



Draft National Electricity Amendment (Governance arrangements and implementation of the reliability standard and settings) Rule 2014

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (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 (Governance arrangements and implementation of the reliability standard and settings) Rule 2014

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Governance arrangements and implementation of the reliability standard and settings) Rule 2014*.

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 Amendment of the National Electricity Rules

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

6 Amendment of the National Electricity Rules

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

7 Amendment of the National Electricity Rules

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

8 Savings and Transitional Amendments to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 6.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.7.1 Administration of PASA

Omit clause 3.7.1(c)(3) and substitute:

- (3) following analysis and assessment of the information referred to in subparagraphs (1) and (2), *publish* information that will inform the *market* regarding forecasts of *supply* and demand.

[2] Clause 3.7.1 Administration of PASA

Omit clause 3.7.1(d) and substitute:

- (d) *AEMO* must use its reasonable endeavours to ensure that it publishes sufficient information to allow the *market* to operate effectively with a minimal amount of intervention by *AEMO*.

[3] Clause 3.7.2 Medium term PASA

In clause 3.7.2(b), omit "*publish*" and substitute "publish".

[4] Clause 3.7.2 Medium term PASA

In clause 3.7.2(b), omit "and should be communicated to *Registered Participants*".

[5] Clause 3.7.2 Medium term PASA

Omit clause 3.7.2(c)(2) and substitute "[Deleted]".

[6] Clause 3.7.2 Medium term PASA

Omit clause 3.7.2(f)(1A) and substitute "[Deleted]".

[7] Clause 3.7.2 Medium term PASA

Omit clause 3.7.2(f)(6)(ii) and substitute:

- (ii) any projected failure to meet the *reliability standard* as assessed in accordance with the *reliability standard implementation guidelines*;

[8] Clause 3.7.2 Medium term PASA

Omit clause 3.7.2(f)(6)(iii) and substitute "[Deleted]".

[9] Clause 3.7.2 Medium term PASA

Omit clause 3.7.2(g) and substitute:

- (g) *AEMO* must publish the procedure it uses for preparation of the *medium term PASA*.

[10] Clause 3.7.3 Short term PASA

In clause 3.7.3(c), omit "and should be communicated to *Registered Participants*".

[11] Clause 3.7.3 Short term PASA

Omit clause 3.7.3(d)(2) and substitute "[Deleted]".

[12] Clause 3.7.3 Short term PASA

Omit clause 3.7.3(h)(5)(ii) and substitute:

- (ii) any projected failure to meet the *reliability standard* as assessed in accordance with the *reliability standard implementation guidelines*;

[13] Clause 3.7.3 Short term PASA

Omit clause 3.7.3(h)(5)(iii) and substitute "[Deleted]".

[14] Clause 3.7.3 Short term PASA

Omit clause 3.7.3(i) and substitute:

- (i) If in performing the *short term PASA* *AEMO* identifies any projected failure to meet the *reliability standard* in respect of a *region* as assessed in accordance with the *reliability standard implementation guidelines*, then *AEMO* must use its reasonable endeavours to advise the *Jurisdictional System Security Coordinator* who represents a *participating jurisdiction* in that *region* of any potential requirements during such conditions to shed *sensitive loads*.

[15] Clause 3.7.3 Short term PASA

Omit clause 3.7.3(j) and substitute:

- (j) *AEMO* must publish the procedure it uses for preparation of the *short term PASA*.

[16] Clause 3.8.1 Central Dispatch

In clause 3.8.1(b)(4), omit "*and reliability*".

[17] Clause 3.8.1 Central Dispatch

In clause 3.8.1(b)(10) omit the second occurrence of "data".

