Hydro Tasmania

*the renewable energy business*

23 December 2008

Australian Energy Market Commission,

PO Box A2449,

Sydney South NSW 1235

By email: submissions@aemc.gov.au

**Rule Proposal to Implement Causer Pays for Ancillary Services in Tasmania**

Dear John,

The Reliability Panel released their Final Determination of the Tasmanian Frequency Operating Standards on December 18. In this decision, the Reliability Panel recognised the inequity of the current arrangements in this situation and that the causer pays principle was not working due to the particular set of circumstances.

On page 26, they canvassed two options "where the costs of the additional FCAS is recovered from the party that caused the additional need." Please find attached a Rule change proposal in line with the first of these options from the Final Determination on the Tasmanian Frequency Standards.

Our contact for this rule change is David Bowker on 03-62305775.

Yours faithfully,

Vince Hawksworth

CEO

OCEO-59653

# Rule Proposal to Implement Causer Pays for Ancillary Services in Tasmania

## 1 Structure of this Proposal

This Rule change proposal contains the elements required by the Australian Energy Market Commission (the AEMC) in its Rule change guidelines[1]. Table 1 shows where these elements can be found in this document:

| Element | Section |
|---|---|
| Proponent is expressly identified with full name and address. | 2 |
| Evidence as to authority to lodge Rule change proposal | 2 |
| Ensure that the subject matter of the Rule change proposal falls within the matters on which the AEMC is permitted to make changes to the Rules | 3.2 |
| Description of the proposed Rule | 3 |
| Statement of Issue identifying the nature and scope of each problem or issue with the existing Rules | 4.1 |
| Statement of Issue describing the proposed solution for each issue identified | 4.2 |
| Analysis of how the proposed Rule (if made) will contribute or is likely contribute to the achievement of the National Electricity Objective. | 5 |
| Explanation of the expected benefits and costs of the change and the potential impacts on the change on those likely to be affected | 6 |
| Attach a draft of the proposed Rule. | Attachment |

Table 1: Structure of this Proposal

## 2 Rule Change Proponent and Authority

Hydro Tasmania requests the AEMC to make a Rule under Part 7 of the National Electricity Law (NEL).

The address of Hydro Tasmania is:

4 Elizabeth St,
GPO Box 355, Hobart
TAS, 7001.

The proposed Rule would modify the settlement of local frequency control ancillary services (FCAS) in the Tasmanian Jurisdiction of the National Electricity Market (NEM).

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1 Guidelines for proponents: Preparing a Rule change proposal, January 2008.

The application is signed by the Chief Executive Officer.

# 3 Description of the Proposed Rule

## 3.1 Background

In February 2008 the AEMC provided the Reliability Panel (the Panel) with a terms of reference requiring it to conduct a review of the Tasmanian frequency operating standards (the 'frequency standards').

The purpose of frequency standards is to define the range of allowable frequencies for the electricity power system under different conditions, including normal operation and various contingencies. Equipment connected to the power system must be capable of operating within the frequency ranges specified in the standards, while NEMMCO is responsible for managing the frequency to meet the requirements of the standards.

The existing Tasmanian frequency standards are not as tight as those standards that apply on the NEM mainland, and this has meant that some high-efficiency thermal generating units[2] (which do not meet the minimum access standards in terms of frequency ride-through) cannot connect to the network. Diversifying the range of possible electricity generating technologies that can be connected in the Tasmanian region has the potential to increase the efficiency, security and reliability of the energy supplies to Tasmania, as well as to facilitate competition in the region. However, tightening the frequency standards also imposes additional costs on the market.

On 18 December 2008, the Panel published a Final Report on the Tasmanian Frequency Operating Standard Review[3]. The Report adopted a tightening of the Tasmanian frequency standards combined with a mechanism to mitigate the size of the largest generator contingency.[4] This decision was based on a benefit-cost analysis, performed for the Panel by CRAI, of changing the Tasmanian standards. According to the Panel's analysis, changing the frequency standards is expected to benefit the Tasmanian region by leading to reduced electricity prices in the long-run (due to high-efficiency generating units being able to connect to the network). However, the proposal will impose additional FCAS-related costs on existing Tasmanian Generators (FCAS raise) and Customers (FCAS lower).

