



National Electricity Amendment (Changes to intervention mechanisms) Rule 2020 No. 13

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.

Merryn York
Acting Chairperson
Australian Energy Market Commission

National Electricity Amendment (Changes to intervention mechanisms) Rule 2020 No. 13

1 Title of Rule

This Rule is the *National Electricity Amendment (Changes to intervention mechanisms) Rule 2020 No. 13*.

2 Commencement

This Rule commences operation on 17 September 2020.

3 Amendment to the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.8.1 Central Dispatch

In clause 3.8.1(b)(10), insert "and" at the end of the clause.

[2] Clause 3.8.1 Central Dispatch

Omit clauses 3.8.1(b)(11) and 3.8.1(b)(12) and substitute:

- (11) the management of negative *settlements residue*, in accordance with clause 3.8.10 and any guidelines issued by *AEMO* under clause 3.8.10(c).

[3] Rule 3.12A Mandatory restrictions

Omit rule 3.12A and substitute "[DELETED]".

[4] Clause 3.14.5 Pricing during market suspension

In clause 3.14.5(c)(2), insert "and" at the end of the clause.

[5] Clause 3.14.5 Pricing during market suspension

In clause 3.14.5(c)(3), omit "; and" and substitute ".".

[6] Clause 3.14.5 Pricing during market suspension

Omit clause 3.14.5(c)(4).

[7] Clause 3.15.9 Reserve settlements

In clause 3.15.9(b)(2)(ii), omit "," and substitute "; or".

[8] Clause 3.15.9 Reserve settlements

After clause 3.15.9(b)(2)(ii), insert a new clause 3.15.9(b)(2)(iii):

- (iii) to *Affected Participants* and *Market Customers* pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period*,

[9] Clause 3.15.9 Reserve settlements

In clause 3.15.9(b)(2), omit "and" in the last sentence.

[10] Clause 3.15.9 Reserve settlements

In clause 3.15.9(b)(3), omit "." and substitute "; and".

[11] Clause 3.15.9 Reserve settlements

After clause 3.15.9(b)(3), insert a new clause 3.15.9(b)(4):

- (4) any amounts determined as receivable by *AEMO*:
 - (i) by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period*; or
 - (ii) from *Affected Participants* and *Market Customers* pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period*,in respect of the relevant *billing period*.

[12] Clause 3.15.9 Reserve settlements

Omit clause 3.15.9(d) and substitute:

- (d) Where either:
 - (1) without the intervention in the *market* of *AEMO* a *region* would otherwise, in *AEMO's* reasonable opinion, fail to meet the minimum *power system security standards* or the *reliability standard*; or
 - (2) a *region* requires a level of *power system reliability* or *reserves* which, in *AEMO's* reasonable opinion, exceeds the level required to meet the *reliability standard*,

then *AEMO* must:

- (3) recover its net liabilities, or distribute its net profits, under the terms of *reserve contracts* entered into to meet these requirements; and
- (4) recover any amounts determined as payable by *AEMO* to *Affected Participants* and *Market Customers* (less any amounts determined as receivable by *AEMO* from *Affected Participants* and *Market Customers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
- (5) recover any amounts determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*,

from or to the *Market Customers* in that *region* in accordance with paragraph (e).

[13] Clause 3.15.9 Reserve settlements

Omit clause 3.15.9(e) and substitute:

- (e) In respect of:
- (1) *reserve contracts* entered into by *AEMO*; and
 - (2) any amounts determined as payable by *AEMO* to *Affected Participants* and *Market Customers* (less any amounts determined as receivable by *AEMO* from *Affected Participants* and *Market Customers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
 - (3) any amounts determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*,

AEMO must calculate in relation to each *Market Customer* for each *region* in respect of each *billing period* a sum determined by applying the following formula:

$$\text{MCP} = \left[\frac{E_{UC} \times UC}{\sum E_{UC}} \right] + \left[\frac{E_{OC} \times OC}{\sum E_{OC}} \right]$$

where:

MCP is the amount payable by a *Market Customer* for a *region* in respect of a *billing period*;

UC is:

- (1) the total usage charges (or equivalent charges) paid by *AEMO* under *reserve contracts*, as allocated in accordance with paragraph (e1); and
- (2) the total amount determined as payable by *AEMO* to *Affected Participants* and *Market Customers* (less any amounts determined as receivable by *AEMO* from *Affected Participants* and *Market Customers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
- (3) the total amount determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*.

E_{UC} is the sum of all that *Market Customer's adjusted gross energy* amounts in the relevant *region* (the "**relevant region**") in each *trading interval* during which *reserves* were *dispatched* or *activated* under a *reserve contract* in the *billing period*, excluding any *loads* in that *region* in respect of which the *Market Customer* submitted a *dispatch bid* for any such *trading interval*;

$\sum E_{UC}$ is the sum of all amounts determined as " E_{UC} " in accordance with this paragraph (e) in respect of that *region* for the relevant *billing period*;

OC is the total amount paid by *AEMO* under *reserve contracts* in the relevant *region* in the *billing period*, other than:

- (1) amounts determined as "UC" in accordance with this paragraph (e) in respect of that *billing period*; and
- (2) operational and administrative costs described in paragraph (g);

E_{OC} is the sum of all that *Market Customer's adjusted gross energy* amounts in the relevant *region* in the *billing period*, excluding any *loads* in that *region* in respect of which the *Market Customer* submitted a *dispatch bid* for any *trading interval* during that *billing period*; and

$\sum E_{OC}$ is the sum of all amounts determined as " E_{OC} " in accordance with this paragraph (e) in respect of that *region* for the relevant *billing period*.

[14] Clause 3.15.10B Restriction contract amounts

Omit clause 3.15.10B and substitute "[DELETED]".

[15] Clause 3.20.2 Reliability and emergency reserve trader

In clause 3.20.2(a)(2)(i), omit "3.12A.5,".

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

In clause 4.8.9(h)(1), insert "or" at the end of the clause.

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

In clause 4.8.9(h)(2), omit "; or" and substitute ".".

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

Omit clause 4.8.9(h)(3).

[19] Chapter 10 Glossary

In Chapter 10, omit the following definitions:

<i>accepted restriction offer</i>
<i>mandatory restrictions</i>
<i>mandatory restriction period</i>
<i>mandatory restriction schedule</i>
<i>restriction demand reduction</i>
<i>restriction offer</i>
<i>restriction offer procedures</i>
<i>restriction shortfall amount</i>

[END OF RULE AS MADE]