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

Omit clause 3.9.3A, including the heading and substitute:

3.9.3A Reliability standard and settings review

Reliability standard and settings guidelines

- (a) The *Reliability Panel* must develop, publish and may amend from time to time, guidelines (the *reliability standard and settings guidelines*) that set out the principles and assumptions that the *Reliability Panel* will use in conducting the *reliability standard and settings review*.
- (b) The *Reliability Panel* must develop and amend the *reliability standard and settings guidelines* in accordance with the *Rules consultation procedures*.
- (c) There must be *reliability standard and settings guidelines* in force at all times after the date on which the *Reliability Panel* publishes the first *reliability standard and settings guidelines* under these *Rules*.

Conducting the reliability standard and settings review

- (d) By 30 April of each fourth year (with the first four year period ending in 2014), the *Reliability Panel* must:
 - (1) conduct the *reliability standard and settings review* in accordance with the *Rules consultation procedures* and this clause; and
 - (2) publish a report in accordance with clause 3.9.3B on the *reliability standard* and *reliability settings* that it recommends should apply on and from 1 July in the year commencing 2 years after the year in which the report is published.

Requirements for reliability standard and settings review

- (e) In conducting the *reliability standard and settings review* the *Reliability Panel*:
 - (1) must comply with the *reliability standard and setting guidelines*;
 - (2) must have regard to any terms of reference for the review provided by the *AEMC* under clause 8.8.3(c);
 - (3) must have regard to the potential impact of any proposed change to a *reliability setting* on:
 - (i) *spot prices*;

- (ii) investment in the *National Electricity Market*;
 - (iii) the *reliability* of the *power system*; and
 - (iv) *Market Participants*;
- (4) must have regard to any value of customer reliability determined by *AEMO* which the *Reliability Panel* considers to be relevant; and
- (5) may take into account any other matters specified in the *reliability standards and setting guidelines* or which the *Reliability Panel* considers relevant.
- (f) The *Reliability Panel* may only recommend a *market price cap* or *cumulative price threshold* which the *Reliability Panel* considers will:
- (1) allow the *reliability standard* to be satisfied without use of *AEMO*'s powers to intervene under clauses 3.20.7(a) and 4.8.9(a); and
 - (2) in conjunction with other provisions of the *Rules*, not create risks which threaten the overall integrity of the *market*.
- (g) If the *Reliability Panel* is of the view that a decrease in either the *market price cap* or the *cumulative price threshold* may mean the *reliability standard* is not maintained, the *Reliability Panel* may only recommend such a decrease where it has considered any alternative arrangements necessary to maintain the *reliability standard*.
- (h) The *Reliability Panel* may only recommend a *market floor price* which the *Reliability Panel* considers will:
- (1) allow the *market* to clear in most circumstances; and
 - (2) not create substantial risks which threaten the overall stability and integrity of the *market*.
- (i) The *Reliability Panel* must submit to the *AEMC* any *Rule* change proposal that results from a review under this clause as soon as practicable after the review is completed.

[19] Clause 3.9.3B Reliability standard and settings review report

Omit clause 3.9.3B, including the heading and substitute:

3.9.3B Reliability standard and settings review report

A report of the findings of the *Reliability Panel* in a review under clause 3.9.3A must set out the *Reliability Panel's* conclusions and its recommendations in relation to:

- (a) the *reliability standard*;
- (b) the level of the *reliability settings*;
- (c) the manner of indexing the *market price cap* and the *cumulative price threshold*;
- (d) supporting information including:
 - (1) a description of how the *Reliability Panel* has conducted the review in accordance with the *reliability standard and setting guidelines*;
 - (2) how the *Reliability Panel* has taken into account any terms of reference for the review provided by the *AEMC* under clause 8.8.3(c);
 - (3) details of all relevant *market* conditions and circumstances on which its recommendation is based (if not specified under subparagraph (d)(1)); and
 - (4) an assessment of whether the level of the *market price cap* together with the operation of the *cumulative price threshold* have achieved the objectives set out in clause 3.9.3A(f).

