



## **National Electricity Amendment (Pricing during market suspension ) Rule 2017 No. 14**

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

## **National Electricity Amendment (Pricing during market suspension ) Rule 2017 No. 14**

### **1 Title of Rule**

This Rule is the *National Electricity Amendment (Pricing during market suspension ) Rule 2017 No.14*.

### **2 Commencement**

This Rule commences operation on 1 December 2017.

### **3 Amendment of the National Electricity Rules**

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

### **4 Amendment of the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 2.

## 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 “and” where it last occurs.

### [2] Clause 3.9.2            Determination of spot prices

Omit clause 3.9.2(e)(4) and (5) and substitute:

- (4) an *administered price period* in accordance with clause 3.14.2 applies, then *AEMO* must limit the *dispatch price* in accordance with clause 3.14.2(d1); and
- (5) *AEMO* has made a declaration that the *spot market* in a region is suspended under clause 3.14.4, then *AEMO* must set the *dispatch price* for each *dispatch interval* during the period for which the *spot market* is suspended in accordance with clause 3.14.5.

### [3] Clause 3.9.2            Determination of spot prices

In clause 3.9.2(h), omit all the words following “*dispatch intervals* in the *trading interval*” to the end of the clause, excluding the “.”.

### [4] Clause 3.14.3            Conditions for suspension of the spot market

Omit clause 3.14.3(a1) and substitute “[Deleted]”.

### [5] Clause 3.14.3            Conditions for suspension of the spot market

In clauses 3.14.3(b)(1) and (b)(1A), omit “*spot prices*” and substitute “*dispatch prices*”.

### [6] Clause 3.14.3            Conditions for suspension of the sport market

In clauses 3.14.3(d), omit “clause 3.14.3(c)” and substitute “paragraph (c)”.

### [7] Clause 3.14.4            Declaration of market suspension

Omit clause 3.14.4(a) to (c) and substitute:

- (a) The *spot market* in a *region* can only be suspended by a declaration by *AEMO* in the circumstances described in clause 3.14.3(a), and *AEMO* must *publish* that declaration without delay.
- (b) [Deleted]

- (c) The *spot market* in a *region* is deemed to be suspended at the start of the *dispatch interval* in which *AEMO* makes a declaration that the *spot market* is suspended.

#### **[8] Clause 3.14.4 Declaration of market suspension**

In clause 3.14.4(d), after “remain suspended” insert “in the relevant *region*”.

#### **[9] Clause 3.14.4 Declaration of market suspension**

Omit clause 3.14.4(e) and substitute:

- (e) If *AEMO* declares that the *spot market* is suspended:
- (1) *AEMO* may issue *directions* to *Registered Participants* in accordance with clause 4.8.9; and
  - (2) *dispatch prices* and *ancillary service prices* in the relevant *region* are to be set by *AEMO* in accordance with clause 3.14.5 until the *time* at which the *spot market* is resumed.

#### **[10] Clause 3.14.4 Declaration of market suspension**

In clause 3.14.4(f), omit “clause 3.14.4(d)” and substitute “paragraph (d)”.

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

Omit clause 3.14.5, excluding the heading, and substitute:

- (a) Subject to paragraph (b), if the *spot market* is suspended in a *region* then *central dispatch* and the determination of *dispatch prices*, *spot prices* and *ancillary service prices* in the *suspended region* are to continue in accordance with rules 3.8 and 3.9.
- (b) If, in *AEMO*'s reasonable opinion, it is not practicable to operate *central dispatch* and determine *dispatch prices* and *ancillary service prices* in a *suspended region* in accordance with rules 3.8 and 3.9, *AEMO* must set *dispatch prices* and *ancillary service prices* for the *suspended region* at the prices applicable to the relevant *dispatch interval* in the current estimated price schedule developed and published in accordance with paragraph (e).
- (c) *Dispatch 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;
  - (3) are not subject to review under clause 3.9.2B; and
  - (4) are not subject to clause 3.12A.6.
- (d) If the *dispatch prices* and *ancillary service prices* in a *suspended region* are being determined in accordance with paragraph (b), they must continue to be determined in accordance with that paragraph until the earlier of:
- (1) the *time* that the *spot market* is no longer suspended in the relevant *region*; and
  - (2) if AEMO declared the *spot market* to be suspended for the reason set out in clause 3.14.3(a)(1) or (3), the *time* that, in AEMO's reasonable opinion, it is practicable to resume *central dispatch* and the determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9; and
  - (3) if AEMO declared the *spot market* to be suspended for the reason set out in clause 3.14.3(a)(2), the *time* that, in AEMO's reasonable opinion, it is practicable to resume *central dispatch* and the determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9, provided that the *participating jurisdiction* that directed AEMO under clause 3.14.3(a)(2) has agreed to the resumption of *central dispatch* and the determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9.
- (e) AEMO must:
- (1) develop in accordance with the *Rules consultation procedures* a methodology to be used by AEMO (**estimated price methodology**) to prepare and update schedules containing reasonable estimates of typical *market prices* during the periods to which the schedules relate (**estimated price schedules**);
  - (2) develop and update estimated price schedules in accordance with the estimated price methodology, to be used during any period in which the *spot market* is suspended; and
  - (3) *publish* the estimated price methodology promptly after it has been developed and *publish* the estimated price schedule at least 14 days prior to the first day to which the schedule relates.

- (f) If a *dispatch price* is set in accordance with paragraph (b) at a *regional reference node* (**suspension node**), then *dispatch prices* at all other *regional reference nodes connected* by one or more *regulated interconnectors* that have a net *energy flow* towards the suspension node must not exceed the *dispatch price* in the *suspended region* divided by the average *loss factor* that applies for *energy flow* in that direction for that *dispatch interval*.
- (g) Paragraph (f) does not apply to a *dispatch price* at another *regional reference node* that has been replaced in accordance with clause 3.9.2B or where clause 3.8.21(b) applies.
- (h) *AEMO* must use reasonable endeavours to ensure that any adjustments required to *dispatch prices* so that they do not exceed the limits set by paragraph (f) are finalised as soon as practicable but in any event by the end of the next *business day* following the day on which the *spot market* in the *region* ceased to be suspended
- (i) *AEMO* must determine the average *loss factor* applicable to paragraph (f) by reference to the *inter-regional loss factor* equations relating to the relevant *regulated interconnectors*.

## **Schedule 2          Amendment to the National Electricity Rules**

(Clause 4)

### **[1] Chapter 10          Substituted Definitions**

In Chapter 10, substitute the following definition:

***suspended region***

A region in which the *spot market* is suspended in accordance with clause 3.14.4.

[END OF RULE AS MADE]

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