



National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 No. 14

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

National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 No. 14

1 Title of Rule

This Rule is the *National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 No.14*.

2 Commencement

Schedules 1 to 4 of this Rule commence operation on 6 February 2022.

Schedule 5 of this Rule commences operation on 13 December 2018.

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

Omit clause 2.2.4(a), and substitute:

- (a) *A generating unit must be classified as a market generating unit unless AEMO approves its classification as a non-market generating unit in accordance with clause 2.2.5(a).*

[2] Clause 2.2.5 Non-Market Generator

Omit clause 2.2.5(a), and substitute:

- (a) *A generating unit whose entire output is consumed by a market load at the same connection point, at which there is not expected to be any sent out generation, must be classified as a non-market generating unit.*

[3] 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.*

[4] 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.

[5] 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

[6] 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 network 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.

[7] 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 – local areas

[8] Clause 3.15.5 Unaccounted for energy adjustment - local areas

Omit clause 3.15.5 and substitute:

- (a) For each *local area*, an amount representing unaccounted for *energy* is determined by *AEMO* for each *trading interval* by the following formula:

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

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 each of the *transmission network connection points* in the *local area* in the *trading interval*, as recorded in the *metering data* in respect of each of the *transmission network connection points* 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);

DDME is the amount of electrical *energy*, expressed in MWh, flowing at each of the *distribution network connection points* in the *local area* which are connected to an adjacent *local area*, in the *trading interval*, as recorded in the *metering data* in respect of each of those *distribution network connection points* for that *trading interval* (expressed as a negative value where the flow is towards the adjacent *distribution network*, and positive value where the flow is in the other direction) adjusted by the *distribution loss factor* applicable at that *connection point*; and

ADME is the aggregate of the amounts represented by (ME x DLF) for that *trading interval* for each *connection point* assigned to the *transmission network connection point* or *virtual transmission node*, 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).

Note

The DDME value for a local area that is connected to an adjacent local area will appear in the calculation of UFE for both local areas. A positive energy flow for the calculation of UFE for one local area would correspond to a negative flow for the calculation of UFE for the other local area.

- (b) The unaccounted for *energy* amount determined by *AEMO* under paragraph (a) in a *local area* is to be allocated to all *market*

connection points in that *local area* where the amount of electrical energy flowing at the *connection point* is expressed as a negative value.

- (c) The allocation of the total unaccounted for *energy* amount determined under paragraph (a) for every *distribution network connection point* in a *local area* where the amount of electrical energy flowing at the *connection point* is expressed as a negative value is determined by *AEMO* by the following formula:

$$UFEA = UFE \times (DME/ADMELA)$$

where:

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

UFE is the unaccounted for *energy* amounts determined under paragraph (a) for the *local area*;

DME is the amount represented by (ME- x DLF) for the relevant *connection point* and *trading interval* where:

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

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

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

- (d) *AEMO* must *publish* information to enable each *Market Customer* in a *local area* to verify the unaccounted for *energy* amounts allocated to that *Market Customer's* *market connection points* in that *local area* under paragraph (b) for each *trading interval* in accordance with a procedure developed and *published* by *AEMO*.

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

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

[10] New clause 3.15.5B Reporting by AEMO on unaccounted for energy trends

After clause 3.15.5A, insert:

3.15.5B Reporting by AEMO on unaccounted for energy trends

AEMO to report on unaccounted for energy trends

- (a) At least once each year, *AEMO* must in accordance with the *UFE reporting guidelines*, prepare and publish on its website a report setting out:
 - (1) *AEMO's* summary and analysis of the total unaccounted for *energy* amounts in each *local area* over the reporting period;
 - (2) *AEMO's* analysis of the unaccounted for *energy* amounts in each *local area* in the reporting period against benchmarks determined by *AEMO* acting reasonably;
 - (3) *AEMO's* analysis of the sources of unaccounted for *energy* in each *local area*;
 - (4) *AEMO's* recommendations to improve visibility of unaccounted for *energy* in each *local area*; and
 - (5) *AEMO's* recommended actions to reduce the amounts of unaccounted for *energy* in each *local area*, including without limitation any actions that *AEMO* recommends ought to be taken by *Market Participants*, *Network Service Providers*, the *AER* or *AEMO*.
- (b) The purpose of the report required under paragraph (a) is for *AEMO* to provide information and analysis of unaccounted for *energy* in each *local area* to facilitate efficient decreases in unaccounted for *energy* over time.
- (c) *Network Service Providers*, *Market Participants*, *Metering Data Providers*, *Metering Providers*, *Embedded Network Managers* and *large customers* must provide to *AEMO* such information and assistance as *AEMO* reasonably requires to prepare the report required under paragraph (a).