[20] New Clause 3.9.3C Reliability standard

After clause 3.9.3B, insert:

3.9.3C Reliability standard

- (a) The *reliability standard* for *generation* and *inter-regional transmission elements* in the *national electricity market* is a maximum expected *unserved energy (USE)* in a *region* of 0.002% of the total *energy* demanded in that *region* for a given *financial year*.
- (b) For the purposes of paragraph (a) *unserved energy* is to:
 - (1) include *unserved energy* associated with *power system reliability* incidents that result from:
 - (i) a single *credible contingency event* on a *generating unit* or an *inter-regional transmission element*, that may occur concurrently with *generating unit* or *inter-regional transmission element outages*; or

- (ii) delays to the construction or commissioning of new *generating units* or *inter-regional transmission elements*, including delays due to industrial action or acts of God; and
- (2) exclude *unserved energy* associated with *power system security* incidents that result from:
 - (i) multiple *contingency events* or *non-credible contingency events* on a *generating unit* or an *inter-regional transmission element*, that may occur concurrently with *generating unit* or *inter-regional transmission element outages*;
 - (ii) *outages* of *transmission network* or *distribution network* elements that do not significantly impact the ability to transfer *power* into the *region* where the USE occurred; or
 - (iii) industrial action or acts of God at existing *generating facilities* or *inter-regional transmission facilities*.

[21] New Clause 3.9.3D Implementation of the reliability standard

After new clause 3.9.3C, insert:

3.9.3D Implementation of the reliability standard

- (a) *AEMO* must develop, publish and amend from time to time *reliability standard implementation guidelines* that set out how *AEMO* will implement the *reliability standard* .
- (b) The *reliability standard implementation guidelines* must include, without limitation, the approach *AEMO* will use and the assumptions it will make in relation to:
 - (1) demand for electricity;
 - (2) *reliability* of existing and future *generation*;
 - (3) *intermittent generation*
 - (4) *energy constraints*;
 - (5) the treatment of extreme weather events; and
 - (6) *network constraints*.

- (c) *AEMO* must develop and amend the *reliability standard implementation guidelines* in consultation with the *Reliability Panel*, *Registered Participants* and other interested persons in accordance with the *Rules consultation procedures*.
- (d) There must be *reliability standard implementation guidelines* in force at all times after the date on which *AEMO* publishes the first *reliability standard implementation guidelines* under these *Rules*.
- (e) *AEMO* must review the *reliability standard implementation guidelines* at least once every four years. *AEMO* must conduct the review in consultation with the *Reliability Panel*, *Registered Participants* and other interested persons in accordance with the *Rules consultation procedures*.

[22] Clause 3.9.4 Market Price Cap

Omit clause 3.9.4(b) and substitute:

- (b) The value of the *market price cap* for each *financial year* is the dollar amount per MWh calculated by the *AEMC* under paragraph (c).

[23] Clause 3.9.4 Market Price Cap

In clause 3.9.4(d), after “\$12,500/MWh” in the definition of “*BV_{MPC}*” insert “(being the value of the *market price cap* prior to 1 July 2012)”

[24] Clause 3.11.1 Introduction

Omit clause 3.11.1(c)(2)(ii) and substitute:

- (ii) in the circumstances contemplated in clause 3.11.3(c), by *AEMO* under *ancillary services agreements* entered into following a call for offers made in accordance with rule 3.11 to meet a *NSCAS gap* only for *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*,

[25] Clause 3.11.3 Acquisition of Network Support and Control Ancillary Services

Omit clause 3.11.3(c)(2), and substitute:

- (2) considers it is necessary to acquire *NSCAS* to meet the relevant *NSCAS gap* to prevent an adverse impact on *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*,

[26] Clause 3.11.6 Dispatch of non-market ancillary services by AEMO

Omit clause 3.11.6(a), and substitute:

- (a) For the avoidance of doubt, *AEMO* may dispatch *NSCAS* to:
 - (1) maintain *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*; and
 - (2) maintain or increase the *power transfer capability* of that *transmission network* so as to maximise the present value of net economic benefit to all those who produce, consume or transport electricity in the *market*,

but *AEMO* may only call for offers to acquire *NSCAS* to maintain *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*.

