

National Electricity Rules Version 44

Information

This draft version of the National Electricity Rules includes the following amendment:

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

This version of the National Electricity Rules is provided for information purposes only and contains only those sections of Chapter 3 that will be amended by the above draft Rule.

3.8.24 Scheduling errors

- (b) *Spot prices* and ancillary service prices will not be adjusted due to the occurrence of a *scheduling error* except where the *scheduling error* arises through the application of clause 3.9.2B.

Deleted: market ancillary service prices

3.9.2A Determination of ancillary services prices

- (d) If a test is being conducted on a *generating unit* or *scheduled load* in accordance with clause 3.11.7 and for the purpose of conducting that test, the *generating unit* or *scheduled load* is excluded from *central dispatch*, then that *generating unit* or *scheduled load* cannot be used to set ancillary service prices.

Deleted: market ancillary service prices

3.9.2B Pricing where AEMO determines a manifestly incorrect input

- (e) Where AEMO determines an affected *dispatch interval*, AEMO must:
- (1) replace all *dispatch prices* and ancillary service prices with the corresponding prices for the last correct *dispatch interval*; and
 - (2) recalculate, in accordance with clause 3.9.2(h), and adjust all *spot prices* relevant to each affected *dispatch interval*.

Deleted: market ancillary services prices

3.9.6A Application of the Market Floor Price

- (c) If the *dispatch price* at any *regional reference node* is set to the *market floor price* under clause 3.9.6A then *dispatch prices* at all other *regional reference nodes* connected by a *regulated interconnector* or *regulated interconnectors* that have an *energy flow* away from that *regional reference node* must be equal to or greater than the product of *market floor price* multiplied by the average *loss factor* for that *dispatch interval* between that *regional reference node* and the *regional reference node* at which *dispatch prices* have been set to the *market floor price* in accordance with clause 3.9.6A.

Deleted: towards

3.13.7 Monitoring of significant variation between forecast and actual prices by AER

(e) Where

- (1) prices at a *regional reference node* for a *market ancillary service* over a period significantly exceed the relevant *spot price* for energy; and
- (2) prices for that *market ancillary service* exceed \$5,000 for a number of *trading intervals* within that period,

the AER must prepare and *publish* a report which:

- (3) describes the significant factors that contributed to the ancillary service prices exceeding \$5,000/MWh;
- (4) identifies any linkages between *spot prices* in the *energy market* and ancillary service prices contributing to the occurrence; and
- (5) assesses whether *rebidding* pursuant to clause 3.8.22 contributed to prices exceeding \$5,000/Mwh.

Deleted: market ancillary service prices

Deleted: market ancillary service prices

3.14 Administered Price Cap and Market Suspension

3.14.1 Cumulative Price Threshold and Administered Price Cap

- (a) In conjunction with each *participating jurisdiction*, and after consulting *Market Participants* in accordance with the *Rules consultation procedures*, the AEMC must develop, authorise and *publish* and may vary from time to time a schedule to specify an *administered price cap* for each *region* to apply to *spot prices*, dispatch prices and ancillary service prices and to be used as described in this rule 3.14.

Deleted: and market ancillary service prices

Formatted: Font: Italic

Formatted: Font: Italic

Formatted: Indent: Left: 3 cm

Deleted: (c) A trading interval is to be an administered price period if in a region:

(1) the sum of the spot price in the previous 336 trading intervals, calculated as if this clause did not apply, exceeds the cumulative price threshold;

(1A) the sum of the ancillary service price 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) the trading interval occurs in a trading day in which a prior trading interval is an administered price period under this clause 3.14.2; or

(3) the previous trading interval was an administered price period and in AEMO's opinion one or more trading intervals in the next business day will be an administered price period and AEMO deems, with the consent of the AER, the trading interval to be an administered price period.

3.14.2 Application of Administered Price Cap

(a) [Deleted]

- (b) AEMO must immediately notify all *Market Participants* of the commencement and closing of an *administered price period* under rule 3.14.