UFE reporting guidelines

- (d) *AEMO* must determine, maintain and *publish UFE reporting guidelines* that set out *AEMO's* approach to preparing and *publishing* the report required under paragraph (a), including how the purpose of the report will be achieved.

- (e) In developing and amending the *UFE reporting guidelines*, AEMO must, subject to paragraph (f), comply with the *Rules consultation procedures*.
- (f) AEMO is not required to comply with the *Rules consultation procedures* when making minor or administrative amendments to the *UFE reporting guidelines*.

[11] 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 7.2.1 Obligations of financially responsible Market Participants to establish metering installations

After clause 7.2.1(c), insert:

- (d) In respect of a *connection point* where clause 7.6.3A or 7.6.3B applies, the relevant *Network Service Provider* must ensure that:
 - (1) a *Metering Coordinator* is appointed in respect of the *connection point* in accordance with clause 7.6.2;
 - (2) the *connection point* has a *metering installation* and that the *metering installation* is registered with AEMO; and
 - (3) prior to registration, a *NMI* has been obtained with respect to the *connection point*.

[2] Clause 7.6.2 Persons who may appoint Metering Coordinators

After clause 7.6.2(a)(2), insert:

- (2A) with respect to a *connection point* or proposed *connection point* that is on a *distribution network* and which connects that *distribution network* to an adjacent *distribution network* (other than an *embedded network*) by the *Distribution Network Service Provider* responsible for appointing the *Metering Coordinator* at that *connection point* as determined by agreement between the two *Distribution Network Service Providers* related to that *connection point*.

[3] 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, 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.

[4] 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.

[5] New Clause 7.6.3B Appointment with respect to connection of adjacent distribution networks

After clause 7.6.3A, insert:

7.6.3B Appointment with respect to distribution network connection to adjacent distribution network

Where a *connection point* or proposed *connection point* is on a *distribution network* and connects that *distribution network* to an adjacent *distribution network* (other than an *embedded network*) the *Local Network Service Provider* at the *connection point* may be appointed as *Metering Coordinator* under clause 7.6.2.

[6] Clause 7.6.4 Type 7 metering installations

In clause 7.6.4, delete the heading and substitute:

7.6.4 Type 7 metering installations and non-market unmetered load

[7] Clause 7.6.4 Type 7 metering installations

In clauses 7.6.4(a) and 7.6.4(b), insert “or *non-market unmetered load*” after “type 7 *metering installation*”.

[8] Clause 7.7.1 Obligations of financially responsible Market Participants on Metering Coordinator default event and end of contract term

In clause 7.7.1, after paragraph (b), insert:

- (b1) Without limiting the obligations under clause 7.2.1(d) of a *Network Service Provider* that has appointed a *Metering Coordinator* for a *connection point* where clause 7.6.3A or 7.6.3B applies (the **relevant Network Service Provider**), the relevant *Network Service Provider* must appoint a new *Metering Coordinator* in respect of a *connection point* in circumstances where a *Metering Coordinator default event* occurs with respect to the existing *Metering Coordinator* for the *connection point*.
- (b2) The relevant *Network Service Provider* must appoint the *Metering Coordinator* in accordance with paragraph (b1) as soon as practicable after the *Metering Coordinator default event* occurs.

[9] Clause 7.7.2 Notices to be provided by Metering Coordinator

In clause 7.7.2(a), after “*financially responsible Market Participant*” insert “or in respect of a *connection point* where clause 7.6.3A or 7.6.3B applies, the *Network Service Provider* that has appointed the *Metering Coordinator* for that *connection point*”.