[27] Clause 3.14.1 Cumulative Price Threshold and Administered Price-Cap

Omit clause 3.14.1(a), and substitute:

- (a) The *administered price cap* for each *region* is \$300/MWh.

[28] Clause 3.14.1 Cumulative Price Threshold and Administered Price-Cap

In clause 3.14.1(b), omit "and to be used as described in clause 3.14.2 will be" and substitute "is".

[29] Clause 3.14.1 Cumulative Price Threshold and Administered Price Cap

Omit clause 3.14.1(c) and substitute:

- (c) The *cumulative price threshold* for each *financial year* is the dollar amount calculated by the *AEMC* under paragraph (d).

[30] Clause 3.14.1 Cumulative Price Threshold and Administered Price Cap

In clause 3.14.1(e) after "\$187,500" in the definition of "BV_{CPT}" insert "(being the value of the *cumulative price threshold* prior to 1 July 2012)"

[31] Clause 3.15.9 Reserve settlements

In clause 3.15.9(d)(1), omit "*power system security and reliability standards*" and substitute "*power system security standards* or the *reliability standard*".

[32] Clause 3.15.9 Reserve settlements

In clause 3.15.9(d)(2), omit "*minimum power system security and reliability standards*" and substitute "*reliability standard*".

[33] Clause 3.20.3 Reserve contracts

Omit clause 3.20.3(b), and substitute:

- (b) *AEMO* may determine to enter into *reserve contracts* to ensure that the reliability of *supply* in a *region* or *regions* meets the *reliability standard* for the *region* and, where practicable, to maintain *power system security*.

[34] Clause 3.20.7 AEMO's exercise of the RERT

In clause 3.20.7(a), omit "*relevant power system security and reliability standards*" and substitute "*reliability standard*".

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 4.2.4 Secure operating state and power system security

In clause 4.2.4(a)(2), omit "and *reliability*".

[2] Clause 4.2.7 Reliable Operating State

Omit clause 4.2.7(c), and substitute:

- (c) in *AEMO's* reasonable opinion the *power system* meets, and is projected to meet, the *reliability standard*, having regard to the *reliability standard implementation guidelines*.

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

In clause 4.3.1(k), omit "and *reliability*".

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

Omit clause 4.3.1(l) and substitute:

- (l) to monitor demand and *generation* capacity in accordance with the *reliability standard implementation guidelines* and, if necessary, initiate action in relation to a *relevant AEMO intervention event*;

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

Omit clause 4.3.1(m) and substitute:

- (m) to publish as appropriate, information about the potential for, or the occurrence of, a situation which could significantly impact, or is significantly impacting, on *power system security*, and advise of any *low reserve* condition for the relevant periods determined in accordance with the *reliability standard implementation guidelines*;

[6] Clause 4.3.5 Market Customer obligations

In clause 4.3.5(a), omit "and *reliability*"

[7] Clause 4.4.1 Power system frequency control responsibilities

In clause 4.4.1(b), omit "and *reliability*".

[8] Clause 4.8.4 Declaration of conditions

Omit clause 4.8.4(a) and substitute:

- (a) *Low reserve condition* – when *AEMO* considers that the balance of *generation capacity* and demand for the period being assessed does not meet the *reliability standard* as assessed in accordance with the *reliability standard implementation guidelines*.

[9] Clause 4.8.4 Declaration of conditions

Omit clause 4.8.4(b) and substitute:

- (b) *Lack of reserve level 1 (LOR1)* – when *AEMO* considers that there is insufficient *capacity reserves* available in an operational forecasting timeframe to provide complete replacement of the *contingency capacity reserve* on the occurrence of the *credible contingency event* which has the potential for the most significant impact on the *power system* for the period nominated. This would generally be the instantaneous loss of the largest *generating unit* on the *power system*. Alternatively, it might be the loss of any *interconnection* under *abnormal conditions*.

