



## **National Electricity Amendment (Victorian jurisdictional derogation - RERT contracting) Rule 2020 No. 4**

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;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015 of the Northern Territory; and
- (h) 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

## **National Electricity Amendment (Victorian jurisdictional derogation - RERT contracting) Rule 2020 No. 4**

### **1 Title of Rule**

This Rule is the *National Electricity Amendment (Victorian jurisdictional derogation - RERT contracting) Rule 2020 No. 4*.

### **2 Commencement**

Schedule 1 of this Rule commences operation on 16 April 2020.

Schedule 2 of this Rule commences operation on 12 March 2020.

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

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

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

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

## Schedule 1      Amendment to the National Electricity Rules

(Clause 3)

### [1] Rule 9.5      [Deleted]

Omit rule 9.5 including the heading and substitute:

#### 9.5      Transitional Arrangements for Chapter 3 – Reliability and Emergency Reserve Trader

##### 9.5.1      Definition

In this rule 9.5:

**expiry date** means 30 June 2023.

**multi-year Victorian contract** means a *reserve contract* for the provision of *reserve* for the Victorian *region*, with the term of the contract:

- (a) commencing on or after 12 April 2020; and
- (b) exceeding a period of 12 months.

**retailer reliability obligation** has the meaning given in section 2 of the *National Electricity Law*.

##### 9.5.2      Expiry date

- (a) Subject to paragraph (b), this rule 9.5 expires on the expiry date.
- (b) This rule 9.5 continues to apply after the expiry date in respect of multi-year Victorian contracts entered into prior to the expiry date.

##### 9.5.3      Multi-year Victorian contracts – term and volume

- (a) Clause 3.20.3(a) applies in respect of multi-year Victorian contracts as if the words "and rule 9.5.3" were inserted after the words "Subject to paragraph (f)".
- (b) Clause 3.20.3(m) does not apply to *AEMO* in respect of multi-year Victorian contracts.
- (c) *AEMO* must ensure that, having regard to any potential impact of, and interaction with, the retailer reliability obligation:
  - (1) the term of a multi-year Victorian contract (including any extension or renewal of such term) is no longer than:
    - (i) *AEMO* considers is reasonably necessary to ensure reliability of *supply* in the Victorian *region*; and
    - (ii) in any event, three years; and
  - (2) the amount of *reserve* procured under a multi-year Victorian contract:

- (i) for the first year of the contract term, is no more than *AEMO* considers is reasonably necessary to address the relevant *low reserve* condition; and
- (ii) for the remainder of the contract term (including any extension or renewal of such term), is no more than *AEMO* considers is reasonably necessary to ensure reliability of *supply* in the Victorian *region*.

#### 9.5.4 Multi-year Victorian contracts - reporting

- (a) Clause 3.20.6(d)(3) applies in respect of multi-year Victorian contracts as if the words "to address the relevant *low reserve* or *lack of reserve* condition, including whether they align with any periods identified in the relevant declaration under clause 4.8.4" were deleted.
  - (b) Clause 3.20.6(d)(4) does not apply to *AEMO* in respect of multi-year Victorian contracts.
  - (c) In addition to the requirements of clause 3.20.6(d), the RERT report (as defined in clause 3.20.6) must:
    - (1) identify those *reserve contracts* that are multi-year Victorian contracts;
    - (2) include an explanation of why *AEMO* considered:
      - (i) the term of each multi-year Victorian contract to be reasonably necessary to ensure the reliability of *supply* in the Victorian *region*; and
      - (ii) the amount of *reserve* procured under each multi-year Victorian contract to be:
        - (A) for the first year of the contract term, reasonably necessary to address the relevant *low reserve* condition; and
        - (B) for the remainder of the contract term (including any extension or renewal of such term), reasonably necessary to ensure reliability of *supply* in the Victorian *region*,
- including how *AEMO* had regard to any potential impact of, and interaction with, the retailer reliability obligation;
- (3) include the basis on which *AEMO* had regard to the *RERT principles* in clause 3.20.2(b) when entering into such contracts; and
  - (4) for each multi-year Victorian contract, explain whether the total payments made by *AEMO* under the contract are likely to be lower than the aggregate payments *AEMO* would have made

under *reserve contracts* that are not multi-year Victorian contracts for the same period.

## Schedule 2 Savings and Transitional Amendment to the National Electricity Rules

(Clause 4)

### [1] Chapter 11 Savings and Transitional Amendment to the National Electricity Rules

In Chapter 11, after Part ZZZV, insert:

#### Part ZZZW Victorian jurisdictional derogation – RERT contracting

##### 11.121 Rules consequential on the making of the National Electricity Amendment (Victorian jurisdictional derogation - RERT contracting) Rule 2020

###### 11.121.1 Definitions

For the purposes of this rule 11.121:

**Amending Rule** means the *National Electricity Amendment (Victorian jurisdictional derogation – RERT contracting) Rule 2020*.

**effective date** means the date on which Schedule 1 of the Amending Rule commences operation.

**Procedures** means the procedures made under clause 3.20.7(e).

###### 11.121.2 Procedures

- (a) By the effective date, *AEMO* must amend and *publish* the Procedures to take into account the Amending Rule, with those amendments to take effect from the effective date.
- (b) *AEMO* is not required to comply with the *Rules consultation procedures* when amending the Procedures in accordance with paragraph (a).

[END OF RULE AS MADE]

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