(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]

(d) During an *administered price period* the procedures for PASA, dispatch, spot price and ancillary service price determination are to continue in accordance with the provisions of the Rules.

(d1) If, within an *administered price period* triggered because of clauses 3.14.2(c)(1) or (2) in relation to energy, the *dispatch price* for the region identified in clause 3.14.2(c) calculated as if this clause 3.14.2(d1) did not apply:

Deleted: clauses 3.14.2(c)(1), (2) or (3)

(1) exceeds the *administered price cap*, then AEMO must set the *dispatch price* to the *administered price cap*; or

(2) is less than the *administered floor price*, AEMO must set the *dispatch price* to the *administered floor price*.

(d2) If within an *administered price period* an *ancillary service price* for any market ancillary service for the region identified in clause 3.14.2(c) calculated as if this clause 3.14.2(d2) did not apply exceeds the *administered price cap*, then AEMO must set that *ancillary service price* to the *administered price cap*.

Deleted: for a market ancillary service

Formatted: Font: Italic

(e) If during an *administered price period* the *dispatch price*:

(1) **[Deleted]**

(2) at any *regional reference node* is set to the *administered price cap* under clause 3.14.2, the *dispatch prices* at all other *regional reference nodes* connected by a *regulated interconnector* or *regulated interconnectors* that have an energy flow towards that *regional reference node* must not exceed the product of the *administered price cap* multiplied by the average *loss factor* for that *dispatch interval* between that *regional reference node* and the *regional reference node* at which *dispatch prices* have been set to the *administered price cap* determined in accordance with clause 3.14.2(e)(5).

(3) **[Deleted]**

- (4) at any *regional reference node* is set to the *administered floor price* under clause 3.14.2, then *dispatch prices* at all other *regional reference nodes connected by a regulated interconnector or regulated interconnectors* that have an *energy flow away from* that *regional reference node* must be equal to or greater than ~~the product of the~~ *administered floor price* multiplied by the *average loss factor* for that *dispatch interval* between that *regional reference node* and the *regional reference node* at which *dispatch prices* have been set to the *administered floor price* determined in accordance with clause 3.14.2(e)(5).
- (5) *AEMO* must determine the *average loss factors* applicable to clause 3.14.2(e)(2) and 3.14.2(e)(4) by reference to the *inter-regional loss factor* equations relating to the relevant *regulated interconnector*.

Deleted: towards

3.15.7 Payment to Directed Participants

- (c) Subject to clause 3.15.7(d) and clause 3.15.7B, the compensation payable to each *Directed Participant* for the provision of *energy* or *market ancillary services* pursuant to a *direction* is to be determined in accordance with the formula set out below

$$\text{DCP} = \text{AMP} \times \text{DQ}$$

where:

DCP = the amount of compensation the *Directed Participant* is entitled to receive;

AMP = the price below which are 90% of the *spot prices* or ~~ancillary service prices~~ (as the case may be) for the relevant service provided by *Scheduled Generators, Semi-Scheduled Generators, Scheduled Network Service Providers* or *Market Customers* in the *region* to which the *direction* relates, for the 12 months immediately preceding the *trading day* in which the *direction* was issued; and

Deleted: market ancillary service prices

DQ = is either:

- (A) the difference between the total *adjusted gross energy* delivered or consumed by the *Directed Participant* and the total *adjusted gross energy* that would have been delivered or consumed by the *Directed Participant* had the *direction* not been issued; or
- (B) the amount of the relevant *market ancillary service* which the *Directed Participant* has been *enabled* to

provide in response to the *direction*.

3.15.10 Administered price, market price cap or market floor price compensation payments

- (c) Within 25 business days of being notified by the *AEMC* that compensation is to be paid to a *Scheduled Generator, Market Participant* which submitted a *dispatch bid* or *Scheduled Network Service Providers* in accordance with clause 3.14.6, *AEMO* shall include in statements provided under clauses 3.15.14 and 3.15.15 separate details of any amounts payable by or to *Market Participants* as determined in accordance with this clause 3.15.10.

Deleted: 15 business days

Formatted: Font: Italic
