8. Administrative Functions

Part A Introductory

8.1 Administrative functions

8.1.1 [Deleted]

8.1.2 [Deleted]

8.1.3 Structure of this Chapter

(a) This Chapter describes some of the key processes and obligations associated with the administration of the Rules and deals also with augmentations.

(b) It is divided into Parts as follows:

(1) this Part is introductory;

(2) Part B deals with dispute resolution;

(3) Part C deals with the obligations of Registered Participants to maintain confidentiality;

(4) Part D deals with monitoring and reporting;

(5) Part E deals with the structure and responsibilities of the Reliability Panel;

(6) Part F sets out the Rules consultation procedures;

(7) Part G deals with funding for the Consumer Advocacy Panel;

(8) Part H deals with augmentations.

(c) [Deleted]

(d) [Deleted]

(e) [Deleted]

(f) [Deleted]

(g) [Deleted]

Part B Disputes

8.2 Dispute Resolution

8.2.1 Application and guiding principles

(a) This rule 8.2 applies to any dispute which may arise between two or more Registered Participants about:
(1) the application or interpretation of the Rules;

(2) the failure of any Registered Participants to reach agreement on a matter where the Rules require agreement or require the Registered Participants to negotiate in good faith with a view to reaching agreement;

(3) [Deleted]

(4) the proposed access arrangements or connection agreements of an Intending Participant or a Connection Applicant, for connection and access to a distribution network or declared transmission system;

(5) the payment of moneys under or concerning any obligation under the Rules;

(6) any other matter relating to or arising out of the Rules to which a contract between two or more Registered Participants provides that the dispute resolution procedures under the Rules are to apply;

(7) any other matter relating to or arising out of the Rules in respect of which two or more Registered Participants have agreed in writing that this rule 8.2 should apply; or

(8) any other matter that the Rules provide may or must be dealt with under this rule 8.2,

but does not apply to those disputes described in clause 8.2.1(h).

(a1) For the purposes of this rule 8.2 only, "Registered Participant" is deemed to include not just Registered Participants but also AEMO, Connection Applicants, Metering Providers, Metering Data Providers, Embedded Network Managers and NMAS providers (including NSCAS preferred tenderers) who are not otherwise Registered Participants, except that this will not be the case where the term "Registered Participant":

(1) is used in clauses 8.2.2(b)(4), 8.2.2(d), 8.2.3(a), 8.2.3(b)(5) and 8.2.5(e); or

(2) first occurs in clauses 8.2.3(b), 8.2.3(b)(3), 8.2.3(b)(4) or 8.2.3(c); or

(3) last occurs in clauses 8.2.4(a) or 8.2.9(c).

(b) [Deleted]

(c) [Deleted]

(d) The dispute resolution regime in this rule 8.2 provides procedures to resolve disputes between parties, not sanctions for breach of the Rules. The dispute resolution processes may indicate that a breach of the Rules has occurred and the resolution or determination of the dispute may take account of the damage thereby caused to a party. Any action for breach of the Rules may only be taken by the AER acting in accordance with the National Electricity Law.
(e) It is intended that the dispute resolution regime set out in or implemented in compliance with the Rules and described in detail in this rule 8.2 should to the extent possible:

(1) be guided by the national electricity objective;
(2) be simple, quick and inexpensive;
(3) preserve or enhance the relationship between the parties to the dispute;
(4) take account of the skills and knowledge that are required for the relevant procedure;
(5) observe the rules of natural justice;
(6) place emphasis on conflict avoidance; and
(7) encourage resolution of disputes without formal legal representation or reliance on legal procedures.

(f) Except as provided in the National Electricity Law and clause 8.2.1(g), where any dispute of a kind set out in clause 8.2.1(a) arises, the parties concerned must comply with the procedures set out in clauses 8.2.4 to 8.2.10 and 8.2.12 and, where the dispute is referred to a DRP, a determination of the DRP is final and binding on the parties.

(g) Notwithstanding clause 8.2.1(f), a party may seek an urgent interlocutory injunction from a court of competent jurisdiction.

(h) Rule 8.2 does not apply to:

(1) a decision by AEMO regarding an exemption under clause 2.2.1(c);
(2) a decision by AEMO under clause 2.2.2 not to approve the classification of a generating unit as a scheduled generating unit;
(3) a decision by AEMO under clause 2.2.3 not to approve the classification of a generating unit as a non-scheduled generating unit;
(3A) a decision by AEMO under clause 2.5.1A(d) not to approve the classification of a dedicated connection asset as a small dedicated connection asset or large dedicated connection asset;
(4) a decision by AEMO under clause 2.9.2(c);
(5) a decision by AEMO to reject a notice from a Market Customer under clause 2.10.1(d);
(5A) a decision by AEMO with regard to the preparation or publication of a budget;
(5B) the formulation by AEMO of its revenue methodology or an amendment to its revenue methodology;
(5C) a decision by AEMO to reject a notice from a Market Small Generation Aggregator under clause 2.10.1(d1);
(6) a determination by AEMO under clause 3.3.8 of the minimum amount of credit support a Market Participant must provide to AEMO for the relevant time period, as determined by AEMO in accordance with clause 3.3.8;

(7) a decision by AEMO under clause 3.8.3 to refuse an application for aggregation;

(8) a decision by AEMO under clause 3.15.11 to reject a reallocation request;

(9) a decision by AEMO to issue a notice under clause 4.11.1(d);

(10) a decision by AEMO under clause 7.2.1(b) to refuse to permit a Market Participant to participate in the market in respect of a connection point;

(11) a decision by AEMO whether or not to deregister a Metering Provider, Metering Data Provider or Embedded Network Manager under clause 7.4.4(d) or to suspend a Metering Provider, Metering Data Provider or Embedded Network Manager from a category of registration under clause 7.4.4(d) or to impose agreed constraints on the continued operation of a Metering Provider, Metering Data Provider or Embedded Network Manager;

(12) a dispute concerning the price of a SRAS agreement or a tender conducted by AEMO for the acquisition of system restart ancillary services under clause 3.11.9;

(13) a dispute of a kind referred to in clause 5.16.5 or 5.17.5;

(14) a transmission services access dispute and large DCA services access dispute to which rule 5.5 applies;

(14A) a decision by a Co-ordinating Network Service Provider with regard to the provision of an estimate of the modified load export charge payable to each Transmission Network Service Provider as referred to in clause 6A.29A.2.

(15) a distribution services access dispute to which Part L of Chapter 6 applies;

(16) a decision by AEMO under clause 2.2.7 not to approve the classification of a semi-scheduled generating unit; or

(17) a decision by AEMO regarding an exemption under clause 2.4A.1(b); or

(18) a decision by AEMO regarding an exemption under clause 7.8.4(a).

8.2.2 The Dispute Resolution Adviser

(a) The AER must appoint a person or persons from time to time to perform the functions of the Dispute Resolution Adviser (the Adviser), on such terms and conditions as the AER may determine.

(b) The Adviser must:
(1) have a detailed understanding and experience of dispute resolution practice and procedures which do not involve litigation (alternative dispute resolution);

(2) have the capacity to determine the most appropriate alternative dispute resolution procedures in particular circumstances;

(3) have an understanding of the electricity industry or the capacity to quickly acquire such an understanding; and

(4) not be a Registered Participant or AEMO or be associated, directly or indirectly, with a Registered Participant, AEMO or the AER.

(c) The primary function of the Adviser is to attend to any matters necessary to ensure the effective operation of:

(1) the Stage 1 dispute resolution process set out in clause 8.2.4;

(2) the Stage 2 dispute resolution process set out in clauses 8.2.5 and 8.2.6A to 8.2.6D; and

(3) the Independent Engineer process set out in rule 5.4.

(d) The Adviser must take reasonable steps to keep Registered Participants and AEMO informed, and in any case must report at least quarterly to Registered Participants and AEMO, about the operation of the dispute resolution processes established under the Rules.

(e) The Adviser must establish and maintain a pool of persons from which members of a dispute resolution panel (DRP) may be selected in accordance with clause 8.2.6A.

(f) In selecting persons for the pool, the Adviser must have regard to:

(1) the need for members of a DRP to have an appropriate range of skills; and

(2) the need for persons in the pool to be drawn from all participating jurisdictions.

(g) The Adviser must review the composition of the pool at least every two years.

(h) The Adviser may issue guidance notes relating to:

(1) the form and content of a dispute management system (DMS); and

(2) the use and conduct of mediation in the Stage 1 dispute resolution process.

8.2.3 Dispute management systems of Registered Participants and AEMO

(a) Each Registered Participant and AEMO must adopt and implement a DMS.

(b) The DMS of a Registered Participant or AEMO must:

(1) be consistent with guidance notes of the Adviser relating to the form and content of a DMS;
nominate a *DMS Contact* to be the first point of contact for the notification of disputes;

(3) provide that the *Registered Participant* or *AEMO* (as the case may be) must respond to a request for information (being information that is relevant to any of the matters set out in clause 8.2.1(a)) from another *Registered Participant* within 5 business days of receiving the request;

(4) set out the procedures of the *Registered Participant* or *AEMO* (as the case may be) for responding to requests for information from other *Registered Participants*; and

(5) set out any requirements and procedures necessary to ensure that the *Registered Participant* or *AEMO* (as the case may be) is able to comply with the requirements and time limits set out in clause 8.2.4.

(c) A *Registered Participant* or *AEMO* must provide a copy of its *DMS* upon being requested to do so by another *Registered Participant* or the *Adviser*.