[10] Clause 4.8.7 Managing a power system contingency event

In clause 4.8.7(a), omit "and *reliability*".

[11] Clause 4.8.9 Power to issue directions and clause 4.8.9 instructions

In clause 4.8.9(i), omit "and *reliability*".

[12] Clause 4.8.15 Review of operating incidents

In clause 4.8.15(a)(1)(iii), omit "and *reliability*".

[13] Clause 4.9.1 Load forecasting

Omit clause 4.9.1(e), and substitute "[Deleted]".

[14] Clause 4.9.1 Load forecasting

Omit clause 4.9.1(f), and substitute "[Deleted]".

Schedule 3 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 5.20.2 Publication of NTNDP

Omit clause 5.20.2(c)(8)(ii), and substitute:

- (ii) for any *NSCAS gap* identified in subparagraph (i) required to maintain *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*, the relevant NSCAS trigger date;

[2] Clause 5.20.2 Publication of NTNDP

Omit clause 5.20.2(c)(8)(iii), and substitute:

- (iii) for any *NSCAS gap* identified in subparagraph (i) required to maintain *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards* and the *reliability standard*, the relevant NSCAS tender date;

Schedule 4 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 8.8.1 Purpose of Reliability Panel

After clause 8.8.1(a)(1a) insert:

- (1b) review and make recommendations on the *reliability standard* and *reliability settings* under clause 3.9.3A;

[2] Clause 8.8.1 Purpose of Reliability Panel

In clause 8.8.1(a)(2), omit "and *reliability*".

[3] Clause 8.8.1 Purpose of Reliability Panel

In clause 8.8.1(a)(5), omit "clauses 8.8.1(a)(2) and (3)" and substitute "clauses 8.8.1(a)(1b), (2) and (3)".

[4] Clause 8.8.3 Reliability Panel review process

In clause 8.8.3(a)(1), omit "and *reliability*".

[5] Clause 8.8.3 Reliability Panel review process

Omit clause 8.8.3(b), and substitute:

- (b) At least once each calendar year and at such other times as the *AEMC* may request, the *Reliability Panel* must conduct a review of the performance of the *market* in terms of *reliability* of the *power system*, the *reliability standard*, the *power system security standards*, the *system restart standard*, the guidelines referred to in clause 8.8.1(a)(3), the policies and guidelines referred to in clause 8.8.1(a)(4) and the guidelines referred to in clause 8.8.1(a)(9) in accordance with this clause 8.8.3.

[6] Clause 8.8.3 Reliability Panel review process

Omit clause 8.8.3(c) and substitute:

- (c) Subject to paragraph (c1), the *AEMC* must advise the *Reliability Panel* of the terms of reference for any determination or review by the *Reliability Panel*.

[7] Clause 8.8.3 Reliability Panel review process

After clause 8.8.3(c), insert:

- (c1) The *AEMC*:

- (1) may advise the *Reliability Panel* of standing terms of reference in relation to the reviews described in clauses 8.8.3(b) and 8.8.3(ba) from time to time; and
 - (2) may, but is not required to, advise the *Reliability Panel* of terms of reference in relation to the review described in clause 8.8.1(a)(1b).
- (c2) The *Reliability Panel* is not required to follow the process in paragraphs (c) to (l) for the purposes of its functions under clause 8.8.1(a)(1b).

Schedule 5 Amendment to the National Electricity Rules

(Clause 4)

[1] Chapter 10 Omitted Definitions

In Chapter 10, omit the following definitions: *medium term capacity reserve*, *medium term capacity reserve standard*, *power system security and reliability standards* and *short term capacity reserve*.