Section 4.5 of the Panel's Final Report dealt with the question of the appropriate allocation of the incremental costs of changing the frequency standards. It noted that:

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[2] Such as the 210 MW CCGT Tamar Valley Power Station (TVPS)

[3] AEMC 2008, *Tasmanian Frequency Operating Standard Review*, Final Report, 18 December 2008, Sydney (AEMC 2008)

[4] AEMC 2008, p.X and pp.22-23.

> Under the existing mechanisms in the Rules many of the benefits of changing the Tasmanian frequency operating standards would be captured by the new higher efficiency generating unit, while the costs of the additional FCAS would be recovered from all generators (p.26).

In response, the Panel outlined two potential alternative methods of FCAS cost recovery in Tasmania:

> The Panel considers that the following two alternative cost recovery mechanisms could also be explored:
>
> - calculating the cost of the additional FCAS required to meet the tighter Tasmanian *frequency operating standards* and recovering this from the new higher efficiency thermal generating unit; or
>
> - requiring the higher efficiency thermal generating unit to contract with an amount of additional FCAS that NEMMCO would take into account when procuring sufficient FCAS (p.26).
>
> Both these recovery options are a form of "runway pricing" where the costs of the additional FCAS is recovered from the party that caused the additional need.

### 3.2 Form of the proposed Rule

Hydro Tasmania has explored the feasibility of the first of the Panel's options: a Rule change. Whilst recognising the potential issues of a Tasmania-specific Rule, a more general proposal may have unintended consequences in areas of the mainland NEM.

As a consequence, a Participant Derogation in Chapter 8A of the Rules is proposed to give effect to the proposal, with a 15-year sunset. The proposed derogation will substantially address (i) the increased perception of regulatory risk and (ii) the adverse impact on economic efficiency that will occur as a result of tightening the Tasmanian frequency standards in the absence of any Rule changes.

A 15 year sunset is proposed for several reasons. Following the commissioning of the Tamar Valley Power Station, it is likely to be some time before a further gas powered plant is justified. Demand in Tasmania historically has grown very slowly. Tasmania has a superb wind resource and, under the favourable renewables environment, there is likely to be wind development in Tasmania, which will delay the next gas plant. In addition, a large proportion of demand is supplied to just 5 customers. If any one of them were to close down for any reason, the next gas fired plant would be delayed many years more. It is for these reasons that a 15 year sunset is proposed. If circumstances change, this term could be changed by a Rule change proposal.

### 3.3 Substance of the proposed Rule

Where a local FCAS requirement exists in the Tasmanian NEM region, the proposed Rule change requires NEMMCO to:

- Determine the magnitude of any additional amount of FCAS required to meet the tighter Tasmanian frequency operating standards;

- Reduce the volume of this local FCAS service recovered from general Market Customers (FCAS lower services) and Market Generators (FCAS raise services); and

- Recover an approximation[5] of this additional cost from Market Generators that satisfy the following criteria:

    1. have plant located in Tasmania that were first registered with NEMMCO after 1 July 2008; and

    2. where these plant do not meet the frequency operating standards applicable in Tasmania before the commencement date.

For the reasons provided below, Hydro Tasmania believes that the proposed Rule change will promote the National Electricity Objective.

# 4 Issue to be addressed by the Proposed Rule

## 4.1 Issue with the existing Rule

As noted by the AEMC, the incremental costs of the changes to the Tasmanian frequency standards embodied in the Final Report will, in the absence of any further changes to cost allocation arrangements, be incurred by all generators in Tasmania. This would be despite the fact that the incremental benefits of the change will largely be captured by the new high-efficiency generating unit(s) that cannot operate under the existing Tasmanian standards.

In the view of Hydro Tasmania, such an outcome is highly likely to have adverse implications for good regulatory practice and economic efficiency in the NEM. This is because:

- Spreading the cost that new plant impose on the power system across existing generators will increase the perception of regulatory unpredictability and risk arising from administrative rule changes in the

[5] The need for an approximation was highlighted by NEMMCO who indicated that it would be difficult to run a complete what-if run for FCAS pricing. The approximation involves ignoring the effect of the additional requirement on the settlement price for that local FCAS. That is the difference in volume is computed by considering the requirement with the old and new frequency standards. This volume is multiplied by the actual settlement price for the FCAS to arrive at the amount to be recovered.

NEM (especially in the light of the significant size of these costs in this case); and

- New generating plant, who impose wider costs on the power system but who do not pay for these costs, will not face efficient investment signals.