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

### 8.2.4 Stage 1 - dispute resolution through Registered Participants' DMS

(a) A *Registered Participant* may activate the dispute resolution mechanisms in this clause by serving a *DMS referral notice* on the *DMS Contact* of one or more other *Registered Participants* or *AEMO* (as the case may be).

(b) Except where the *Rules* provides for another time period to apply, and subject to clause 8.2.4(k), a *DMS referral notice* must be served no later than 60 business days after the date on which the making of a disputed decision or the occurrence of disputed conduct could reasonably have become known to a *Registered Participant* affected by it.

(c) A *DMS referral notice*:

1. must be in a form approved and *published* by the *Adviser*;
2. must contain a statement setting out the circumstances giving rise to the dispute; and
3. may request the person on whom it is to be served to provide information that is relevant to any of the matters set out in clause 8.2.1(a).

(d) Within 5 business days of service of a *DMS referral notice*, representatives of:

1. the *Registered Participant* that served the notice; and
2. every person on whom the notice was served,

must meet to determine, by agreement, the further conduct of the dispute.

(e) A meeting of *Registered Participants' representatives*:
(1) may be conducted in person, by telephone, video-conference or like method of real time communication;

(2) may agree that the dispute should be conducted by any consensual means, including by direct discussions between Registered Participants or by mediation; and

(3) must consider whether any other Registered Participant should be served with a DMS referral notice.

(f) Subject to clause 8.2.4(g), a meeting of Registered Participants' representatives may agree to keep confidential:

(1) the fact that a dispute exists between them; and

(2) any information exchanged between them for the purposes of attempting to resolve the dispute.

(g) AEMO must immediately notify the Adviser if:

(1) it serves a DMS referral notice on the DMS Contact of another Registered Participant, or

(2) it is served with a DMS referral notice by another Registered Participant.

The notification to the Adviser must include a list setting out each Registered Participant that AEMO considers may have an interest in the dispute, together with an indication as to whether AEMO has served a DMS referral notice in relation to the dispute on that Registered Participant, or has otherwise made the Registered Participant aware of the dispute.

(h) If Registered Participants' representatives, meeting in accordance with clauses 8.2.4(d) and (e), all agree that a Registered Participant that was not previously a party to the dispute should be served with a DMS referral notice, any one or more of them may serve a DMS referral notice on that other Registered Participant. Where a Registered Participant is served with such a notice, that Registered Participant must meet with the other parties to the dispute to determine the further conduct of the dispute in accordance with clauses 8.2.4(d), (e) and (f).

(i) If:

(1) a Registered Participant on whom a DMS referral notice is served does not agree to become a party to the dispute; or

(2) the dispute is not resolved within 20 business days (or such lesser period as is agreed by all the parties) after the day on which a DMS referral notice was last served on a Registered Participant,

any Registered Participant that has served a DMS referral notice in relation to the dispute or that has agreed to become a party to the dispute may, no later than 60 business days after the day on which a DMS referral notice was last served on a Registered Participant, refer the matter to the Adviser in accordance with clause 8.2.5.
(j) If the dispute has not been referred to the Adviser within 60 business days after the day on which a DMS referral notice was last served on a Registered Participant, any obligations or requirements arising under this clause 8.2.4 in relation to that dispute cease to have effect.

(k) Despite clauses 8.2.4(b) and 8.2.4(i) and any other provision of the Rules that specifies a time limit for the raising of a dispute, where:

(1) a DMS referral notice has not been served within the period specified in clause 8.2.4(b);

(2) a dispute has not been referred to the Adviser within the time specified in clause 8.2.4(i); or

(3) any other dispute to which rule 8.2 applies has not been raised within the time limit specified in the Rules for the raising of such a dispute,

the dispute may be referred to the Adviser, and a DRP may determine the dispute if, in the opinion of the DRP, any prejudice suffered by any Registered Participant as a result of the dispute being referred outside the specified period would not, having regard to the circumstances giving rise to the failure to refer the dispute within the specified period, be unreasonable.

### 8.2.5 Stage 2 - dispute resolution process

(a) A dispute may be referred to the Adviser by serving on the Adviser an Adviser referral notice in accordance with this clause 8.2.5. An Adviser referral notice must:

(1) be in a form approved and published by the Adviser;

(2) contain the names of all the parties to the dispute; and

(3) if the Registered Participant serving the Adviser referral notice does not agree to the Adviser attempting to resolve the dispute in accordance with clause 8.2.5(c)(1) and requires the Adviser to refer the dispute to a DRP for determination, must contain a statement to that effect.

(b) Where a dispute is referred to the Adviser, the Adviser must immediately notify each Registered Participant that is party to the dispute of that fact. Each Registered Participant must, within 5 business days of being so notified, provide to the Adviser a statement setting out:

(1) a brief history of the dispute and the circumstances giving rise to it; and

(2) a statement of its issues in relation to the dispute.

(c) The Adviser must, within 10 business days of being served with the Adviser referral notice, either:

(1) if the parties so agree, attempt to resolve the dispute by any means the Adviser, having regard to the principles set out in clause 8.2.1(e), considers appropriate; or
(2) if the parties do not agree to the Adviser attempting to resolve the dispute in accordance with clause 8.2.5(c)(1), refer the dispute to a DRP for determination in accordance with clauses 8.2.6A to 8.2.6D.

(d) If the Adviser, having attempted to resolve the dispute in accordance with clause 8.2.5(c)(1), considers that such attempt is unlikely to result in resolution of the dispute within a reasonable time, the Adviser may, at any time, refer the dispute to a DRP for determination in accordance with clauses 8.2.6A to 8.2.6D.

(e) Where the Adviser refers a dispute to a DRP, the Adviser must promptly publish to all Registered Participants, as well as promptly notify AEMO, the AER and the AEMC of, the fact that the referral has been made.

8.2.6A Establishment of Dispute Resolution Panel

(a) Where the Adviser decides to refer a dispute for resolution by a DRP, the Adviser must establish the DRP to determine the dispute.

(b) [Deleted]

(c) The Adviser must consult with the parties to the Stage 1 dispute resolution process on the composition of the DRP. For the avoidance of doubt, the requirement to consult on the composition of the DRP does not apply with respect to a party that is later joined as, or that later opts to become, a party to the dispute.

(d) Despite the requirement to consult set out in clause 8.2.6A(c), a decision of the Adviser as to the composition of the DRP is final and binding upon all parties to the dispute.

(e) A DRP must comprise three members or, if the parties agree that the circumstances and nature of the dispute warrant a panel comprised of one or two members, the number so agreed.

(f) The Adviser may appoint as a member of the DRP any person who is a member of the pool established under clause 8.2.2(e) and who in the reasonable opinion of the Adviser is either:

(1) expert in the field to which the dispute relates; or

(2) experienced or trained in dispute resolution techniques.

(g) A person, whether a member of the pool established under clause 8.2.2(e) or not, is not eligible for appointment to a DRP if that person has any interest which may conflict with, or which may be seen to conflict with, the impartial resolution of the dispute. Where a person becomes aware of such a conflict after the DRP commences the determination of a dispute, the person must advise the parties to that effect.

(h) Where:

(1) a Registered Participant who is a party to the dispute believes that a person appointed to a DRP has an interest which may conflict with the impartial resolution of the dispute; or
(2) a person appointed to a DRP discloses the existence of such an interest: the person must not continue as a member of the DRP, except with the written consent of all parties to the dispute.

(i) The Adviser may, if in his or her reasonable opinion no member of the pool established under clause 8.2.2(e) is:

(1) eligible for appointment to a DRP; or

(2) sufficiently skilled and experienced to resolve the dispute,

appoint to the DRP another person whom he or she considers to be eligible and sufficiently skilled and experienced, but who is not a member of the pool. A person so appointed is deemed to be a member of the pool on and from his or her appointment to the DRP.

(j) Any person who has previously been a member of a DRP is eligible for appointment to another DRP.

(k) The Adviser must nominate one of the DRP members to be the chairperson.

8.2.6B Parties to DRP Proceedings

(a) The following persons are parties to the dispute before a DRP:

(1) the parties to the Stage 1 dispute resolution process referred by the Adviser to the DRP;

(2) any other Registered Participant that the DRP directs to become a party to the dispute in accordance with clause 8.2.6B(b); and

(3) any other Registered Participant that has opted to become a party to the dispute in accordance with clause 8.2.6B(c).

(b) If the DRP considers that a Registered Participant should become a party to the dispute, it may direct the Registered Participant to become a party by giving that Registered Participant's DMS Contact written notice setting out:

(1) the names of the other parties to the dispute;

(2) a brief history of the dispute and the circumstances giving rise to it;

(3) the results of any previous dispute resolution processes undertaken pursuant to the Rules in respect of the dispute; and

(4) the grounds on which the DRP considers the Registered Participant should be made a party to the dispute.

(c) Any Registered Participant that has an interest in a dispute may opt to become a party to the dispute by giving notice to the DRP that it wishes to do so. When a Registered Participant opts to become a party to the dispute in accordance with this clause 8.2.6B(c), the DRP must give that Registered Participant's DMS Contact written notice setting out:

(1) the names of the other parties to the dispute;

(2) a brief history of the dispute and the circumstances giving rise to it; and
the results of any previous dispute resolution processes undertaken pursuant to the Rules in respect of the dispute.

8.2.6C Proceedings of the DRP

(a) The DRP may give to the parties such directions as it considers necessary for the proper conduct of the proceedings, including, without limitation, a direction:

(1) that the proceedings be conducted at a specified venue or venues (including the premises of a party) at a specified time or times;
(2) requiring the parties to prepare and exchange written submissions;
(3) requiring the parties to exchange documents; and
(4) limiting or prohibiting the cross examination of witnesses.