[2] Chapter 10 New definitions

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

capacity reserve

At any time, the amount of surplus or unused generating capacity indicated by the relevant *Generators* as being available in the relevant timeframe minus the capacity requirement to meet the current forecast *load* demand, taking into account the known or historical levels of demand management.

power system security standards

The standards (other than the *reliability standard* and the *system restart standard*) governing *power system security* and *reliability* of the *power system* to be approved by the *Reliability Panel* on the advice of *AEMO*, but which may include but are not limited to standards for the *frequency* of the *power system* in operation and *contingency capacity reserves* (including guidelines for assessing requirements).

reliability settings

The following market settings:

- (a) the *market price cap*;
- (b) the *cumulative price threshold*;
- (c) the *market floor price*; and
- (d) the *administered price cap*.

reliability standard and settings guidelines

The guidelines developed under clause 3.9.3A(a).

reliability standard and settings review

A review of the *reliability standard* and the *reliability settings*, including the manner of indexing the *market price cap* and the *cumulative price threshold*, conducted in accordance with clause 3.9.3A.

reliability standard implementation guidelines

The guidelines developed under clause 3.9.3D.

[3] Chapter 10 Substituted definitions

In Chapter 10, substitute the following definitions:

administered price cap

A price cap to apply to a *dispatch price*, *regional reference price* or *ancillary service price* as specified in clause 3.14.1.

contingency capacity reserve standards

The standards set out in the *power system security standards* to be used by AEMO to determine the levels of *contingency capacity reserves* necessary for *power system security*.

delayed response capacity reserve

That part of the *contingency capacity reserve* capable of realisation within 5 minutes of a major *frequency* decline in the *power system* as described further in the *power system security standards*.

extreme frequency excursion tolerance limits

In relation to the *frequency* of the *power system*, means the limits so described and specified in the *power system security standards*.

frequency operating standard

The standards which specify the *frequency* levels for the operation of the *power system* set out in the *power system security standards*.

normal operating frequency band

In relation to the *frequency* of the *power system*, means the range 49.9Hz to 50.1Hz or such other range so specified in the *power system security standards*.

normal operating frequency excursion band

In relation to the *frequency* of the *power system*, means the range specified as being acceptable for infrequent and momentary excursions of *frequency* outside the *normal operating frequency band*, being the range of 49.75 Hz to 50.25 Hz or such other range so specified in the *power system security standards*.

NSCAS need

Network support and control ancillary service required to:

- (a) maintain *power system security* and reliability of *supply* of the *transmission network* in accordance with the *power system security standards*; and
- (b) maintain or increase the *power transfer capability* of that *transmission network* so as to maximise the present value of net economic benefit to all those who produce, consume or transport electricity in the *market*.

operational frequency tolerance band

The range of *frequency* within which the *power system* is to be operated to cater for the occurrence of a *contingency event* as specified in the *power system security standards*.

reliability standard

The standard specified in clause 3.9.3C.

unserved energy

The amount of *energy* demanded, but not supplied, in a *region* determined in accordance with clause 3.9.3C(b), expressed as:

- (a) GWh; or
- (b) a percentage of the total *energy* demanded in that *region* over a specific period of time such as a *financial year*.

violation

In relation to *power system security*, a failure to meet the requirements of Chapter 4 or the *power system security standards*.

Schedule 6 Savings and Transitional Amendments to the National Electricity Rules

(Clause 8)

[1] Chapter 11 Savings and Transitional Rules

After Part ZZE, insert:

Part ZZF National Electricity Amendment (Governance arrangements and implementation of the reliability standard and settings) Rule 2014

Part ZZF

11.78 Rules consequent on the making of the National Electricity Amendment (Governance arrangements and implementation of the reliability standards and settings) Rule 2014

11.78.1 Definitions

In this Part ZZF:

Amending Rule means the National Electricity Amendment (Governance arrangements and implementation of the reliability standard and settings) Rule 2014.

commencement date means the commencement date of the Amending Rule.

current Chapter 3 means Chapter 3 of the *Rules* as in force immediately after the commencement date.

current Chapter 4 means Chapter 4 of the *Rules* as in force immediately after the commencement date.

current Chapter 10 means Chapter 10 of the *Rules* as in force immediately after the commencement date.

former Chapter 10 means Chapter 10 of the *Rules* as in force immediately before the commencement date.