### 4.2 How the proposed Rule addresses the issue

The Rule proposed by Hydro Tasmania will address the misalignment between the incidence of the incremental benefits and the incremental costs from the change to the Tasmanian frequency standards that would otherwise occur in light of the AEMC's Draft Report.

The proposed Rule will ensure that the incremental costs of the change are recovered by NEMMCO from new Tasmanian high-efficiency plant that are only able to operate due to the change in standards. Hydro Tasmania believes that the effect of the proposed Rule in aligning the accountability for the consequences of decisions with the responsibility for those decisions will promote both regulatory predictability and economic efficiency. Thus Hydro Tasmania believes the proposed Rule change will promote the National Electricity Objective (NEO), as explained in the following section.

In addition to considering the first of the Panel's two options for recovering incremental FCAS costs as a result of a frequency standards change, Hydro Tasmania also considered the Panel's second option – requiring new high-efficiency units to contract for additional FCAS themselves. However, Hydro Tasmania came to the view that this option was not as likely to promote the NEO as the first option, which places the responsibility on NEMMCO to ensure sufficient FCAS is available. The rationale for this view is also provided in the next section.

## 5 Achievement of the National Electricity Objective

The NEO, as outlined in section 7 of the National Electricity Law (NEL), is to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to:

- price, quality, safety, reliability, and security of supply of electricity; and

- the reliability, safety and security of the national electricity system.

The Ministerial Council on Energy's Standing Committee of Officials has in the past observed[6]:

> The [national electricity] objective refers to "effective investment in, and efficient operation and use of, electricity services". The objective emphasises that a long-term perspective is to be taken with respect to consumer interests, and that a critical factor in such a long-term perspective is the impact of decisions on investment in electricity infrastructure and services (p.8).

In addition, the AEMC has in the past commented[7]:

> The Commission has interpreted the NEO has encompassing productive, allocative and dynamic efficiency and also taken the scope of the NEO to cover the means by which regulatory arrangements operate as well as their intended ends (p.5).

Based on these interpretations, Hydro Tasmania understands the NEO to be comprised of three key elements:

- Good regulatory practice – meaning the stability and predictability of the regulatory arrangements, the extent to which regulatory arrangements operate to achieve their intended ends, and the extent to which regulatory arrangements contribute to the willingness of participants to make long-term investments in electricity infrastructure.
- Security, reliability and safety of the interconnected power system;
- Economic efficiency – meaning the maximisation of benefits over costs amongst stakeholders within the NEM, and comprising productive, allocative and dynamic efficiency.

Based on previous determinations made by the AEMC, Hydro Tasmania understands that the NEO is not concerned with wealth transfers or equity issues, except in so far as they detract from good regulatory practice.

In the present case, Hydro Tasmania does not consider that the proposed Rule change raises issues of security, reliability and safety of the power system. These attributes of the NEM should not be affected by whether or not the proposed Rule change proceeds. This is because the proposed Rule change concerns only the allocation of the costs of additional required FCAS, rather than whether or not additional FCAS is procured. Therefore, this

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6 http://www.mce.gov.au/assets/documents/mceinternet/Explanation_of_the_Gas_Legislative_Framework_Nov0620061107113652.pdf

7 http://www.aemc.gov.au/pdfs/reviews/National%20Transmission%20Planner/draft%20report/Draft%20Report.pdf

section focuses on the implications of the proposed Rule change for (i) good regulatory practice and (ii) economic efficiency in the NEM.

As noted above, Hydro Tasmania considers that the adoption of the second option raised by the Panel may potentially have implications for system security and reliability. This is discussed below in the context of our comments on the relative merits of that option.

### 5.1 Good regulatory practice

Hydro Tasmania submits that the proposed Rule change is consistent with the promotion of good regulatory practice. Although the Rule change proposal will not – and is not intended to – lead to fewer or less responsive regulatory decisions, it will reinforce participants' perceptions of regulatory predictability through the consistent application of the 'causer pays' principle. This is a principle that the AEMC has applied in other contexts, such as its review of transmission pricing. It is also the principle embodied within the cost allocation regime for FCAS more generally.