(b) The DRP may direct the parties that the proceedings, or part of the proceedings, are to be conducted solely on the basis of documentary evidence and written submissions.

(c) The DRP may give to the parties such directions relating to the use and disclosure of information obtained from other parties to the dispute (including a direction to keep information confidential) as it considers necessary in the circumstances.

(d) At any time before it determines a dispute, the DRP may, with the consent of all parties, refer the dispute for mediation.

(e) A DRP:

(1) must determine the real questions in controversy between the parties; and
(2) is not bound by the parties' formulation of those questions.

(f) A DRP:

(1) is not bound by the rules of evidence and may inform itself in any way it thinks fit; but
(2) must observe the rules of natural justice.

8.2.6D Decisions of the DRP

(a) A decision of a DRP on any matter may be made by a majority of the members comprising the DRP. Where a DRP comprising two members is unable to reach a unanimous decision, the decision of the chairperson will be the decision of the DRP.

(b) Subject to clause 8.2.6D(c), a DRP must determine a dispute as quickly as possible, and in any case must do so:

(1) in the case of disputes involving two parties, within 30 business days after the dispute is referred to the DRP; and
(2) in the case of disputes involving more than two parties, within 70
business days after the dispute is referred to the DRP.

(c) A DRP may extend either of the periods specified in clause 8.2.6D(b) for
determination of a dispute if:

(1) all parties to the dispute agree in writing;
(2) the AER agrees in writing; or
(3) the dispute is referred to mediation under clause 8.2.6C(d).

(d) A determination of the DRP may, without limitation of the DRP’s power,
require a party to do any or all of the following in such manner and within
such time or times as is specified in the determination:

(1) take specified action;
(2) refrain from taking specified action; or
(3) pay a monetary amount to another party.

(e) Each party to a dispute that is required by a determination of the DRP to take
specified action, to refrain from taking specified action or to pay a monetary
amount must:

(1) do so within such period after being notified of the determination as is
specified in the determination; and
(2) report to the Adviser as soon as practicable after doing so.

8.2.6 [Deleted]

8.2.7 Legal representation

(a) In any meeting, negotiation or mediation forming part of the Stage 1 dispute
resolution process, a party is entitled to be legally represented.

(b) A DRP may give any direction it considers appropriate in relation to the role
the parties’ legal representatives may take in the proceedings.

8.2.8 Cost of dispute resolution

(a) The costs of any dispute resolution processes (other than legal costs of one or
more parties), including the costs incurred by the Adviser in performing
functions of the Adviser under clauses 8.2.5, 8.2.6A, 8.2.6B, 8.2.6C or 8.2.6D
and the costs of the DRP and its members, are to be borne equally by the
parties to the dispute unless:

(1) clause 8.2.8(b) applies; or
(2) otherwise agreed between the parties.

(b) Costs of the dispute resolution processes (including legal costs of one or more
parties) may be allocated by the DRP for payment by one or more parties as
part of any determination. Subject to clause 8.2.8(c), in deciding to allocate
costs against one or more parties to a dispute, the DRP may have regard to
any relevant matters, including (but not limited to) whether the conduct of
that party or those parties unreasonably prolonged or escalated the dispute or otherwise increased the costs of the DRP proceedings.

(c) A party that disagrees with another party about the number of persons comprising a DRP is not to be taken, by reason only of that disagreement, to have unreasonably prolonged or escalated a dispute or otherwise increased the costs of the DRP proceedings.

8.2.9 Effect of resolution

(a) Where the parties to a dispute reach agreement (whether or not the matter is before a DRP), the parties may execute a written agreement recording that a party has or parties have agreed:

(1) to take certain action;
(2) not to take certain action; or
(3) to make a monetary payment.

(b) An agreement that is recorded in accordance with clause 8.2.9(a) and a determination of the DRP are binding on the parties to the dispute.

(c) A requirement that a Registered Participant pay moneys, imposed on the Registered Participant under:

(1) a determination of the DRP; or
(2) an agreement that is recorded in accordance with clause 8.2.9(a),

is an obligation under the Rules to pay such amounts. A Registered Participant or AEMO entitled to such amount may recover the amount in accordance with section 72 of the National Electricity Law.

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(d) A Registered Participant must comply with a requirement or determination of the DRP and any agreement that is recorded in accordance with clause 8.2.9(a). Failure to do so is a breach of the Rules in respect of which the AER may take action in accordance with the National Electricity Law.

8.2.10 Recording and publication

(a) Where a DRP makes a determination, a copy of the determination must be forwarded to the Adviser.

(b) The DRP must provide a copy of its determination (save to the extent that it contains confidential information), to the AER for publication.

(c) The AER must, in accordance with the Rules consultation procedures, develop and issue guidelines relating to the confidentiality of information obtained, used or disclosed for the purposes of resolving a dispute to which rule 8.2 applies.
8.2.11 Appeals on questions of law
A party to a dispute may appeal on a question of law against a decision or determination of a DRP in accordance with section 71 of the National Electricity Law.

8.2.12 [Deleted]

8.2A B2B Determination Disputes

8.2A.1 Application of rule 8.2
Rule 8.2 applies to B2B Determination Disputes but with the modifications set out in clause 8.2A.2.

8.2A.2 How rule 8.2 applies
For the purposes of its application to a B2B Determination Dispute, rule 8.2 is modified as follows:

(a) For clause 8.2.1(a) substitute:
"(a) This clause 8.2 applies to a B2B Determination Dispute.".

(b) In clause 8.2.1(a1):

(1) delete "Connection Applicants,"; and

(2) omit "Embedded Network Managers and NMAS providers (including NSCAS preferred tenderers)" and substitute "Third Party B2B Participants and B2B Change Parties".

(c) For clause 8.2.1(e)(1) substitute:
"(1) be guided by the national electricity objective and the B2B Principles;".

(d) In clause 8.2.1(f):

(1) omit "set out in clauses 8.2.4 to 8.2.10 and 8.2.12" and substitute "set out in clauses 8.2.5 to 8.2.10 and 8.2.12 (in each case, as those clauses are amended by clause 8.2A.2)"; and

(2) insert a new sentence at the end of the clause as follows:
"The subject matter of a B2B Determination Dispute which has been determined by the DRP cannot be the subject of further review."

(e) For the avoidance of doubt, clause 8.2.3 does not apply to the Information Exchange Committee.

(f) The contact for the Information Exchange Committee in relation to disputes will be the DMS Contact for AEMO.

(g) Clause 8.2.4 does not apply.

(h) Clauses 8.2.5(a), (b), (c) and (d) do not apply.

(i) Insert new clauses 8.2.5(d1) to (d4) as follows:
"(d1) A B2B Party or B2B Change Party adversely affected by an Information Exchange Committee Recommendation or a B2B Decision may apply to the Adviser for review of that Information Exchange Committee Recommendation or that B2B Decision. The application must be made within 10 business days of publication of the Information Exchange Committee Recommendation or the B2B Decision, state grounds for the review and give full particulars of where the applicant believes the Information Exchange Committee Recommendation or B2B Decision is in error.

(d2) Where an application for review of an Information Exchange Committee Recommendation is made, AEMO must not take any further action in relation to that Information Exchange Committee Recommendation until the DRP has made its decision in relation to the dispute.


(d4) On receiving the application the Adviser must refer the dispute to a DRP for determination in accordance with clauses 8.2.6A to 8.2.6D."

(j) In clause 8.2.6A(a), for "decides to refer" substitute "refers".

(k) In clause 8.2.6A(c), for "the parties to the Stage 1 dispute resolution process" substitute "the parties to the dispute".

(l) In clause 8.2.6A(h)(1) before "a Registered Participant" insert "the Information Exchange Committee or".

(m) For clause 8.2.6B(a)(1) substitute:

"(1) the Registered Participant making application for a review of the Information Exchange Committee Recommendation or the B2B Decision, a Registered Participant affected by the Information Exchange Committee Recommendation or the B2B Decision the subject of the application for review and the Information Exchange Committee or, if the Information Exchange Committee is unable to act as a party, any other Registered Participant wishing to support the position of the Information Exchange Committee;"

(n) At the end of clause 8.2.6B(a) insert:

"AEMO is a party to an application for review of a B2B Decision and may be a party, in accordance with clause 8.2.6B(b), to an application for review of an Information Exchange Committee Recommendation. In addition:

(1) where the Information Exchange Committee is unable to act as a party to a B2B Determination Dispute, and another Registered Participant is a party to support the position of the Information Exchange Committee, the Information Exchange Committee must give to that party all assistance including access to both documents and Members. A Registered Participant of which a Member is an employee must ensure that Member is available to provide such assistance; and

(2) where AEMO is a party to a B2B Determination Dispute, the Information Exchange Committee must give AEMO all assistance
including access to both documents and Members. A Registered Participant of which a Member is an employee must ensure that Member is available to provide such assistance.

(o) Clause 8.2.6C(d) does not apply.

(p) Insert a new clause 8.2.6C(g) as follows:

"(g) In considering a B2B Determination Dispute, the DRP must conduct a full reconsideration of the Information Exchange Committee Recommendation or B2B Decision and:

(1) can rely on any material available and is not confined to only considering material that was before the Information Exchange Committee in relation to an Information Exchange Committee Recommendation or AEMO in relation to a B2B Decision; and

(2) may exercise all powers and discretions that are conferred on the Information Exchange Committee in relation to an Information Exchange Committee Recommendation or AEMO in relation to a B2B Decision."

(q) Insert a new clause 8.2.6D(da) as follows:

"(da) The DRP must make a decision in writing:

(1) affirming the Information Exchange Committee Recommendation or the B2B Decision;

(2) varying the Information Exchange Committee Recommendation or the B2B Decision; or

(3) setting aside the Information Exchange Committee Recommendation or the B2B Decision and substituting its own decision."

