



Draft National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 No. [X]

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; 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

Draft National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 No. [X]

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 No. [X]*.

2 Commencement

Schedules 1 to 4 of this Rule commence operation on 1 July 2021.

Schedule 5 of this Rule commences 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 3.

6 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 4.

7 Savings and Transitional Amendments to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 5.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 2.2.4 Market Generator

In clause 2.2.4(a), omit "the *Local Retailer* or by".

[2] Clause 2.2.5 Non-Market Generator

In clause 2.2.5(a), omit "the *Local Retailer* or by".

[3] Clause 3.6.3 Distribution losses

Omit subclause 3.6.3(d)(1) and substitute:

- (1) subject to paragraph (d1), to a single *transmission network connection point*, and in addition to such assignment may also assign that *connection point* to a *virtual transmission node*, taking into account normal network configurations and predominant *load* flows; and

[4] Clause 3.6.3 Distribution losses

After clause 3.6.3(d), insert:

- (d1) *AEMO* may exempt a *Distribution Network Service Provider* from the requirement under subparagraph (d)(1) to assign a *connection point* to a single *transmission network connection point* where in *AEMO*'s reasonable opinion, taking into account the factors set out in paragraph (d2), an exemption is consistent with the *national electricity objective*.
- (d2) In considering whether to grant an exemption under paragraph (d2), *AEMO* may take into account the following factors:
 - (1) the effort and likely costs that would be incurred by the *Distribution Network Service Provider* in complying with the requirement under paragraph (d)(1);
 - (2) the volume of *energy* associated with the relevant *virtual transmission node* relative to the sum of the *energy* volumes for all *transmission connection points* that are not *market connection points* in the *local area* in which the *virtual transmission node* is being used;
 - (3) the volume of unaccounted for *energy* in the *local area* relative to the sum of the *energy* volumes for all *transmission connection points* that are not *market connection points* in the *local area* in which the *virtual transmission node* is being used;

- (4) the percentage of customers supplied by the *local retailer* in the *local area* in which the *virtual transmission node* is being used; and
 - (5) any other factors *AEMO* considers relevant.
- (d3) Any *connection point* for which an exemption is granted by *AEMO* under paragraph (d1) must be assigned by the *Distribution Network Service Provider* to a *virtual transmission node*.
- (d4) *AEMO* may revoke an exemption granted under paragraph (d1) if, in *AEMO*'s reasonable opinion, taking into account the factors set out in paragraph (d2), there has been a material change in circumstances and the exemption is no longer consistent with the *national electricity objective*.

[5] Clause 3.6.3 Distribution losses

In clause 3.6.3(e)(2) insert "and/" between "*transmission network connection points*" and "or".

[6] Clause 3.6.3 Distribution losses

In clause 3.6.3(f)(2), insert "and/" between "*transmission network connection points*" and "or".

[7] Clause 3.6.3 Distribution losses

In clause 3.6.3(g), after the second occasion of "*transmission network connection point*", insert "and/".

[8] Clause 3.15.3 Connection point and virtual transmission node responsibility

Omit clause 3.15.3(b) and substitute:

- (b) No person is *financially responsible* for a *virtual transmission node*.

[9] Clause 3.15.3 Connection point and virtual transmission node responsibility

In clause 3.15.3, after paragraph (b), insert:

- (c) Any difference between:
 - (i) the *energy flow metered* at a *transmission network connection point* that is not a *market connection point*; and

- (ii) the aggregate *loss factor-adjusted metered energy* amounts for all *market connection points* assigned to that *transmission network connection point*,

is to be determined and allocated in accordance with clause 3.15.4 and 3.15.5.

[10] Clause 3.15.4 Adjusted energy amounts connection points

In clause 3.15.4, omit the heading and substitute:

3.15.4 Adjusted gross energy amounts – connection points

[11] Clause 3.15.4 Adjusted gross energy amounts – connection points

Omit clause 3.15.4 and substitute:

- (a) For each *market connection point* that is a *transmission connection point*, the *adjusted gross energy amount* for a *trading interval* is the *metered energy*, being the amount of electrical *energy*, expressed in MWh, flowing at the *connection point* in the *trading interval*, as recorded in the *metering data* in respect of that *connection point* and that *trading interval* (expressed as a positive value where the flow is towards the *transmission network connection point* to which the *connection point* is assigned and a negative value where the flow is in the other direction).
- (b) Where a *connection point* is not a *transmission network connection point*, the *adjusted gross energy amount* for that *connection point* for a *trading interval* is calculated by AEMO by applying the following formula:

$$\text{AGE} = (\text{ME} \times \text{DLF}) + \text{UFEA}$$

where:

AGE is the *adjusted gross energy amount* to be determined;

ME is the amount of electrical *energy*, expressed in MWh, flowing at the *connection point* in the *trading interval*, as recorded in the *metering data* in respect of that *connection point* and that *trading interval* (expressed as a positive value where the flow is towards the *transmission network connection point* to which the *connection point* is assigned and a negative value where the flow is in the other direction);

DLF is the *distribution loss factor* applicable at that *connection point*; and

UFEA is the share of unaccounted for *energy* allocated to that *connection point* under clause 3.15.5.

[12] Clause 3.15.5 Adjusted energy - transmission network connection points

In clause 3.15.5, omit the heading and substitute:

3.15.5 Unaccounted for energy adjustment - transmission network connection point

[13] Clause 3.15.5 Unaccounted for energy adjustment - transmission network connection points

Omit clause 3.15.5 and substitute:

- (a) For each *transmission network connection point* that is not a *market connection point*, an amount representing unaccounted for *energy* in the *local area* is determined by *AEMO* for each *trading interval* by the following formula:

$$\text{UFE} = \text{TME} - \text{ADME}$$

where:

UFE is the total unaccounted for *energy* amount (in MWh) to be determined;

TME is the amount of electrical *energy*, expressed in MWh, flowing at the *transmission network connection point* in the *trading interval*, as recorded in the *metering data* in respect of a *transmission network connection point* for that *trading interval* (expressed as a positive value where the flow is towards the *transmission network*, and negative value where the flow is in the other direction); and

ADME is the aggregate of the amounts represented by (ME x DLF) in clause 3.15.4(b) for that *trading interval* for each *connection point* assigned to the *transmission network connection point*, for which a *Market Participant* (other than a suspended *Market Participant*) is *financially responsible* (and in that aggregation positive and negative *adjusted gross energy* amounts are netted out to give a positive or negative aggregate amount).

- (b) *AEMO* must *publish* the unaccounted for *energy* amounts determined under paragraph (a) for each *trading interval* for each *transmission network connection point* that is not a *market connection point* in accordance with a procedure developed and *published* by *AEMO*.

- (c) The sum of the unaccounted for *energy* amounts determined by *AEMO* under paragraph (a) for each *transmission network connection point* that is not a *market connection point* in a *local area* is to be allocated to all *connection points* in that *local area* where the amount of electrical *energy* flowing at the *connection point* is expressed as a negative value.
- (d) The allocation of the total unaccounted for *energy* amounts determined under paragraph (a) for every *distribution network connection point* in a *local area* is determined by *AEMO* by the following formula:

$$\text{UFEA} = \text{TUFE} \times (\text{DME}/\text{ADMELA})$$

where:

UFEA is the allocation of the unaccounted for *energy* amount (in MWh) for the relevant *connection point* and *trading interval*;

TUFE is the sum of the unaccounted for *energy* amounts determined under paragraph (a) for every *transmission network connection point* that is not a *market connection point* in the *local area*;

DME is the amount represented by $(\text{ME-} \times \text{DLF})$ for the relevant *connection point* and *trading interval* where:

ME- is the amount of electrical *energy*, expressed in MWh, flowing at the *connection point* in the *trading interval*, as recorded in the *metering data* in respect of that *connection point* and that *trading interval* (expressed as a negative value because the flow is away from the *transmission network connection point* to which the *connection point* is assigned); and

DLF is the *distribution loss factor* applicable at that *connection point*; and

ADMELA is the aggregate of the amounts represented by DME for that *trading interval* for each *connection point* in that *local area*, for which a *Market Participant* (other than a suspended *Market Participant*) is *financially responsible*.

[14] Clause 3.15.5A Adjusted energy - virtual transmission nodes

Omit clause 3.15.5A and substitute “[Deleted]”.

