



Draft National Electricity Amendment (Reliability and Emergency Reserve Trader) Rule 2012

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 (Reliability and Emergency Reserve Trader) Rule 2012

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Reliability and Emergency Reserve Trader) Rule 2012*.

2 Commencement

Schedule 1 of this Rule commences operation on [COMMENCEMENT_DATE].

Schedules 2 and 3 of this Rule commence operation on 1 July 2016.

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.

5 Savings and Transitional Amendments to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

**[1] Clause 3.20.1 Expiry of reliability and emergency
reserve trader**

Omit clause 3.20.1, excluding the heading, and substitute "This rule 3.20 expires on 30 June 2016."

**[2] Clause 3.20.9 Review of reliability and emergency
reserve trader**

Omit clause 3.20.9, including the heading, and substitute "[Deleted]".

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 3.8.14 Dispatch under conditions of supply scarcity

Omit clause 3.8.14(a) and substitute:

- (a) subject to any adjustments which may be necessary to implement action under paragraph (c), all valid *dispatch bids* and *dispatch offers* submitted by *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* are *dispatched*, including those priced at the *market price cap*; and

[2] Clause 3.8.14 Dispatch under conditions of supply scarcity

Omit clause 3.8.14(b) and substitute "[Deleted]".

[3] Clause 3.9.3A Reliability standard and reliability settings review

In clause 3.9.3A(d)(1), omit "powers to intervene under clauses 3.20.7(a) and 4.8.9(a)" and substitute "power to intervene under clause 4.8.9(a)".

[4] Clause 3.15.9 Reserve settlements

Omit clause 3.15.9, including the heading, and substitute "[Deleted]".

[5] Clause 3.15.10C Intervention Settlements

After clause 3.15.10C(b), insert:

- (b1) For the purposes of settlement amounts payable under clause 3.12.3:
 - (1) included in the statements to be provided under clauses 3.15.14 and 3.15.15, *AEMO* must give each *Market Participant* a statement setting out any amounts determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of the relevant *billing period*; and
 - (2) for the purposes of clause 3.15.19, a determination by an independent expert under clause 3.12.3 is to be taken to be an agreement between *AEMO* and each of the *Market Participants* and *Scheduled Generators*.

[6] Clause 3.20 Reliability and emergency reserve trader

Omit rule 3.20, including the heading, and substitute "[Deleted]".

[7] Clause 4.3.1 Responsibility of AEMO for power system security

In clause 4.3.1(1), omit "and, if necessary, initiate action in relation to a *relevant AEMO intervention event*"

[8] Clause 4.8.5B Notifications of last time of AEMO intervention

In clause 4.8.5B, omit ", taking into account *relevant AEMO intervention events*, "

[9] Clause 4.8.5B Notifications of last time of AEMO intervention

Omit clause 4.8.5B(1) and substitute

- (1) *publish* a notice that *AEMO* intends to implement an *AEMO intervention event*; and

[10] Chapter 10 Omitted definitions

In Chapter 10, omit the following definitions:

activate, activated, activation

The operation of a *generating unit* (other than a *scheduled generating unit*) at an increased *loading level* or reduction in demand (other than a *scheduled load*) undertaken in response to a request by *AEMO* in accordance with an *unscheduled reserve contract*.

relevant AEMO intervention event

A *AEMO intervention event* that involves the exercise of the *reliability and emergency reserve trader* in accordance with rule 3.20 as referred to in paragraph (b) of the definition of *AEMO intervention event*.

reliability and emergency reserve trader (RERT)

The actions taken by *AEMO* as referred to in clause 3.20.2, in accordance with rule 3.20, to ensure reliability of *supply*.

RERT guidelines

The guidelines developed and published by the *Reliability Panel* under clause 3.20.8.

RERT principles

The principles referred to in clause 3.20.2(b).

reserve contract

A *scheduled reserve contract* or an *unscheduled reserve contract*.

scheduled reserve contract

A contract entered into by *AEMO* for the provision of *scheduled reserve* in accordance with rule 3.20.

unscheduled reserve contract

A contract entered into by *AEMO* for the provision of *unscheduled reserve* in accordance with rule 3.20.

[11] Chapter 10 Substituted definitions

In Chapter 10, substitute the following definitions:

AEMO intervention event

An event where *AEMO* intervenes in the *market* under the *Rules* by issuing a *direction* in accordance with clause 4.8.9.

Affected Participant

In respect of a particular *direction* in an *intervention price trading interval*:

- (a) a *Scheduled Generator* or *Scheduled Network Service Provider*:
 - (1) which was not the subject of the *direction*, that had its *dispatched* quantity affected by that *direction*; or
 - (2) which was the subject of the *direction*, that had its *dispatched* quantity for other *generating units* or other services which were not the subject of that *direction* affected by that *direction*, however, the *Scheduled Generator* or *Scheduled Network Service Provider* is only an *Affected Participant* in respect of those *generating units* and services which were not the subject of that *direction*; or
- (b) an *eligible person* entitled to receive an amount from *AEMO* pursuant to clause 3.18.1(b)(1) where there has been a change in flow of a *directional interconnector*, for which the *eligible person* holds units for the *intervention price trading interval*, as a result of the *direction*.

dispatch

The act of initiating or enabling all or part of the response specified in a *dispatch bid*, *dispatch offer* or *market ancillary service offer* in respect of a *scheduled generating unit*, *semi-scheduled generating unit*, a *scheduled load*, a *scheduled network service*, an *ancillary service generating unit* or an *ancillary service load* in accordance with rule 3.8 or a *direction*, as appropriate.

[12] Chapter 11 Part ZA

Omit Part ZA of Chapter 11, including the heading, and substitute "[Deleted]".

Schedule 3 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] Reliability and Emergency Reserve Trader (2012 amendments)

11.xx Rules consequential on the making of National Electricity Amendment (Reliability and Emergency Reserve Trader) Rule 2012

11.xx.1 Definitions

For the purposes of this rule 11.xx:

Amending Rule means the National Electricity Amendment (Reliability and Emergency Reserve Trader) Rule 2012.

commencement date means the date Schedule 2 of the Amending Rule commences operation.

old clause 3.15.9 means clause 3.15.9 of the *Rules* as in force immediately before the commencement date.

11.xx.2 Reserve settlements

The old clause 3.15.9 continues to apply to the settlement of amounts payable or receivable by *AEMO* under *reserve contracts* before the commencement date, and not recovered as at the commencement date, until all such amounts have been settled in accordance with that clause.