(r) Clause 8.2.7(a) does not apply.

(s) In clause 8.2.8(a) after "8.2.6D" insert "(as modified by clause 8.2A.2)".

(t) Clauses 8.2.9(a), (b) and (c)(2) do not apply.

(u) In clause 8.2.9(d) after "Registered Participant" insert "and the Information Exchange Committee", and delete "and any agreement that is recorded in accordance with clause 8.2.9(a)"

(v) In clause 8.2.8(a), insert "(in each case, as modified by clause 8.2A.2)" after "8.6.2D"

8.3 Power to make Electricity Procedures

(a) AEMO may make Electricity Procedures.

(b) Electricity Procedures may govern:

(1) the operation of the national electricity market; or

(2) the sale and supply of electricity to retail customers.
Electricity Procedures may amend or revoke procedures formerly made under this Part or AEMO's general administrative powers to regulate electricity markets.

8.4 [Deleted]

8.5 [Deleted]

Part C Registered Participants' confidentiality obligations

8.6 Confidentiality

8.6.1 Confidentiality

(a) Each Registered Participant must use all reasonable endeavours to keep confidential any confidential information that comes into the possession or control of the Registered Participant or of which the Registered Participant becomes aware.

(b) A Registered Participant:

(1) must not disclose confidential information to any person except as permitted by the Rules;

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(2) must only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Rules; and

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(3) must not permit unauthorised persons to have access to confidential information.

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(c) Each Registered Participant must use all reasonable endeavours:

(1) to prevent unauthorised access to confidential information which is in the possession or control of that Registered Participant; and

(2) to ensure that any person to whom it discloses confidential information observes the provisions of this rule 8.6 in relation to that information.
(d) The officers of a Transmission Network Service Provider participating in transmission service pricing must not be involved in or associated with competitive electricity trading activities of any other Registered Participant.

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(e) A Transmission Network Service Provider participating in transmission service pricing must provide to any Transmission Network Service Provider or Registered Participant which supplies information for transmission service pricing an undertaking that the Transmission Network Service Provider to which that information was supplied will comply with the confidentiality requirements set out in 6.9.2A.

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

8.6.1A Application
For the purposes of this Part C only, "Registered Participant" is deemed to include not just Registered Participants but also Metering Providers, Metering Data Providers, Embedded Network Managers and Third Party B2B Participants.

8.6.2 Exceptions
This rule 8.6 does not prevent:

(a) (public domain): the disclosure, use or reproduction of information if the relevant information is at the time generally and publicly available other than as a result of breach of confidence by the Registered Participant who wishes to disclose, use or reproduce the information or any person to whom the Registered Participant has disclosed the information;

(b) (employees and advisers): the disclosure of information by a Registered Participant or the Registered Participant's Disclosees to:

(1) an employee or officer of the Registered Participant or a related body corporate of the Registered Participant; or

(2) a legal or other professional adviser, auditor or other consultant (in this clause 8.6.2(b) called Consultants) of the Registered Participant,

which require the information for the purposes of the Rules, or for the purpose of advising the Registered Participant or the Registered Participant's Disclosee in relation thereto;

(b1) (service providers): the disclosure of NMI Standing Data or the provision of means to gain electronic access to that data by a Customer or the Customer's Disclosees to a person who requires the NMI Standing Data for the purposes of providing services in connection with the Customer's sale of electricity to end users.
(c) (consent): the disclosure, use or reproduction of information with the consent of the person or persons who provided the relevant information under the Rules;

(d) (law): the disclosure, use or reproduction of information to the extent required by law or by a lawful requirement of:

(1) any government or governmental body, authority or agency having jurisdiction over a Registered Participant or its related bodies corporate; or

(2) any stock exchange having jurisdiction over a Registered Participant or its related bodies corporate;

(d1) [Deleted]

(e) (disputes): the disclosure, use or reproduction of information if required in connection with legal proceedings, arbitration, expert determination or other dispute resolution mechanism relating to the Rules, or for the purpose of advising a person in relation thereto;

(f) (trivial): the disclosure, use or reproduction of information which is trivial in nature;

(g) (safety): the disclosure of information if required to protect the safety of personnel or equipment;

(h) (potential investment): the disclosure, use or reproduction of information by or on behalf of a Registered Participant to the extent reasonably required in connection with the Registered Participant's financing arrangements, investment in that Registered Participant or a disposal of that Registered Participant's assets;

(i) (regulator): the disclosure of information to the AER, the AEMC or the ACCC or any other regulatory authority having jurisdiction over a Registered Participant, pursuant to the Rules or otherwise;

(j) (reports): the disclosure, use or reproduction of information of an historical nature in connection with the preparation and giving of reports under the Rules;

(k) (aggregate sum): the disclosure, use or reproduction of information as an unidentifiable component of an aggregate sum; and

(l) (profile): the publication of a profile.

(m) [Deleted]

(n) [Deleted]

(o) [Deleted]

8.6.3 Conditions

In the case of a disclosure under clauses 8.6.2(b), 8.6.2(b1), 8.6.2(h), prior to making the disclosure the Registered Participant that wishes to make the disclosure must inform the proposed recipient of the confidentiality of the information and must
take appropriate precautions to ensure that the proposed recipient keeps the information confidential in accordance with the provisions of this rule 8.6 and does not use the information for any purpose other than that permitted under clause 8.6.1.

**Note**

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

### 8.6.4 [Deleted]

### 8.6.5 Indemnity to AER, AEMC and AEMO

Each Registered Participant must indemnify the AER, the AEMC and AEMO against any claim, action, damage, loss, liability, expense or outgoing which the AER, the AEMC or AEMO pays, suffers, incurs or is liable for in respect of any breach by that Registered Participant or any officer, agent or employee of that Registered Participant of this rule 8.6.

### 8.6.6 AEMO information

AEMO must develop and, to the extent practicable, implement a policy:

(a) to protect information which it acquires pursuant to its various functions from use or access which is contrary to the provisions of the Rules;

(b) to disseminate such information in accordance with its rights, powers and obligations in a manner which promotes the orderly operation of any market; and

(c) to ensure that AEMO, in undertaking any trading activity except the procurement of ancillary services, does not make use of such information unless the information is also available to other Registered Participants.

### 8.6.7 Information on Rules Bodies

AEMO must, in consultation with the AEMC, develop and implement policies concerning:

(a) the protection of information which Rules bodies acquire pursuant to their various functions from use or access by Registered Participants or Rules bodies which is contrary to the provisions of the Rules; and

(b) the dissemination of such information where appropriate to Registered Participants.

---

**Part D Monitoring and reporting**

### 8.7 Monitoring and Reporting

### 8.7.1 Monitoring

(a) [Deleted]

(b) The AER must, for the purpose of performing its monitoring functions:
(1) determine whether Registered Participants and AEMO are complying with the Rules;

(2) assess whether the dispute resolution and Rules enforcement mechanisms are working effectively in the manner intended; and

(3) [Deleted]

(4) collect, analyse and disseminate information relevant and sufficient to enable it to comply with its reporting and other obligations and powers under the Rules.

(c) The AER must ensure that, to the extent practicable in light of the matters set out in clause 8.7.1(b), the monitoring processes which it implements under this rule 8.7:

(1) are consistent over time;

(2) do not discriminate unnecessarily between Registered Participants;

(3) are cost effective to both the AER, all Registered Participants and AEMO; and

(4) subject to confidentiality obligations, are publicised or available to the public.

8.7.2 Reporting requirements and monitoring standards for Registered Participants and AEMO

(a) For the purpose of performing its monitoring functions, the AER must establish:

(1) reporting requirements which apply to all or particular categories of Registered Participants in relation to matters relevant to the Rules;

(2) reporting requirements for AEMO in relation to matters relevant to the Rules;

(3) procedures and standards generally applicable to Registered Participants relating to information and data received by them in relation to matters relevant to the Rules;

(4) procedures and standards applicable to AEMO relating to information and data received by it in relation to matters relevant to the Rules; and

(5) procedures and standards applicable to the AER relating to information and data received by the AER from Registered Participants or AEMO in relation to matters relevant to the Rules.

(b) The AER must:

(1) after consultation with the AEMC, AEMO and Registered Participants in accordance with the Rules consultation procedures, establish the requirements and standards and procedures referred to in clause 8.7.2(a)(1), (3), (4) and (5); and
(2) after consultation with the AEMC, AEMO and such Registered Participants as the AER considers appropriate, establish the requirements referred to in clause 8.7.2(a)(2).

In formulating such requirements or procedures and standards, the AER must take into consideration the matters set out in clause 8.7.1(c).

c) Subject to clause 8.7.2(d), the AER must notify to AEMO and all Registered Participants particulars of the requirements and procedures and standards which it establishes under this clause 8.7.2.

d) For the purpose of performing its monitoring functions, the AER may establish additional or more onerous requirements or procedures and standards which do not apply to all or a particular category of Registered Participants. In formulating such requirements or procedures and standards, the AER must take into consideration the matters set out in clause 8.7.1(c) and is not required to consult in accordance with the Rules consultation procedures but must consult with the relevant Registered Participants. In such a case, and if the AER considers it appropriate to do so, the AER may choose to notify only those Registered Participants to whom these additional or more onerous requirements or procedures and standards apply.

e) Each Registered Participant and AEMO must comply with all requirements, procedures and standards established by the AER under this rule 8.7 to the extent that they are applicable to it within the time period specified for the requirement, procedure or standard or, if no such time period is specified, within a reasonable time. Each Registered Participant and AEMO must bear its own costs associated with complying with these requirements, procedures and standards.

