target performance incentive scheme* dated March 2008.

- (n) The *market impact component of the service target performance incentive scheme* will apply to the *Transmission Network Service Provider* who submitted the proposal from the proposed start date for the earlier application of the *market impact component of the service target performance incentive scheme* set out in the proposal.

Notice of final decision

- (o) The *AER* must, as soon as practicable, but not later than 1 month before the proposed start date for the earlier application of the *market impact component of the service target performance incentive scheme* set out in the proposal, *publish*:
- (1) notice of the making of the final decision; and
 - (2) the final decision, including its reasons.
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