



## **Draft National Electricity Amendment (Small Generation Aggregator Framework) 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 (Small Generation Aggregator Framework) Rule 2012**

### **1 Title of Rule**

This Rule is the *Draft National Electricity Amendment (Small Generation Aggregator Framework) Rule 2012*.

### **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 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.

### **6 Notes**

Notes do not form part of this Rule except for the note in Schedule 1 item [1].

## Schedule 1      Amendment to the National Electricity Rules

(Clause 3)

### [1] Clause 2.2.1      Registration as a Generator

After clause 2.2.1(c), insert:

#### Note

A person who is exempt from registration as a *Generator*, may register with AEMO as a *Small Generation Aggregator* under Rule 2.3A.

### [2] New Rule 2.3A      Small Generation Aggregator

After clause 2.3.5(i), insert:

#### 2.3A      Small Generation Aggregator

##### 2.3A.1      Registration

- (a) A person who intends to supply electricity from one or more *small generating units* to a *transmission or distribution system* may, upon application for registration by that person in accordance with rule 2.9, be registered by AEMO as a *Small Generation Aggregator*.
- (b) To be eligible for registration as a *Small Generation Aggregator*, a person must satisfy AEMO that the person intends to classify, within a reasonable amount of time, one or more *small generating units* each as a *market generating unit*, with each *market generating unit* having a separate *connection point*.
- (c) A person must not engage in the activity of selling electricity directly to the *market* at any *connection point*, unless that person is registered by AEMO as a *Market Participant* and that *connection point* is classified as one of that person's *market connection points*.
- (d) A person must not classify its electricity supplied at any *connection point* unless the person satisfies the requirements of the *participating jurisdiction* in which the *connection point* is situated so that (subject to compliance with the *Rules*) the person is permitted to supply electricity in the *spot market* in relation to that *connection point*.
- (e) A *Market Small Generation Aggregator* must classify each *small generating unit* as a *market generating unit*, with each *market generating unit* having a separate *connection point*.
- (f) A *Market Small Generation Aggregator's* activities only relate to *small generating units* it has classified as *market generating units*,

and only while it is also registered with *AEMO* as a *Small Generation Aggregator*.

- (g) A *Market Small Generation Aggregator* must sell *allsent out generation* through the *spot market* and accept payments from *AEMO* for *allsent out generation* at the *spot price* applicable at the *connection point* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

**Note**

The *AEMC* proposes to recommend to the *Standing Committee of Energy and Resources* that this clause be classified as a civil penalty provision under the National Electricity (South Australia) Regulations.

- (h) A *Market Small Generation Aggregator* must purchase all electricity *supplied* through the *national grid* to the *Market Small Generation Aggregator* at that *connection point* from the *spot market* and make payments to *AEMO* for such electricity *supplied* at the *connection point* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

**Note**

The *AEMC* proposes to recommend to the *Standing Committee of Energy and Resources* that this clause be classified as a civil penalty provision under the National Electricity (South Australia) Regulations

**[3] Clause 2.4.1 Registration as a category of Market Participant**

After clause 2.4.1(a)(1), insert:

(1A) *Market Small Generation Aggregator*;

**[4] Clause 2.4.2 Eligibility**

In clause 2.4.2(c)(2), omit "or".

**[5] Clause 2.4.2 Eligibility**

After clause 2.4.2(c)(2), insert:

(2A) as a *Small Generation Aggregator*, for registration as a *Market Small Generation Aggregator*; or

**[6] Clause 2.10.1 Notification of intention**

In clause 2.10.1(d)(2), omit "supplied" and substitute "*supplied*".

**[7] Clause 2.10.1 Notification of intention**

After clause 2.10.1(d), insert:

- (d1) *AEMO* may reject a notice from a *Market Small Generation Aggregator* that it wishes to terminate its classification of a *small generating unit* as a *market generating unit*, or otherwise cease to be a *Market Small Generation Aggregator* in relation to any of its *market generating units*, unless *AEMO* is satisfied that:
- (1) another person has classified the *small generating unit* as one of its *market generating units* and is registered as a *Market Small Generation Aggregator*;
  - (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments with *AEMO* for electricity supplied to the *connection points* of the *market generating units*; or
  - (3) the *small generating unit* at that *connection point* will be *disconnected* on and from the date specified in the notice, and, after having regard to any relevant guidelines and procedures specified by the relevant *participating jurisdictions* to *AEMO*, that *disconnection* is appropriate.