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

f) In complying with its obligations or pursuing its rights under the Rules, neither a Registered Participant nor AEMO must recklessly or knowingly provide, or permit any other person to provide on behalf of that Registered Participant or AEMO (as the case may be), misleading or deceptive data or information to any other person (including the AER).

Note
This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

g) Any Registered Participant or AEMO may ask the AER to impose additional or more onerous requirements, procedures or standards under clause 8.7.2(d) on a Registered Participant in order to monitor or assess compliance with the Rules by that Registered Participant. When such a request is made, the AER may but is not required to impose the additional or more onerous requirements, procedures or standards.
If the AER decides to impose additional or more onerous requirements, procedures or standards on a Registered Participant, the AER may determine the allocation of costs of any additional compliance monitoring undertaken between the relevant Registered Participants and/or AEMO (as the case may be). The relevant Registered Participants and (to the extent relevant) AEMO must pay such costs as allocated. In the absence of such allocation, the Registered Participant which is subject to the additional or more onerous requirements, procedures or standards must bear its own costs of compliance.

(h) The AER must develop and implement guidelines in accordance with the Rules consultation procedures governing the exercise of the powers conferred on it by clause 8.7.2(g) which guidelines must set out the matters to which the AER must have regard prior to deciding the allocation of costs of any additional or more onerous requirements, procedures or standards imposed pursuant to clause 8.7.2(g) between the relevant Registered Participants and/or AEMO (as the case may be).

8.7.3 Consultation required for making general regulatory information order (Section 28H of the NEL)

(a) Before the AER makes a general regulatory information order, it must publish:

(1) the proposed order;

(2) an explanatory statement that sets out objectives of the proposed order; and

(3) an invitation for written submissions on the proposed order.

(b) The invitation must allow no less than 30 business days for the making of submissions (and the AER is not required to consider any submission made after the period has expired).

(c) The AER may publish such issues, consultation and discussion papers, and hold such conferences and information sessions, in relation to the proposed order as it considers appropriate.

(d) Within 80 business days of publishing the documents referred to in paragraph (a), the AER must:

(1) consider any submissions made in response to the invitation within the period allowed in the invitation;

(2) make a final decision on the order; and

(3) publish the final decision including:

   (i) a statement of the reasons for the final decision (including a summary of each material issue raised in the submissions and the AER's response to it); and

   (ii) if the final decision is to make the order (either in the terms in which it was proposed or in modified terms) – the order in its final form.
(e) The AER may extend the time within which it is required to publish its final decision if:

(1) the consultation involves questions of unusual complexity or difficulty; or

(2) the extension has become necessary because of circumstances beyond the AER’s control.

8.7.4 Preparation of network service provider performance report (Section 28V of the NEL)

(a) Before the AER embarks on the preparation of network service provider performance reports, the AER must consult with:

(1) network service providers; and

(2) bodies representative of the network service providers and network service users; and

(3) the public generally;

in order to determine appropriate priorities and objectives to be addressed through the preparation of network service provider performance reports.

(b) In the course of preparing a network service provider performance report, the AER:

(1) must consult with the network service provider or network service providers to which the report is to relate; and

(2) must consult with the authority responsible for the administration of relevant jurisdictional electricity legislation about relevant safety and technical obligations; and

(3) may consult with any other persons who have, in the AER’s opinion, a proper interest in the subject matter of the report; and

(4) may consult with the public.

(b1) In preparing a network service provider performance report, the AER must have regard to the Distribution Reliability Measures Guidelines.

(c) A network service provider to which the report is to relate:

(1) must be allowed an opportunity, at least 30 business days before publication of the report, to submit information and to make submissions relevant to the subject matter of the proposed report; and

(2) must be allowed an opportunity to comment on material of a factual nature to be included in the report.

8.7.5 [Deleted]

8.7.6 Recovery of reporting costs

Where, under the Rules, AEMO is entitled or required to publish or give information, notices or reports to:
(a) any Registered Participant, any court, the ACCC or the AER, unless the context otherwise requires, AEMO must not charge those persons a separate fee for providing them with a copy of the information or report and the costs in providing that service must be recovered through the Participant fees described in rule 2.12;

(b) any other person, AEMO may charge that person a fee which is appropriate to cover the costs of providing that service.

# Part E  Reliability panel

## 8.8 Reliability Panel

### 8.8.1 Purpose of Reliability Panel

(a) The functions of the Reliability Panel are to:

1. monitor, review and report on the performance of the market in terms of reliability of the power system;

    1a. on the advice of AEMO, determine the system restart standard;

    1b. review and make recommendations on the reliability standard and reliability settings under clause 3.9.3A;

2. review and, on the advice of AEMO, determine the power system security standards;

    2a. for the purposes of clause 4.2.6(b), develop and publish principles and guidelines that determine how AEMO should maintain power system security while taking into account the costs and benefits to the extent practicable;

    2b. determine, and modify as necessary, and publish the template for generator compliance programs;

    2c. on the advice of AEMO, determine which non-credible contingency events are to be protected events and any conditions applicable to the determination, in accordance with clause 8.8.4;

    2d. if the Reliability Panel considers it necessary or desirable, determine guidelines for power system frequency reviews conducted by AEMO under clause 5.20A.1; requests for protected event declaration by AEMO under clause 5.20A.4; or the Reliability Panel's determination of protected events under clause 8.8.4;

    2e. if the Reliability Panel considers it necessary or desirable, identify scenarios AEMO must study in preparing the EAAP for the purposes of clause 3.7C(k)(1);

3. while AEMO has power to issue directions in connection with maintaining or re-establishing the power system in a reliable operating state, determine guidelines governing the exercise of that power;
(4) while AEMO has power to enter into contracts for the provision of reserves, determine policies and guidelines governing AEMO's exercise of that power;

(5) report to the AEMC and participating jurisdictions on overall power system reliability matters concerning the power system and on the matters referred to in clauses 8.8.1(a)(1b), (2), (2c) and (3), and make recommendations on market changes or changes to the Rules and any other matters which the Reliability Panel considers necessary;

(6) monitor, review and publish a report on the system standards in terms of whether they appropriately and adequately describe the expected technical performance conditions of the power system;

(7) monitor, review and publish a report on the implementation of automatic access standards and minimum access standards as performance standards in terms of whether:

   (i) their application is causing, or is likely to cause, a material adverse effect on power system security; and

   (ii) the automatic access standards and minimum access standards should be amended or removed;

(8) consider requests made in accordance with clause 5.3.3(b2) and, if appropriate, determine whether an existing Australian or international standard, or a part thereof, is to be adopted as a plant standard for a particular class of plant; and

(9) determine guidelines identifying or providing for the identification of operating incidents and other incidents that are of significance for the purposes of the definition of "Reviewable operating incident" in clause 4.8.15.

(b) In performing its functions set out in clause 8.8.1(a)(1) the Reliability Panel must not monitor, review or report on the performance of the market in terms of reliability of distribution networks, although it may collate, consider and report information in relation to the reliability of distribution networks as measured against the relevant standards of each participating jurisdiction in so far as the reliability of those networks impacts on overall power system reliability.

(c) The principles and guidelines published under clause 8.8.1(a)(2a):

   (1) must be developed, and may only be amended, in accordance with the consultation process set out in clause 8.8.3;

   (2) must include transitional arrangements which take into account the need to allow for the development and testing of an appropriate methodology by AEMO; and

   (3) must take into account the results of any decision to revise network constraints.
A request for declaration of a protected event, or revocation of a declaration, may only be made, and must be determined, in accordance with clause 8.8.4.

8.8.2 Constitution of the Reliability Panel

(a) The Reliability Panel must consist of:

(1) a commissioner of the AEMC appointed by the AEMC to act as chairperson for a period of up to three years;
(2) the chief executive officer or a delegate of AEMO; and
(3) at least 5 but not more than 8 other persons appointed by the AEMC for a period of up to three years, such persons to include:
   (A) a person representing Generators;
   (B) a person representing Market Customers;
   (C) a person representing Transmission Network Service Providers;
   (D) a person representing Distribution Network Service Providers;
   (E) a person representing the interests of end use customers for electricity; and
   (F) at the AEMC’s discretion, up to 3 other persons representing interests not otherwise represented, in order to achieve the broad representation described in clause 8.8.2(c)(1).

(b) Subject to clause 8.8.2(d) any person who has previously served on the Reliability Panel is eligible for reappointment to the Reliability Panel in accordance with this clause 8.8.2.

(c) In making appointments to the Reliability Panel under clause 8.8.2(a)(3), the AEMC must, to the extent reasonably practicable and subject to clause 8.8.2(c1), give effect to the intention that the persons so appointed:

(1) should be broadly representative, both geographically and by reference to Registered Participants and participating jurisdictions, of those persons with direct interests in the reliability and safety of electricity supply under the market arrangements and in power system security;
(2) may include Registered Participants or their representatives or participating jurisdictions;
(3) must be independent of AEMO; and
(4) must, except in the case of the persons representing Network Service Providers appointed under clauses 8.8.2(a)(3)(C) and (D), be independent of all System Operators,

and if at any time:

(5) a person on the Reliability Panel, other than the chief executive officer or a delegate of AEMO, ceases to be independent of AEMO; or
(6) a person on the Reliability Panel, other than the persons representing Network Service Providers appointed under clauses 8.8.2(a)(3)(C) and (D), ceases to be independent of any System Operator, the AEMC must remove that person from the Reliability Panel.