A fundamental aspect of good regulatory practice is the minimisation of actual or perceived regulatory risk. As noted by the MCE, a critical factor in promoting the long-term interests of consumers is to ensure efficient investment in electricity infrastructure. Increased actual or perceived regulatory risk undermines the incentives to efficiently invest in electricity infrastructure, and as such is not consistent with the NEO. Consequently, the impact of administrative rule changes on either actual or perceived regulatory risk is an important consideration in promoting the NEO.

One of the key implications of the proposed Rule change is that it ensures that a party making an investment today is not forced to bear costs imposed by future regulatory changes resulting from a subsequent new entrant. In the present situation, the Rule change would mean that existing Tasmanian Market Participants[8] would not bear the additional FCAS costs arising from a decision of the Panel to change Tasmanian frequency standards in response to the commissioning of the 210 MW CCGT Tamar Valley Power Station (TVPS).

While Hydro Tasmania's existing generation investments are obviously sunk in this regard and cannot be affected by this decision, going forward, proponents of new generation, load and transmission projects in Tasmania and elsewhere will be more reluctant to invest in the NEM if they perceive a significant risk that they may be required to bear costs arising from decisions of a similar nature. This is especially relevant given that there may be further tightening of the Tasmanian frequency standards in the future – potential new entrants will be concerned that any future changes to the standards will

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[8] In relation to FCAS raise; Hydro Tasmania, Roaring 40's and any future generating plant which is capable of meeting the frequency standard applicable in Tasmania before the commencement date. In relation to FCAS lower, all Tasmanian Customers.

impose additional costs on them that they cannot control, and hence adversely impact the value of their investments. In this particular instance, the case for change is stronger due to the significant costs which the new entrant causes on the existing generators.

In this regard, the proposed Rule change reinforces the 'causer pays' principle, which should improve investor confidence in the integrity of the NEM regulatory framework. Compared to the absence of the proposed Rule change, the result should be a more favourable investment climate, a lower cost of capital of investment, and ultimately greater productive efficiency as future load can be served at a lower cost.

Even if the proposed Rule change operates by way of a sunsetted derogation, investor confidence will still be bolstered, because the AEMC would have reaffirmed the principle that investors will not be faced with costs arising from regulatory decisions made in response to later investments.

### 5.2 Economic efficiency

In previous determinations the AEMC has interpreted economic efficiency as having three dimensions:

- Productive efficiency – refers to the minimisation of the costs of inputs used to produce a given level of output;
- Allocative efficiency – refers to the extent to which production and consumption decisions are based on prices reflecting opportunity costs; and
- Dynamic efficiency – refers to the maximisation of economic welfare over time, particularly the maximisation of the net benefits of capital investment and retirement decisions.

It is important to understand that one form of inefficiency can lead to another. For example, if a market rule causes plant to be developed inefficiently late, this will result in allocative inefficiency, which diminishes public welfare. Similarly, a market rule that delivers the 'wrong' type of capacity or in the wrong location can raise the overall resource costs of delivering power and, subsequently can lead to inefficiently high prices, which results in lower demand than is welfare maximising.

In Hydro Tasmania's view, the proposed Rule change would particularly promote dynamic efficiency. Improved dynamic efficiency will result in lower prices and improved welfare.

Hydro Tasmania submits that the proposed Rule change will create incentives to make appropriate investment decisions in respect of both the *type* and *timing* of new plant:

- With respect to plant *type*, the proposed Rule change will require proponents of new generators to take into account the higher FCAS

costs that certain types of plant technologies – namely, high-efficiency CCGTs – impose on the market as a whole; and

- With respect to the *timing* of new high-efficiency CCGT plant, the proposed Rule change may lead to the efficient deferral of commissioning dates. Assuming load growth and no other supply-side responses, a given generation project is likely to be more profitable the later it is commissioned. This is because expected wholesale prices and revenues would be higher, with no increase in costs. Therefore, to the extent that the proposed Rule change leads to proponents of new high-efficiency generators facing higher project costs, they are likely to efficiently defer the timing of their investments to some degree.

Both of these sets of incentives will tend to yield more efficient generation investment decisions in Tasmania. In turn, this is likely to encourage more efficient investment decisions in transmission and load projects in Tasmania and, potentially, in other NEM regions.

### 5.3 Merits of participant FCAS contracting option

As noted above, Hydro Tasmania also considered the second option highlighted by the Panel in its Final Report – that of requiring new high-efficiency units to contract for additional FCAS themselves ("participant contracting option").