**[8] Rule 2.12 Interpretation of References to Various Registered Participants**

After Rule 2.12(b)(1), insert:

- (1A) a "*Small Generation Aggregator*" applies to a person registered as a "*Small Generation Aggregator*" only in so far as it is applicable to matters connected with the person's *small generating units* or *market generating units*;

**[9] Rule 2.12 Interpretation of References to Various Registered Participants**

After Rule 2.12(b)(7)(i), insert:

- (i1) where that person is registered as a *Market Small Generation Aggregator*, in so far as it is applicable to matters connected with the person's *market generating units*; and

**[10] Clause 3.6.3 Distribution losses**

In clause 3.6.3(b1), after "*Generator*", insert ", or a *Small Generation Aggregator*".

**[11] Clause 3.13.14 Carbon Dioxide Equivalent Intensity Index**

After clause 3.13.14(a), insert:

- (a1) For the purposes of this clause, references to *market generating units* are not taken to include a *small generating unit*.

### **[12] New clause 5A.A.3      Market Small Generation Aggregator deemed to be agent of a retail customer**

After clause 5A.A.2, insert

#### **5A.A.3      Small Generation Aggregator deemed to be agent of a retail customer**

A *Market Small Generation Aggregator* is deemed to be the agent of a retail customer, where there is an agreement between the retail customer and the *Market Small Generation Aggregator* relating to the retail customer's *small generating unit* under which the *Market Small Generation Aggregator* will be *financially responsible* for the *market connection point* at which the *small generating unit* is connected to.

#### **Note**

Chapter 5A was introduced to the *Rules* on the commencement of the National Energy Customer Framework which refers to a national arrangement that governs the sale and supply of electricity and natural gas to retail customers from 1 July 2012. Initially, the framework will not apply in all states and territories from 1 July 2012. The framework includes provisions for *connection* arrangements between retail customers and *Distribution Network Service Providers*.

### **[13] Clause 7.3.1      Requirements for metering installations for non-market generating units**

Omit the clause heading and substitute "Requirements for small generating units classified as market generating units or generating units classified as non-market generating units".

### **[14] Clause 7.3.1      Requirements for metering installations for non-market generating units**

In clause 7.3.1(i), after "*metering installation*", insert "for a *small generating unit* classified as a *market generating unit* or"

### **[15] Clause 8.2.1      Application and guiding principles**

After clause 8.2.1(h)(5B), insert:

- (5C) a decision by *AEMO* to reject a notice from a *Market Small Generation Aggregator* under clause 2.10.1(d1);

## Schedule 2      Amendment to the National Electricity Rules

(Clause 4)

### [1] Chapter 10      New definitions

In Chapter 10, insert the following definitions in alphabetical order:

#### *Market Small Generation Aggregator*

A person who:

- (a) has classified one or more *small generating unit* as a *market generating unit*; and
- (b) is registered by *AEMO* as a *Market Small Generation Aggregator* under Chapter 2.

#### *small generating unit*

A *generating unit* that:

- (a) has a *nameplate rating* that is less than 30MW; and
- (b) meets all of the criteria for a person who owns or controls or operates that *generating unit* to be exempt from the requirement to register as a *Generator*, subject to conditions as *AEMO* deems appropriate in accordance with clause 2.2.1(c).

#### *Small Generation Aggregator*

A person who:

- (a) intends to supply, or supplies, electricity from one or more *small generating units* that are connected to a *transmission or distribution system*; and
- (b) is registered by *AEMO* as a *Small Generation Aggregator* under Chapter 2.

### [2] Chapter 10      Substituted definitions

In Chapter 10, substitute the following definitions:

#### *generating unit*

The actual generator of electricity and all the related equipment essential to its functioning as a single entity. A *generating unit* includes a *small generating unit*.

***Market Participant***

A person who is registered by *AEMO* as a *Market Generator*, *Market Customer*, *Market Small Generation Aggregator* or *Market Network Service Provider* under Chapter 2.