(c1) The persons referred to in clauses 8.8.2(a)(3)(A), (B), (C) and (D) must be appointed and removed by the AEMC after consultation with the class of Registered Participants the person is to represent, and the AEMC must:

(1) appoint a person agreed to by at least one third in number of the relevant class of Registered Participants, having regard to the preference expressed by the majority of the Registered Participants in the relevant class who responded in writing to the consultation by the AEMC; and

(2) commence consultation on the removal of such a person if requested to do so by a member of the relevant class of Registered Participants, and must remove that person if so agreed by at least one third in number of the relevant class of Registered Participants.

(d) The AEMC may remove any member of the Reliability Panel, including the chairperson, at any time during his or her term in the following circumstances:

(1) the person becomes of unsound mind or his or her estate is liable to be dealt with in any way under a law relating to mental health; or

(2) the person fails to discharge the obligations of that office imposed by the Rules.

(d1) The persons referred to in clauses 8.8.2(a)(3)(E) and (F) must be appointed and removed by the AEMC after such consultation as the AEMC considers appropriate with the classes of interests those persons represent and, subject to such consultation, may be removed at any time for any reason.

(e) A person may resign from the Reliability Panel by giving notice in writing to that effect to the AEMC.

(f) The Reliability Panel must meet and regulate its meetings and conduct its business in accordance with the Rules.

(g) A decision of the Reliability Panel on any matter may be made by a majority of the members comprising the Reliability Panel. Where the members of the Reliability Panel are equally divided on any matter, the chairperson has a casting vote.

(h) The AEMC may appoint a commissioner of the AEMC (other than the chairperson of the AEMC or the chairperson of the Reliability Panel) as the acting chairperson of the Reliability Panel on a standing basis. If the chairperson of the Reliability Panel is unable to perform the obligations of that office for an extended period of time (including any period in which a scheduled meeting of the Reliability Panel is held), the chairperson must notify the acting chairperson. The acting chairperson has the powers and functions of the chairperson of the Reliability Panel for such periods of time.
8.8.3 Reliability Panel review process

(a) As soon as practicable, the Reliability Panel must determine:

(1) the power system security standards;
(2) the guidelines referred to in clause 8.8.1(a)(3);
(3) the policies and guidelines referred to in clause 8.8.1(a)(4);
(4) the guidelines referred to in clause 8.8.1(a)(9);
(5) the system restart standard; and
(6) the template for generator compliance programs,

in accordance with this clause 8.8.3.

(aa) The system restart standard must:

(1) be reviewed and determined by the Reliability Panel in accordance with the SRAS Objective;
(2) identify the maximum amount of time within which system restart ancillary services are required to restore supply in an electrical sub-network to a specified level, under the assumption that supply (other than that provided under a system restart ancillary services agreement acquired by AEMO for that electrical sub-network) is not available from any neighbouring electrical sub-network;
(3) include the aggregate required reliability of system restart ancillary services for each electrical sub-network;
(4) apply equally across all regions, unless the Reliability Panel varies the system restart standard between electrical sub-networks to the extent necessary:

(A) to reflect any technical system limitations or requirements; or

(B) to reflect any specific economic circumstances in an electrical sub-network, including but not limited to the existence of one or more sensitive loads;

(5) specify that a system restart ancillary service can only be acquired by AEMO under a system restart ancillary services agreement for one electrical sub-network at any one time;

(6) include guidelines to be followed by AEMO in determining electrical sub-networks, including the determination of the appropriate number of electrical sub-networks and the characteristics required within an electrical sub-network (such as the amount of generation or load, or electrical distance between generation centres, within an electrical sub-network); and

(7) include guidelines specifying the diversity and strategic locations required of system restart ancillary services.
(b) At least once each financial 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). The Reliability Panel must conclude each annual review under this clause by the end of the financial year following the financial year to which the review relates.

(ba) At least every 5 years from the date the template for generator compliance programs is determined pursuant to clause 8.8.3(a) and at such other times as the AEMC may request, the Reliability Panel must conduct a review of the template for generator compliance programs in accordance with this clause 8.8.3. Following such a review, the Reliability Panel may amend the template for generator compliance programs in accordance with its report to the AEMC submitted under clause 8.8.3(j).

(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.

(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 must follow the consultation process in paragraphs (d) to (l) when carrying out its functions, unless otherwise specified in this paragraph or elsewhere in the Rules. The Reliability Panel is not required to follow the process in paragraphs (d) to (l) for the purposes of its functions under clauses 8.8.1(a)(1b), 8.8.1(a)(2c), 8.8.1(a)(2e), 8.8.1(a)(8) or 8.8.3(b).

(d) The Reliability Panel must give notice to all Registered Participants of the commencement of a determination or review by requesting the AEMC to publish the notice pursuant to paragraph (k). The notice must give particulars of the terms of reference for the determination or review (as the case may be) and the deadline for the receipt of any submissions to the Reliability Panel.

(e) The deadline for receipt of submissions must not be earlier than 4 weeks following publication of the notice required under paragraph (d) or such other time specified by the AEMC in any request for a review.

(f) The Reliability Panel may hold a meeting open to the public for any determination or review by the Reliability Panel, and must hold such a meeting if an interested party requests one in writing. The Reliability Panel must give reasonable notice of any such meeting.

(g) The meeting referred to in paragraph (f):
may be conducted in person, by telephone, video conference or other
method of communication selected by the Reliability Panel; and

(2) if conducted in person, must be held in the capital city of one of the
participating jurisdictions as selected by the Reliability Panel.

The Reliability Panel may obtain such technical advice or assistance from
time to time as it thinks appropriate including, without limitation, advice or
assistance from AEMO and any Registered Participant.

In undertaking any review and preparing any report and recommendations,
the Reliability Panel must take into consideration the policy statements,
directions or guidelines published by the AEMC from time to time.

Following the conclusion of the meeting (if any) conducted pursuant to
paragraph (f) and consideration by the Reliability Panel of any submissions
or comments made to it, the Reliability Panel must submit a written report to
the AEMC on the review setting out its recommendations or determinations,
its reasons for those recommendations or determinations and the procedure
followed by the Reliability Panel in undertaking the review or determination.
The report must be submitted to the AEMC by the deadline for reporting
specified by the AEMC in any request for a review.

The AEMC must, within 10 days of receiving from the Reliability Panel a
notice, report or other document pursuant to this clause 8.8.3, publish that
document on the AEMC website (with the exclusion of material that cannot
be disclosed consistently with the AEMC's obligations of confidentiality).

The recommendations of the Reliability Panel may include (without
limitation) recommended changes to the Rules in relation to matters
concerning reliability of the power system.

8.8.4 Determination of protected events

(a) A request for declaration of a non-credible contingency event as a protected
event or for the revocation of such a declaration may only be submitted by
AEMO. The request must be in accordance with clause 5.20A.4 or clause
5.20A.5 as applicable.

(b) The Reliability Panel must comply with the Rules consultation procedures in
relation to the determination of each request under paragraph (a).

(c) In determining the request, the Reliability Panel must have regard to the
information provided by AEMO in the request and may request further
information or obtain such technical advice or assistance from time to time
as it thinks appropriate including, without limitation, information, advice or
assistance from AEMO and any Registered Participant.

(d) In determining the request, the Reliability Panel may undertake its own
assessment of the costs and benefits of managing the non-credible contingency
event as a protected event, including:

(1) costs to operate the power system in a secure operating state if the event
is declared;
(2) costs associated with any proposal for a new or modified emergency frequency control scheme or other network investment in connection with managing the event;

(3) the benefits of mitigating the consequences of the event occurring by managing it as a protected event.

(e) In making a determination that declares a non-credible contingency event to be a protected event or revokes that declaration, the Reliability Panel must have regard to the national electricity objective.

(f) When the Reliability Panel makes a determination under this clause, then subject to the provisions in the Rules applicable to protected events, the Reliability Panel may at the same time determine any other matters that the Reliability Panel considers necessary or appropriate in relation to the protected event, which may include:

(1) provision for the declaration of the protected event or the revocation of a declaration to come into effect at a future time, which may be a specified date or may be determined by reference to matters specified in the determination, such as the commissioning of a new or modified emergency frequency control scheme or the satisfaction of other conditions specified in the determination;

(2) matters relating to the availability and operation of an emergency frequency control scheme;

(3) matters relating to AEMO’s operation of the power system for that protected event; and

(4) changes to the principles and guidelines published under clause 8.8.1(a)(2a) to apply in respect of the protected event for the purposes of clause 4.2.6(b).

(g) When the Reliability Panel makes a determination under this clause that provides for the availability and operation of a new or modified emergency frequency control scheme in connection with a protected event, the Reliability Panel must at the same time determine the protected event EFCS standard applicable to the scheme.

(h) The final report of the Reliability Panel under the Rules consultation procedures must include:

(1) if the Reliability Panel has determined to make a declaration, the terms of the declaration, any conditions applicable to it and any other matters determined under paragraph (f) or (g);

(2) the rationale for the determination, including the costs and benefits that the Reliability Panel had regard to and the rationale for any protected event EFCS standard determined by the Reliability Panel; and

(3) where applicable, any other options considered and the corresponding expected power system security outcomes and costs and benefits.
(i) The Reliability Panel must maintain and publish a list of all protected events (including events that will be protected events when the relevant declaration comes into effect) and each protected event EFCS standard.

Part F  Rules consultation procedures

8.9  Rules Consultation Procedures

(a) These provisions apply wherever in the Rules any person (the consulting party) is required to comply with the Rules consultation procedures. For the avoidance of doubt, the Rules consultation procedures are separate from, and do not apply to, the process for changing the Rules under Part 7 of the National Electricity Law.