In our view, the participant contracting option is less likely to promote the NEO than the option contained in the Rule change proposal, which places the responsibility on NEMMCO to ensure sufficient FCAS is available. This is because the following may vary for each dispatch interval:

1. the precise volume of required FCAS to ensure compliance with the frequency standards, and
2. the implications for the system if this required FCAS is unavailable.

In addition, the system operator needs to be informed if the required contracted services are not available (or fail to be delivered) on a certain day, so that it can determine what ought to be done in response.

This means that if a third party were responsible for contracting for additional FCAS, it would need to be in constant communication with NEMMCO to ensure the appropriate amount of FCAS was being procured as well as to manage the consequences of unavailability of the contracted FCAS. This is likely to impose a variety of transactions costs on both parties, and potentially give rise to system security concerns in the event that the required communication did not occur successfully.

The need for these constant interactions between NEMMCO and the contractor of FCAS suggests that from an economic perspective, there is a high degree of complementarity between the functions of system operation and procurement of FCAS. It is likely to be cheaper and more efficient for one party to undertake both of these roles. Therefore, in light of its responsibilities

in the NEM, Hydro Tasmania suggests that NEMMCO is best placed to undertake the procurement of the additional FCAS required due to the change in Tasmanian frequency standards, and to administer its cost recovery from the relevant participant(s). This is in essence what the Rule change proposal seeks to do.

## 6 Benefits and costs of the proposed Rule change and their incidence

As explained in the previous section, Hydro Tasmania contends that the proposed Rule change is likely to provide two key benefits to the NEM compared to a counterfactual of no alteration to the allocation of additional FCAS costs. These benefits are:

- A reduction in both actual and perceived regulatory risk – as the result of the promotion of good regulatory practice and consistency with prior regulatory determinations; and

- Improved economic efficiency, particularly dynamic efficiency.

These benefits will be widely distributed throughout Tasmania as well as the NEM more generally.

By contrast, we do not expect that the proposed Rule change will impose any costs on the market as a whole. The only economic cost of the proposed Rule change arises from the need to bill the relevant participant(s) for the incremental FCAS costs they impose, rather than recovering these costs more generally as part of other FCAS charges. We estimate that this administrative cost will be minimal. The actual cost of the additional FCAS required to accommodate the change in the Tasmanian frequency standards will arise whether or not the Rule change proceeds.

Broken down by participant, Hydro Tasmania would clearly be a major beneficiary of the proposal if the Rule change proceeded. While some of these benefits will be derived from the promotion of good regulatory practice and dynamic efficiency discussed above, it is likely that the majority of the benefits captured by Hydro Tasmania will take the form of a wealth transfer from the TVPS and other high-efficiency CCGT plant that are commissioned in the future. This would restore some of the wealth transfer which occurred away from Hydro Tasmania as a result of the change in frequency standard. Correspondingly, at a participant level, TVPS is likely to be made worse off by the Rule change, as it will be required to pay for a cost that it would otherwise largely avoid, by passing to other Tasmanian Market participants.

Importantly, however, unlike other wealth transfers that may occur as the result of a Rule change, the potential transfer between TVPS and Hydro Tasmania in the present case is likely to promote, rather than undermine, the stability and predictability of the NEM design. The market is likely to understand that the motivation for the pricing arrangements leading to the

transfer is consistent with the 'causer pays' principle and the promotion of efficient long-term signals for investment.

Finally, we do not expect that electricity retailers or final consumers will be materially affected by whether the Rule change proceeds. If anything, to the extent that the TVPS does not become the marginal plant in the Tasmanian region (i.e. Hydro Tasmania is marginal), customers may face lower prices for delivered energy than they would in the absence of the change. In any case, customers will be the ultimate beneficiaries of the proposed Rule change in the long run, due to the beneficial impacts it is likely to have in reducing the perception of regulatory risk and promoting dynamic efficiency.

# 7 Conclusion

Hydro Tasmania commends the proposed Rule change to the AEMC on the basis that it:

- Promotes good regulatory practice, through its consistent application of the 'causer pays' principle, which the AEMC has previously endorsed;
- Promotes dynamic efficiency by reducing regulatory risk, in that a party making an investment today is not forced to bear costs imposed by future regulatory changes resulting from a subsequent new entrant;
- Promotes dynamic efficiency by implementing appropriate incentives for the type and timing of future investment in energy and FCAS sources; and
- Is superior to the alternative option proposed by the Panel, which requires participants to contract directly for any additional FCAS required as a result of their connection.