[15] New clause 3.15.5B Threshold for unaccounted for energy

After clause 3.15.5A, insert:

3.15.5B Threshold for unaccounted for energy

- (a) *AEMO* must, acting reasonably, determine and *publish* a threshold for unaccounted for *energy* at each *transmission network connection point* that is not a *market connection point*.
- (b) If in a *billing period* the volume of unaccounted for *energy* at a *transmission network connection point* that is not a *market connection point* exceeds the threshold determined by *AEMO* in paragraph (a), a *Market Customer* or a *large customer* with a financial interest in the unaccounted for *energy* at that *connection point* may request *AEMO* to undertake a review of the unaccounted for *energy* volumes at that *connection point*.
- (c) If requested by a *Market Customer* or a *large customer* under paragraph (b), *AEMO* must conduct a review of the unaccounted for *energy* volumes at the relevant *transmission connection point* to determine the reasons for the exceedance of the threshold determined by *AEMO* in paragraph (a).
- (d) *Network Service Providers*, *Market Participants* and *large customers* must provide to *AEMO* such information and assistance as *AEMO* reasonably requires to conduct the review required under paragraph (c).
- (e) *AEMO* must prepare and publish on its website a report on its findings in respect of its review within 60 days of the request for a review under paragraph (b).
- (f) *AEMO* may charge a fee to recover all reasonable costs incurred in conducting a review under paragraph (c).

[16] Clause 3.15.6 Spot market transactions

In Clause 3.15.6(a), insert a new paragraph in the **Note** as follows:

Where one *connection point* is assigned to both a single *transmission network connection point* and a *virtual transmission node*, the *intra-regional loss factor* for the *virtual transmission node* will apply.

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 6.20.1 Billing for distribution services

In clause 6.20.1(e)(2), insert "s" at the end of the word "*Customer*".

[2] Clause 6.20.1 Billing for distribution services

In clause 6.20.1(e)(3), insert "*First-Tier Customers* and" before "*Second-Tier Customers*" and insert "and" after ";".

[3] Clause 6.20.1 Billing for distribution services

After 6.20.1(e)(3), insert:

(3A) *Non-Registered Customers*;

[4] Clause 6.20.1 Billing for distribution services

In clause 6.20.1(e)(4), insert "*Non-Registered Customers, First-Tier Customers*" after "*Market Customers*".

[5] Clause 6.20.1 Billing for distribution services

In clause 6.20.1(e)(5), insert "*Non-Registered Customers, First-Tier Customers*" after "*Market Customers*".

[6] Clause 6.20.1 Billing for distribution services

In clause 6.20.1(f), omit (2) "*Non-Registered Customers; and*" and substitute "[Deleted]".

[7] Clause 6.20.1 Billing for distribution services

In clause 6.20.1(g), delete "*Non-Registered Customers* and".

Schedule 3 Amendment to the National Electricity Rules

(Clause 5)

[1] Clause 7.6.3 Appointment with respect to transmission network connection

Omit clause 7.6.3(a) and substitute:

- (a) Subject to clause 7.6.3A(a), where a *connection point* or proposed *connection point* is on a *transmission network*, only the *Local Network Service Provider* or the *financially responsible Market Participant* at the *connection point* may be appointed as *Metering Coordinator* under clause 7.6.2

[2] New Clause 7.6.3A Appointment with respect to transmission network connection to distribution network

After clause 7.6.3, insert:

7.6.3A Appointment with respect to transmission network connection to distribution network

Where a *connection point* or proposed *connection point* is a *transmission connection point* that is not a *market connection point*, only the *Local Network Service Provider* at the *connection point* may be appointed as *Metering Coordinator* under clause 7.6.2.

[3] Clause 7.10.5 Periodic energy metering

In clause 7.10.5(b)(1), insert "*first-tier load* and" after "each".

[4] Clause 7.10.5 Periodic energy metering

In clause 7.10.5(b), omit subparagraphs (2), (3) and (4) and substitute in each case "[Deleted]".

[5] Clause 7.16.3 Requirements of the metrology procedure

Omit subclause 7.16.3(c)(6)(iii) and substitute:

- (iii) the method by which *accumulated metering data* is to be converted by *AEMO* into *trading interval metering data*;

[6] Clause 7.16.3 Requirements of the metrology procedure

In clause 7.16.3(c), after subclause (6) insert:

(6A) procedures for the inclusion of *non-market unmetered load* in *settlements* including:

- (i) the creation of a *NMI* for the *non-market unmetered load*;
- (ii) the assignment of *connection points* relating to *non-market unmetered load* to a *single transmission network connection point* or *virtual transmission node*;
- (iii) the methodology for calculating a *load* and *load profile* for *non-market unmetered load*; and
- (iv) the provision of the estimated volumes of *non-market unmetered load* to *AEMO* for inclusion in *settlements*; and

[7] Schedule 7.1 Metering register

In S7.1.2(a)(6) of Schedule 7.1, omit "*Second-Tier Customer* and *Non-Registered Second-Tier Customer*".