(b) The consulting party must give a notice to all persons nominated (including Intending Participants in the class of persons nominated) by the relevant provision as those with whom consultation is required or, if no persons are specifically nominated, AEMO, all Registered Participants and interested parties, (Consulted Persons) giving particulars of the matter under consultation, by publishing the notice in accordance with rule 8.9(c).

(c) Except where the consulting party is the AEMC or the AER, the consulting party must provide a copy of the notice referred to in rule 8.9(b) to AEMO, or to the AEMC where the consulting party is the Reliability Panel. Within 3 business days of receiving the notice AEMO must publish the notice on its website. Where the AEMC or the Reliability Panel is the consulting party, the AEMC must publish the notice referred to in rule 8.9(b) on its website. Where the AER is the consulting party, the AER must publish the notice referred to in rule 8.9(b) on its website.

(d) The notice must invite interested Consulted Persons to make written submissions to the consulting party concerning the matter.

(e) A written submission may state whether a Consulted Person considers that a meeting is necessary or desirable in connection with the matter under consultation and, if so, the reasons why such a meeting is necessary or desirable. To be valid, a submission must be received not later than the date specified in the notice (not to be less than 25 business days after the notice referred to in rule 8.9(b) is published).

(f) The consulting party must consider all valid submissions within a period of not more than a further 20 business days. If the consulting party, after having considered all valid submissions, concludes that it is desirable or necessary to hold any meetings, the consulting party must use its best endeavours to hold such meetings with Consulted Persons who have requested meetings within a further 25 business days.

(g) Following the conclusion of any meetings held in accordance with rule 8.9(f) and the consulting party’s consideration of a matter under consultation, the consulting party must publish a draft report in accordance with rule 8.9(h), available to all Consulted Persons, setting out:

(1) the conclusions and any determinations of the consulting party;
(2) its reasons for those conclusions;

(3) the procedure followed by the consulting party in considering the matter;

(4) summaries of each issue, that the consulting party reasonably considers to be material, contained in valid written submissions received from Consulted Persons or in meetings, and the consulting party's response to each such issue; and

(5) in a notice at the front of the draft report, an invitation to Consulted Persons to make written submissions to the consulting party on the draft report,

and, subject to its confidentiality obligations, the consulting party must make available to all Consulted Persons, on request, copies of any material submitted to the consulting party.

(h) Except where the consulting party is the AEMC or the AER, the consulting party must provide a copy of the draft report referred to in rule 8.9(g) to AEMO, or to the AEMC where the consulting party is the Reliability Panel. Within 3 business days of receiving the draft report AEMO must publish the draft report on its website. Where the AEMC or the Reliability Panel is the consulting party, the AEMC must publish the draft report referred to in rule 8.9(g) on its website. Where the AER is the consulting party, the AER must publish the draft report referred to in rule 8.9(g) on its website.

(i) To be valid, a submission invited in a notice referred to in rule 8.9(g)(5) must be received not later than the date specified in the notice (not to be less than 10 business days after the publication of the draft report pursuant to rule 8.9(h) or such longer period as is reasonably determined by the consulting party having regard to the complexity of the matters and issues under consideration).

(j) The consulting party must consider all valid submissions within a period of not more than a further 30 business days.

(k) Following the conclusion of the consulting party's consideration of all valid submissions the consulting party must publish a final report in accordance with rule 8.9(l), available to all Consulted Persons, setting out:

(1) the conclusions and any determinations of the consulting party on the matter under consultation;

(2) its reasons for those conclusions;

(3) the procedure followed by the consulting party in considering the matter;

(4) summaries required pursuant to rule 8.9(g)(4); and

(5) summaries of each issue, that the consulting party reasonably considers to be material, contained in valid written submissions received from Consulted Persons on the draft report and the consulting party's response to each such submission,
and, subject to its confidentiality obligations, the consulting party must make available to all Consulted Persons, on request, copies of any material submitted to the consulting party.

(l) Except where the consulting party is the AEMC or the AER, the consulting party must provide a copy of the final report referred to in rule 8.9(k) to AEMO, or to the AEMC where the consulting party is the Reliability Panel. Within 3 business days of receiving the final report AEMO must publish the final report on its website. Where the AEMC or the Reliability Panel is the consulting party, the AEMC must publish the final report referred to in rule 8.9(k) on its website. Where the AER is the consulting party, the AER must publish the final report referred to in rule 8.9(k) on its website.

(m) The consulting party must not make the decision or determination in relation to which the Rules consultation procedures apply until the consulting party has completed all the procedures set out in this clause.

(n) Notwithstanding rule 8.9(m), substantial compliance by a consulting party with the procedures set out in this clause is sufficient.

### Part G  Consumer advocacy funding

#### 8.10  Consumer advocacy funding obligation

(a) AEMO must pay to ECA the amount of its consumer advocacy funding obligation for each financial year.

(b) AEMO may recover the costs of meeting its consumer advocacy funding obligation from Participant fees and may allocate the costs to Market Customers;

(c) The amount to be paid by AEMO to ECA under paragraph (a) is to be made available under a scheme agreed between AEMO and ECA or, in default of an agreement, on a quarterly basis;

(d) In this rule:

   **consumer advocacy funding obligation** means ECA's total projected expenses for a financial year, in so far as those expenses are allocated to electricity in its final Annual Budget for that financial year, and including but not limited to:

   (1) all operational and administrative costs relating to the performance of ECA's activities relevant to consumers of electricity; and

   (2) grant funding for any current or proposed grants relevant to consumers of electricity.

   **final Annual Budget** means ECA's final Annual Budget for a financial year, as issued by ECA in accordance with its constitution to AEMO.
Part H Augmentations

8.11 Augmentations

8.11.1 Application
This Part applies only to, and in relation to, the declared transmission system of an adoptive jurisdiction in which AEMO is authorised to exercise its declared network functions.

8.11.2 Object
The objects of this rule are:

(1) to establish the distinction between contestable augmentations and augmentations that are not contestable; and

(2) to regulate the process for calling, receiving and evaluating tenders for the construction and operation of a contestable augmentation; and

(3) to facilitate the construction and operation of augmentations; and

(4) to provide guidance on risk allocation and other commercial principles to be reflected in network agreements and augmentation connection agreements; and

(5) to make provision for certain matters with respect to AEMO’s planning of the declared shared network.

8.11.3 Definitions
In this Part:

augmentation connection agreement has the meaning given in the National Electricity Law.

augmentation direction means a direction given by AEMO to an incumbent declared transmission system operator to construct an augmentation of a declared shared network that is not a contestable augmentation.

contestable augmentation means an augmentation classified as a contestable augmentation under clause 8.11.6.

contestable provider means a person responsible for the construction or operation of a contestable augmentation.

incumbent declared transmission system operator means the declared transmission system operator that owns or operates the part of the transmission system to which the augmentation will connect.

potential contestable provider means a person who responds positively to a call for expressions of interest in constructing and operating a contestable augmentation under clause 8.11.7(b).

relevant limit means $10 million.

separable augmentation means an augmentation that satisfies both the following criteria:
(a) the augmentation will result in a distinct and definable service to be provided by the contestable provider to AEMO;

(b) the augmentation will not have a material adverse effect on the incumbent declared transmission system operator's ability to provide services to AEMO under any relevant network agreement.

8.11.4 Planning criteria

(a) AEMO must publish the planning criteria that it proposes to use in performing its declared network functions.

(b) The planning criteria:

   (1) must outline the principles on which AEMO will carry out a cost benefit analysis of a proposed augmentation under section 50F of the National Electricity Law; and

   (2) must describe how AEMO proposes to apply a probabilistic approach in determining the benefit of a proposed augmentation; and

   (3) must describe the kind of circumstances in which a probabilistic approach will be regarded as inappropriate; and

   (4) may deal with any other aspect of planning inherent in, or related to, AEMO's declared network functions.

8.11.5 Construction of augmentation that is not a contestable augmentation

(a) An incumbent declared transmission system operator must, at AEMO's written request, provide AEMO with information and assistance that AEMO reasonably requires to decide:

   (1) whether to give an augmentation direction; and

   (2) if so, the terms of the direction.

(b) If AEMO gives an augmentation direction, AEMO and the incumbent declared transmission system operator must negotiate in good faith with a view to reaching agreement on the terms of an appropriate amendment to the operator's network agreement covering:

   (1) the operation of the augmentation; and

   (2) the use of the augmentation to provide shared network capability services; and

   (3) the basis on which AEMO will pay for shared network capability services provided by means of the augmentation.

   Note:

   If there is a dispute about the proposed amendment, the AER may resolve the dispute and determine the terms of the amendment under section 50H and 50J of the National Electricity Law.

(c) An incumbent declared transmission system operator that is required by, or agrees with, a Connection Applicant to construct an augmentation that is not
a contestable augmentation, must negotiate with the Connection Applicant in good faith with a view to reaching agreement on the terms of an appropriate amendment to their connection agreement.

(d) However, if the incumbent declared transmission system operator applies for revocation and substitution of its revenue determination on the basis of an augmentation direction, or a requirement by or agreement with a Connection Applicant to construct an augmentation that is not a contestable augmentation, negotiations are not required on a matter to which the application relates.

8.11.6 Contestable augmentations

(a) Subject to paragraph (b), an augmentation of a declared shared network is a contestable augmentation if:

(1) the capital cost of the augmentation is reasonably expected to exceed the relevant limit; and

(2) the augmentation is a separable augmentation.