# Attachment 1: Draft Chapter 8A Rule Change

## Part 13 – Participant Derogation Granted to Hydro Tasmania to restore Causer Pays Arrangements Subsequent to Tasmanian Frequency Standard Changes

### 1. Scope of Derogation

This *participant derogation* operates to modify or vary the obligations that apply to recovery of local Market Ancillary Services under clause 3.16.6A and information provision under 3.9.2A(b).

### 2. Commencement of Derogation

This *participant derogation* has effect in *trading intervals* following a declaration by ***NEMMCO/AEMO*** of the readiness of *market* systems to implement this *participant derogation*.

### 3. Cessation of Derogation

This *participant derogation* ceases to apply on the day which is 15 years after the commencement date, as defined below.

### 4. Definitions

For the purposes of this derogation:

**Frequency Standard Change** means the …[***name of frequency change rule or order***].

**commencement date** means the day on which the **Frequency Standard Change** commences operation.

**Old Frequency Standard** means the power frequency operating standard applying in Tasmania prior to the **commencement date.**

**NCGU** means a generating unit which:

- is a Market Generating unit;
- is located in Tasmania;
- does not meet the **Old Frequency Standard**; and
- was first registered with NEMMCO after 1 July 2008.

**Additional Requirement** means the difference in local ancillary service requirement calculated in accordance with this derogation 8A Part 13.5.

**Additional Cost** means the increase in local ancillary service cost calculated in accordance with this derogation 8A Part 13.6

## 5. Determination of Additional Local Market Ancillary Services in Tasmania after the commencement date

Where a local ancillary service requirement exists in Tasmania, NEMMCO must compute the Additional Requirement as the difference between the actual local ancillary service requirement in Tasmania in that dispatch interval and the requirement which would arise in that dispatch interval if the Old Frequency Standard were to apply in Tasmania.

NEMMCO must compute the Additional Cost as the product of the ancillary service price for the local market ancillary service for the dispatch interval for Tasmania and the Additional Requirement.

## 6. Cost Recovery for Local Market Ancillary Services in Tasmania after the commencement date

Where NEMMCO determines that there is a non-zero Additional Cost in local ancillary service requirement under this derogation 8A Part 13.5, then NEMMCO must adjust the allocation of ancillary service costs under 3.16.6A in accordance with the following and the information provided under clause 3.9.2A(b). NEMMCO must:

(1) If the Additional Requirement relates to a *fast raise service, slow raise service* or *delayed raise service* then reduce the quantity RTCRSP in clause 3.15.6A(f) by the Additional Cost;

(2) If the Additional Requirement relates to a *fast lower service*, *slow lower service* or *delayed lower service* then reduce the quantity RTCLSP in clause 3.15.6A(g) by the Additional Cost;

(3) For each Market Generator, increase the (negative) magnitude of the Trading Amount by a share of the Additional Cost, pro-rata to the generator energy for that Market Generator's NCGU and the aggregate generator energy for all NCGU. The addition (more negative) to the Trading Amount magnitude is therefore determined in accordance with the following formula:

TAINC = Additional Cost x RGEN/TRGEN x -1

Where:

TAINC (in $) = the increase in magnitude of the Trading Amount, (more negative)

RGEN (in MW) = the sum of the registered capacity of all NCGU of the *Market Generator* for the *trading interval*;

TRGEN (in MW) = the aggregate of the registered capacity for all NCGU for the trading interval;

## Additional Drafting changes to Chapter 3

(Blue lettering is new; black is existing rules)

3.8.1(e2)

(e2) When NEMMCO determines the quantity of each market ancillary service which will be enabled, NEMMCO must determine:

(1) the required quantity of each market ancillary service that may be sourced from any region (referred to as the "global market ancillary service requirement");

(2) any required quantity of such market ancillary service which must only be sourced from one or more nominated regions (referred to as a "local market ancillary service requirement"); and

(3) any increase in the Tasmanian local market ancillary service determined in accordance with clause 8A Part 13.5

3.15.6A

(aa) In the Tasmanian region the Trading Amounts may be adjusted in accordance with clause 8A Part 13.6