



## **Draft National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011**

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 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; 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 Pierce  
Chairman  
Australian Energy Market Commission

## **Draft National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011**

### **1 Title of Rule**

This Rule is the *Draft National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011*.

### **2 Commencement**

This Rule commences operation on [COMMENCEMENT\_DATE].

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

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

### **4 Savings and Transitional Amendments to the National Electricity Rules**

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

## **Schedule 1            Amendments of the National Electricity Rules**

(Clause 3)

### **[1] References to market ancillary service prices in various clauses**

In each of clauses 3.8.24(b), 3.9.2A(d), 3.13.7(e)(3) and 3.13.7(e)(4), omit "*market ancillary service prices*" and substitute "*ancillary service prices*" in each case.

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

In clause 3.9.2B(e)(1), omit "*market ancillary services prices*" and substitute "*ancillary service prices*".

### **[3] Clause 3.9.6A    Application of the Market Floor Price**

In clause 3.9.6A(c), omit "towards" and substitute "away from".

### **[4] Clause 3.14.1    Cumulative Price Threshold and Administered Price Cap**

In clause 3.14.1(a), omit "and *market ancillary service prices*" and substitute ", *dispatch prices* and *ancillary service prices*".

### **[5] Clause 3.14.2    Application of Administered Price Cap**

Omit clause 3.14.2(c) and substitute:

- (c) Each of the following periods is an *administered price period* in a *region*:
  - (1) a *trading interval*, where the sum of the *spot prices* in the previous 336 *trading intervals*, calculated as if this clause did not apply, exceeds the *cumulative price threshold*;
  - (1A) a *dispatch interval*, where the sum of the *ancillary service prices* for a *market ancillary service* in the previous 2016 *dispatch intervals*, calculated as if this clause did not apply, exceeds 6 times the *cumulative price threshold*;
  - (2) a *trading interval* in a *trading day* in which a prior *trading interval* is an *administered price period*;
  - (2A) a *dispatch interval* in a *trading day* in which a prior *dispatch interval* is an *administered price period*; or

(2B) a *dispatch interval* within a *trading interval* that is an *administered price period*.

(3) [Deleted]

**[6] Clause 3.14.2 Application of Administered Price Cap**

In clause 3.14.2(d1), omit "clauses 3.14.2(c)(1), (2) or (3)" and substitute "clauses 3.14.2(c)(1) or (2)".

**[7] Clause 3.14.2 Application of Administered Price Cap**

In clause 3.14.2(d2), omit "for a *market ancillary service*" and substitute "for any *market ancillary service*".

**[8] Clause 3.14.2 Application of Administered Price Cap**

In clause 3.14.2(e)(4), omit "towards" and substitute "away from".

**[9] Clause 3.15.7 Payment to Directed Participants**

In clause 3.15.7(c), omit "*market ancillary service prices*" and substitute "*ancillary service prices*".

**[10] Clause 3.15.10 Administered price, market price cap or market floor price compensation payments**

In clause 3.15.10(c), omit "15 *business days*" and substitute "25 *business days*".

**[11] Clause 9.45.2 Administered Price Cap (clause 3.14.1)**

Omit clause 9.45.2, including the heading, and substitute "[Deleted]".

## **Schedule 2            Savings and Transitional Amendments to the National Electricity Rules**

(Clause 4)

### **[1] Chapter 11            Savings and Transitional Rules**

After Part Z[X], insert:

#### **Part Z[X]    Application and Administration of Administered Price Periods**

#### **11.[xx]    Rules consequential on the making of National Electricity Amendment (Application and Administration of Administered Price Periods) Rule 2011**

##### **11.[xx].1 Definitions**

For the purposes of this rule 11.[xx]:

**Amending Rule** means the National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011.

**APC Schedule** means the schedule the *AEMC* is required to publish under clause 3.14.1(a).

**commencement date** means the date the Amending Rule commences operation.

**First APC Schedule** means the Administered Price Cap Schedule dated 20 May 2008 published by the *AEMC* under clause 3.14.1(a).

##### **11.[xx].2 Administered Price Cap Schedule**

- (a) As soon as practicable, but in any event within 20 *business days* of the commencement date, the *AEMC* must amend the First APC Schedule in accordance with paragraph (b) and publish the amended APC Schedule on its website.
- (b) The *AEMC* must amend the First APC Schedule by:
  - (1) omitting "20 May 2008" and substituting the date on which the amended APC Schedule is published by the *AEMC*;
  - (2) omitting "and market ancillary service prices" and substituting ", *dispatch prices* and *ancillary service prices*";
  - (3) omitting "This schedule will become effective" and substituting "The *administered price cap* specified in this schedule became effective"; and

- (4) including at the end of the Schedule notes to the effect that:
    - (i) the First APC Schedule developed and published by the *AEMC* under clause 3.14.1(a) was dated 20 May 2008; and
    - (ii) the First APC Schedule was varied by the *AEMC* pursuant to the Amending Rule.
  - (c) The requirement in clause 3.14.1(a) that the *AEMC* comply with the *Rules consultation procedures* when developing, authorising and *publishing* a APC Schedule does not apply to amendments made to the APC Schedule in accordance with this clause 11.[xx].2.
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