RSIG commencement date means [commencement date + 9 months].

11.78.2 Existing power system security and reliability standards

For the avoidance of doubt:

- (a) with effect from the commencement date, the *reliability standard* (as defined in former Chapter 10) ceases to have any effect and the *reliability standard* (as defined in current chapter 10) has effect for the purposes of these *Rules*.
- (b) the *Reliability Panel* is not required to make any change to the *power system security standards* as a result of the Amending Rule.

11.78.3 Reliability standard and settings guidelines

The *Reliability Panel* must publish the first *reliability standard and settings guidelines* by 1 January 2017.

11.78.4 Reliability standard implementation guidelines

- (a) *AEMO* must publish the first *reliability standard implementation guidelines* by the RSIG commencement date.
- (b) In this clause 11.78.4:
 - (1) a reference to a “former clause...” is a reference to a clause of the Rules as in force immediately before the commencement date;
 - (2) a reference to a “former definition...” is a reference to a definition in Chapter 10 of the Rules as in force immediately before the commencement date; and
 - (3) a reference to a “current definition...” is a reference to a definition in Chapter 10 of the Rules as in force immediately after the commencement date.
- (c) Current Chapter 3 applies from the commencement date subject to the modifications set out in the following table:

Description	Reference	Transitional treatment
Administration of PASA	Clause 3.7.1	Former clause 3.7.1 continues to apply until the RSIG commencement date.
Medium Term PASA	Clause 3.7.2	Former clause 3.7.2 continues to apply until the RSIG commencement date.
Short Term PASA	Clause 3.7.3	Former clause 3.7.3 continues to apply until the RSIG

Description	Reference	Transitional treatment
		commencement date

- (d) Current Chapter 4 applies from the commencement date subject to the modifications set out in the following table:

Description	Reference	Transitional treatment
Reliable Operating State	Clause 4.2.7	Former clause 4.2.7 continues to apply until the RSIG commencement date but as if the words “ <i>power system security and reliability standards</i> ” were replaced with the words “ <i>reliability standard</i> ”.
Responsibility of AEMO for <i>power system security</i>	Clause 4.3.1	Former clause 4.3.1 continues to apply until the RSIG commencement date but as if the words “ <i>power system security and reliability standards</i> ” (wherever occurring in that clause) were replaced with the words “ <i>power system security standards</i> ”.
Declaration of conditions	Clause 4.8.4	Former clause 4.8.4 continues to apply until the RSIG commencement date.
Load forecasting	Clause 4.9.1	Former clause 4.9.1 continues to apply until the RSIG commencement date but as if the words “ <i>power system security and</i>

Description	Reference	Transitional treatment
		<i>reliability standards</i> ” (wherever occurring in that clause) were replaced with the words “ <i>power system security standards</i> ”.

- (e) Current Chapter 10 applies from the commencement date subject to the modifications set out in the following table:

Description	Reference	Transitional treatment
Definitions of <i>medium term capacity reserve</i> and <i>short term capacity reserve</i>	Chapter 10	The former definitions of “ <i>medium term capacity reserve</i> and <i>short term capacity reserve</i> ” continue in effect until the RSIG commencement date.
<i>medium term capacity reserve standard</i>	Chapter 10	The former definition of “ <i>medium term capacity reserve standard</i> ” continues in effect until the RSIG commencement date but as if the words “ <i>power system security and reliability standards</i> ” were replaced with the words “ <i>reliability standard</i> ”.
<i>power system security standards</i>	Chapter 10	Until the RSIG commencement date, the current definition applies but as if the following words were inserted before the full stop at the end of the definition “, <i>short</i>

Description	Reference	Transitional treatment
		<i>term capacity reserves and medium term capacity reserves”</i>