[8] Schedule 7.1 Metering register

In S7.1.2(e)(1) of Schedule 7.1, insert "and" at the end of the sentence.

[9] Schedule 7.1 Metering register

In S7.1.2(e)(2) of Schedule 7.1, omit "; and" and substitute ".".

[10] Schedule 7.1 Metering register

Omit subparagraph S7.1.2(e)(3) of Schedule 7.1 and substitute "[**Deleted**]".

Schedule 4 Amendment to the National Electricity Rules

(Clause 6)

[1] Chapter 10 New Definitions

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

non-market unmetered load

Unmetered *load* that does not meet the criteria in the *Rules* or procedures authorised under the *Rules* for classification as a type 7 *metering installation*.

[2] Chapter 10 Substituted Definitions

In Chapter 10, substitute the following definition:

adjusted gross energy

The *energy* adjusted in accordance with clause 3.15.4.

Schedule 5 Savings and Transitional Amendments to the National Electricity Rules

(Clause 7)

[1] New Part ZZZ[X] Global settlement and market reconciliation

After Part ZZZ[X] insert:

Part ZZZ[X] Global settlement and market reconciliation

11.[X] Rules consequential on the making of the National Electricity Amendment (Global settlement and market reconciliation) Rule 2018

11.[X].1 Definitions

For the purposes of this rule 11.[X]:

Amending Rule means the National Electricity Amendment (Global settlement and market reconciliation) Rule 2018.

effective date means 1 July 2021 which is the Commencement Date of Schedules 1 to 4 of the Amending Rule.

new clause 2.2.5(a) means clause 2.2.5(a) of the *Rules* and all related definitions in the *Rules* as in force on and from the effective date.

new clause 3.6.3(d)(1) means 3.6.3(d)(1) of the *Rules* and all related definitions in the *Rules* as in force on and from the effective date.

new clause 3.15.5(b) means clause 3.15.5(b) of the *Rules* and all related definitions in the *Rules* as in force on and from the effective date.

old clause 2.2.5(a) means clause 2.2.5(a) of the *Rules* and all related definitions in the *Rules* as in force immediately before the effective date.

11.[X].2 Amendments to procedures

- (a) By 1 December 2019, *AEMO* must review and where necessary amend and *publish* the following documents to apply from the effective date to take into account the Amending Rule and for the avoidance of doubt, *AEMO* must amend the following documents to require all *metering data* from *first-tier loads* to be provided to *AEMO* by the relevant *Metering Data Provider* in accordance with the relevant procedures:

- (1) the *Market Settlement and Transfer Solution Procedures*;

- (2) the *metrology procedure*; and
 - (3) the *service level procedures*.
- (b) The *Information Exchange Committee* must make an *Information Exchange Committee Recommendation* to change the *B2B Procedures* (**B2B Recommendation**) to take into account the Amending Rule by 1 July 2019.
- (c) Subject to clause 7.17.5(b), *AEMO* must *publish* the *B2B Procedures* in accordance with the *B2B Recommendation* within 10 *business days* of the *Information Exchange Committee* making the *B2B Recommendation*.

11.[X].3 Continuation of registration for non-market generators

- (a) Despite new clause 2.2.5(a), a *generating unit* whose *sent out generation* is purchased in its entirety by the *Local Retailer* and that has been classified as a *non-market generating unit* under old clause 2.2.5(a) immediately before the effective date, may continue to be registered as a *non-market generating unit*.
- (b) The *Local Retailer* which purchases the *sent out generation* in its entirety from a *generating unit* that is registered as a *non-market generating unit* under paragraph (a) is the person that is *financially responsible* for the *connection point* at which that *non-market generating unit* is *connected*.

11.[X].4 Publication of UFE data by AEMO

- (a) By 1 July 2020, *AEMO* must *publish* the unaccounted for *energy* amounts required by new clause 3.15.5(b).
- (b) By 1 March 2020 each *Distribution Network Service Provider* must assign each *connection point* on its *distribution network* that is not of a type described in clause 3.6.3(b)(2)(i) to a single *transmission connection point* as required under new clause 3.6.3(d)(1) and notify *AEMO*.
- (c) By 1 March 2020 each *Distribution Network Service Provider* must provide *AEMO* with the estimated volumes of any *non-market unmetered load* in their *distribution network* in accordance with the *metrology procedures*.
-