## Schedule 3 Savings and Transitional Amendments to the National Electricity Rules

(Clause 5)

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

After rule [XX], insert:

#### [Part XX] Small Generation Aggregator Framework

#### 11.[XX] Rules consequential on the making of the National Electricity Amendment (Small Generation Aggregator Framework) Rule 2012

##### 11.[XX].1 Definitions

In this rule 11.[XX]:

**Amending Rule** means the National Electricity Amendment (Small Generation Aggregator Framework) Rule 2012.

**commencement date** means the date of commencement of the Amending Rule.

**customer energy** has the same meaning in clause 3.15.6A(o)(3).

**generator energy** has the same meaning in clause 3.15.6A(o)(1).

##### 11.[xx].2 Purpose

The purpose of this rule 11.[xx] is to provide transitional arrangements for *AEMO's* required procedural and system amendments under the *Rules* so that a *Market Small Generation Aggregator* can participate in the *National Electricity Market* for *small generating units*.

##### 11.[xx].3 Amendments to Participant fees

- (a) Until *AEMO* develops, reviews and *publishes* a revised structure of *Participant fees* under rule 2.11, in the *Participant fees* document titled "Structure of Participant Fees under rule 2.11 of the National Electricity Rules" dated 21 March 2011, references to *Market Customer* will be taken to include *Market Small Generation Aggregators*.
- (b) In developing, reviewing and *publishing* a revised structure of *Participant fees* under rule 2.11, *AEMO* must take into account the Amending Rule.

#### **11.[xx].4 Amendments to the carbon dioxide equivalent intensity index procedures**

- (a) As soon as practicable after the commencement date, *AEMO* must develop, amend and publish the *carbon dioxide equivalent intensity index procedures* so that references to *market generating units* are not taken to include a *small generating unit*.
- (b) In developing, amending and publishing the *carbon dioxide equivalent intensity index procedures* under paragraph (a), *AEMO*:
  - (1) is not required to comply with the *Rules consultation procedures*; and
  - (2) must publish the amended procedures by making it available on its web site.

#### **11.[xx].5 Amendments to ancillary service transactions**

- (a) Until *AEMO* implements an update to its process, software or algorithm in regards to the determination by *AEMO* of ancillary service transactions referred to in clause 3.15.6A, references to:
  - (1) *Market Customer* will be taken to include *Market Small Generation Aggregator*; and
  - (2) customer energy will be taken to include generator energy of the relevant *Market Small Generation Aggregator*.
- (b) In implementing the update to its process, software or algorithm under paragraph (a), *AEMO*:
  - (1) must take into account the Amending Rule; and
  - (2) must *publish* a notice that its process, software or algorithm has been revised to take into account the Amending Rule.

#### **11.[xx].6 Amendments of procedures in the Metering Chapter**

- (a) As soon as practicable after the commencement date, *AEMO* must amend the *metrology procedures* so that references to "*Generator*" include "*Market Small Generation Aggregator*".
- (b) In amending the *metrology procedures* under paragraph (a), *AEMO*:
  - (1) is not subject to, or required to comply with, clause 7.1.4(a) and (b);
  - (2) is not required to comply with the *Rules consultation procedures*; and

- (3) must *publish* a notice that the *metrology procedures* has been amended to take into account the Amending Rule.

**11.[xx].6 Amendments to the Market Settlement and Transfer Solution Procedures**

- (a) As soon as practicable after the commencement date, *AEMO* must amend and *publish* the *Market Settlement and Transfer Solution Procedures* to take into account the requirements of the Amending Rule.
- (b) If, prior to the commencement date, and for the purposes of developing the *Market Settlement and Transfer Solution Procedures* in anticipation of the Amending Rule, *AEMO* undertook a consultation, step, decision or action equivalent to that as required in the *Rules consultation procedures*, then that consultation, step, decision or action is taken to satisfy the equivalent consultation, step, decision or action under the *Rules consultation procedures*.

**11.[xx].7 Prior consultation, step, decision or action taken by AEMO**

If, prior to commencement date, and in anticipation of the Amending Rule, *AEMO* made a consultation, step, decision or action other than that required under the *Rules consultation procedures*, that decision or action is taken to satisfy the equivalent decision or action under the Rules.

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