[10] Clause 7.7.3 AEMO may issue breach notice

In clause 7.7.3(d), after “*financially responsible Market Participant*” wherever occurring insert “or in respect of a *connection point* where clause 7.6.3A or 7.6.3B applies, the *Network Service Provider* that has appointed the *Metering Coordinator* for that *connection point*”.

[11] Clause 7.9.1 Responsibility for testing

In clauses 7.9.1(e)(2) and 7.9.1(g)(1), after “*financially responsible Market Participant*” insert “or in respect of a *connection point* where clause 7.6.3A or 7.6.3B applies, the *Network Service Provider* that has appointed the *Metering Coordinator* for that *connection point*”.

[12] Clause 7.9.4 Errors found in metering tests, inspections or audits

In clause 7.9.4(e), after “*financially responsible Market Participant*” insert “or in respect of a *connection point* where clause 7.6.3A or 7.6.3B applies, the *Network Service Provider* that has appointed the *Metering Coordinator* for that *connection point*”.

[13] Clause 7.11.3 Changes to energy data or to metering data

In clause 7.11.3(c)(2), after “*financially responsible Market Participant*” insert “or in respect of a *connection point* where clause 7.6.3A or 7.6.3B applies, the *Network Service Provider* that has appointed the *Metering Coordinator* for that *connection point*”.

[14] Clause 7.10.5 Periodic energy metering

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

[15] 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]”.

[16] 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*;

[17] 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

[18] 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*”.

[19] Schedule 7.1 Metering register

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

[20] Schedule 7.1 Metering register

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

[21] 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 definitions 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*.

UFE reporting guidelines

Guidelines made, amended and *published* by AEMO in accordance with clauses 3.15.5B(d) to (f).

[2] Chapter 10 Substituted Definitions

In Chapter 10, substitute the following definitions:

adjusted gross energy

The *energy* adjusted in accordance with clause 3.15.4.

first-tier load

Electricity purchased at a *connection point* directly and in its entirety by a *franchise customer* from the *Local Retailer* and which is classified as a *first-tier load* in accordance with Chapter 2.

Local Retailer

In relation to a *local area*, the *Customer* who is responsible under the laws of the relevant *participating jurisdiction* for the *supply* of electricity to *franchise customers* in that *local area*.

non-market generating unit

A *generating unit* whose entire output is consumed by a *market load* located at the same *connection point* and which has been classified as such in accordance with Chapter 2.

second-tier load

Electricity purchased at a *connection point* in its entirety other than directly from the *Local Retailer* by a *franchise customer* or from the *spot market* and which is classified as a *second-tier load* in accordance with Chapter 2.

Schedule 5 Savings and Transitional Amendments to the National Electricity Rules

(Clause 7)

[1] New Part ZZZN Global settlement and market reconciliation

After Part ZZZM insert:

Part ZZZN Global settlement and market reconciliation

11.112 Rules consequential on the making of the National Electricity Amendment (Global settlement and market reconciliation) Rule 2018

11.112.1 Definitions

For the purposes of this rule 11.112:

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

effective date means 6 February 2022 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 3.15.5(d) means clause 3.15.5(d) of the *Rules* and all related definitions in the *Rules* as in force on and from the effective date.

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

new clause 3.15.5B(d) means clause 3.15.5B(d) 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.

11.112.2 Amendments to AEMO 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*.

11.112.3 AEMO to publish report on unaccounted for energy trends

- (a) By 1 March 2022 *AEMO* must prepare and publish on its website the first report on unaccounted for *energy* required under new clause 3.15.5B(a).
- (b) *AEMO* is not required to comply with the *UFE reporting guidelines* required under new clause 3.15.5B(d) when preparing and publishing the report referred to in paragraph (a) for the first time.

11.112.4 Continuation of registration for non-market generators

- (a) Despite new clause 2.2.5(a), a *generating unit* whose output 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 entire output 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*.

11.112.5 Publication of UFE data by AEMO

- (a) By 1 July 2021, *AEMO* must *publish* the information on unaccounted for *energy* amounts required by new clause 3.15.5(d).

11.112.6 Publication of UFE reporting guidelines

- (a) *AEMO* must make and *publish* the *UFE reporting guidelines* required under new clause 3.15.5B(d) by 1 December 2022 and in doing so must comply with the *Rules consultation procedures*.

[END OF RULE AS MADE]