(b) An augmentation of a declared shared network is not a contestable augmentation if:

(1) AEMO classifies the augmentation as non-contestable because the delay in implementation that would necessarily result from treating the augmentation as a contestable augmentation would unduly prejudice system security; or

(2) AEMO classifies the augmentation as non-contestable because it does not consider it economical or practicable to treat the augmentation as a contestable augmentation.

8.11.7 Construction and operation of contestable augmentation

(a) For the purpose of procuring the construction and operation of a contestable augmentation, AEMO must:

(1) publish a generally applicable tender and evaluation process that accords with best practice as currently understood and may include, but need not be limited to:

(i) typical timetables for the tender and evaluation process; and

(ii) details of typical evaluation criteria; and

(iii) indications of the way in which different matters are to be or might be weighted for evaluation purposes; and

(iv) provision for declaration and management of conflicts of interest; and

(v) provision for the debriefing of unsuccessful tenderers; and

(2) publish a register of persons who have from time to time expressed interest in being contestable providers and keep the register up to date to reflect the developing market.
For each contestable augmentation, AEMO must:

1. call for expressions of interest from persons who may be interested in constructing and operating the proposed contestable augmentation; and

2. prepare, in consultation with the incumbent declared transmission system operator, a timetable allowing AEMO and the incumbent declared transmission system operator a reasonable time to comply with their respective obligations and allowing a reasonable construction period having regard to the nature and extent of the augmentation; and

3. prepare, in consultation with the incumbent declared transmission system operator, a detailed tender specification setting out the scope of the work involved in the augmentation, including details of the technical interface required for the augmentation; and

4. prepare and issue an invitation to tender setting out details of the contestable augmentation and the tender and evaluation process - details that must (without limitation):

   i. provide as much certainty as is reasonably practicable to tenderers regarding the terms and conditions subject to which they are invited to tender for the work involved in the contestable augmentation; and

   ii. identify the relevant land (if any) that is available for or in connection with the contestable augmentation, including (to the extent reasonably practicable) details of current usage and, if available, a geotechnical and environmental report on the land; and

   iii. specify (to the extent reasonably practicable) the services to be provided under the network agreement;

5. make available to potential contestable providers a copy of any proposed augmentation connection agreement or network agreement.

The incumbent declared transmission system operator must:

1. provide, within a reasonable period specified by AEMO, information and assistance reasonably required by AEMO for the preparation of the tender documents such as information about the technical interface and information required for the preparation of the tender specification; and

2. negotiate in good faith with a potential contestable provider about changes to the proposed augmentation connection agreement that are sought or suggested by that potential contestable provider.

The incumbent declared transmission system operator may tender for work involved in a contestable augmentation.

AEMO must evaluate, assess and negotiate responses to the invitation to tender in accordance with the published tender and evaluation process.

After completing the tender and evaluation process, AEMO must notify all persons who submitted tenders of the successful tender.
(g) AEMO may only proceed with a contestable augmentation on the basis of a tender accepted after evaluation and assessment in accordance with the published tender and evaluation process.

(h) The successful tenderer:

(1) must enter into an agreement with AEMO, based on the successful tender, for the construction of the augmentation; and

(2) must (unless the incumbent declared transmission system operator is itself the successful tenderer) enter into an augmentation connection agreement with the incumbent declared transmission system operator.

(i) This clause does not apply to a funded augmentation unless AEMO and the Connection Applicant agree to the conduct of a tender process.

8.11.8 Funded augmentations that are not subject to the tender process

(a) This clause applies to a contestable augmentation that is a funded augmentation except in the case where AEMO and the Connection Applicant agree to the conduct of a tender process in accordance with clause 8.11.7.

(b) For each contestable augmentation to which this clause applies, AEMO must:

(1) prepare, in consultation with the incumbent declared transmission system operator and the Connection Applicant, a timetable allowing AEMO and the incumbent declared transmission system operator a reasonable time to comply with their respective obligations and allowing a reasonable construction period having regard to the nature and extent of the augmentation; and

(2) prepare, in consultation with the incumbent declared transmission system operator and the Connection Applicant, a detailed specification setting out the scope of the work involved in the augmentation, including details of the technical interface required for the augmentation; and

(3) make available to the incumbent declared transmission system operator and the Connection Applicant a copy of any proposed augmentation connection agreement.

(c) The incumbent declared transmission system operator must:

(1) provide, within a reasonable period specified by AEMO, information and assistance reasonably required by AEMO for the preparation of an agreement for the construction of proposed contestable augmentation; and

(2) negotiate in good faith with the Connection Applicant about any changes to the proposed augmentation connection agreement that are sought or suggested by the Connection Applicant; and

(3) enter into an augmentation connection agreement with the Connection Applicant.
(d) The Connection Applicant must enter into an agreement with AEMO for the construction of the augmentation.

8.11.9 Contractual requirements and principles

(a) A network agreement or an augmentation connection agreement related to a contestable augmentation should be consistent with the requirements and principles set out in Schedule 8.11 to this Chapter.

(b) If a person submits a tender for a contestable augmentation proposing a network agreement or an augmentation connection agreement that is not consistent with the requirements and principles set out in Schedule 8.11 to this Chapter, the person must, in responding to the invitation to tender, include a statement drawing AEMO’s attention to the inconsistency and explaining the reasons for it.

(c) Despite the provisions of this clause and Schedule 8.11:

1. AEMO and the other party or parties to a network agreement may agree terms and conditions of an amendment that differ from the requirements and principles set out in Schedule 8.11; and

2. the parties to an augmentation connection agreement may, with AEMO’s consent, agree terms and conditions that differ from the requirements and principles set out in Schedule 8.11.

8.11.10 Annual planning review

AEMO must in its annual planning review indicate:

(a) which augmentations commenced in the previous year are contestable augmentations; and

(b) which augmentations planned to commence in the present or future years are likely to be contestable augmentations.

Schedule 8.11 Principles to be reflected in agreements relating to contestable augmentations

S8.11.1 Risk allocation

(a) This clause sets out the risk allocation principles.

(b) Site/Construction Risk

Site/construction risk is the risk that unanticipated difficulties or liabilities associated with the site or the construction work will adversely affect the contestable provider's ability to deliver network services at the price agreed with AEMO. This risk comprises (for example) the risk of contamination of the land and the risk that unforeseen difficulties (such as difficulties in sourcing necessary materials) will impede the construction of the augmentation.

Site/construction risk is allocated to the contestable provider.
(c) **Statutory approval risk**

This is the risk that a necessary planning, environmental, building or other approval will be refused or granted on conditions adversely affecting the costs of constructing or operating the contestable augmentation.

This risk is allocated to the contestable provider.

(d) **Native title risk**

This is the risk that actual or potential native title claims will adversely affect the cost of the augmentation.

This risk is allocated to the contestable provider.

(e) **Output specification risk**

This is the risk that inadequacies in the output specification will cause or contribute to design inadequacies. This risk is allocated to AEMO to the extent the inadequacies in the output specification are attributable to AEMO. To the extent the inadequacies are attributable to incorrect information provided by the incumbent declared transmission system operator, the risk is allocated to the operator.

(f) **Design, construction and commissioning risk**

This is the risk that an unanticipated increase in the costs of the augmentation will have a significant adverse impact on the viability or profitability of the contestable augmentation.

This risk is allocated to the contestable provider.

(g) **Operating risk**

This is the risk that the contestable provider will fail, for a reason other than force majeure or inadequate financial resources, to deliver the electricity network services purchased by AEMO. It includes (for example) the risk of systems failure.

This risk is allocated to the contestable provider.

(h) **Network and interface risk**

This is the risk that the interface between the augmentation and the declared transmission system will not be constructed or operated in accordance with the tender specification or to a satisfactory standard with the result that the safety, reliability or security of the supply of electricity or the national electricity system (or both) will be adversely affected.

This risk is allocated to the party whose system affects the other in an adverse way. If, however, the adverse result is directly caused by the provision of incorrect information, the risk is allocated to the party that provided the incorrect information.

(i) **Industrial relations risk**
This is the risk that industrial action will adversely affect the construction of the augmentation or the delivery of electricity network services by means of the augmentation.

This risk is allocated to the contestable provider. If, however, industrial action directed at the incumbent declared transmission system operator causes the adverse effect, the risk is allocated to the operator.

S8.11.2 Minimum requirements for agreements relating to contestable augmentation

(a) An augmentation connection agreement must specify:

(1) the technical and other details of connection (including the connection point); and

(2) the performance standards that apply to the contestable provider.

(b) There should be no material difference between performance standards that apply to the incumbent declared transmission system operator and those that apply to the contestable provider.

S8.11.3 Matters to be dealt with in relevant agreements

(a) A relevant agreement should (in addition to the other requirements of the National Electricity Law and these Rules) contain provisions with respect to:

(1) the risks set out in clause S8.11.1; and

(2) force majeure events; and

(3) project financing risks; and

(4) liabilities and indemnities; and

(5) any relevant regulatory obligation or requirement.

(b) In this clause:

relevant agreement means:

(a) a network agreement; or

(b) an augmentation connection agreement.

Part I Values of customer reliability

8.12 Development of methodology and publication of values of customer reliability

(a) For the purposes of this rule 8.12:

jurisdictional regulator means:

(1) the Independent Pricing and Regulatory Tribunal of New South Wales established by section 5(1) of the Independent Pricing and Regulatory Tribunal Act 1992 of New South Wales;
(2) the Essential Services Commission established by section 7(1) of the *Essential Services Commission Act 2001* of Victoria;

(3) the Queensland Competition Authority established by section 7 of the *Queensland Competition Authority Act 1997* of Queensland;

(4) the Essential Services Commission established by section 4(1) of the *Essential Services Commission Act 2002* of South Australia;

(5) the Independent Competition and Regulatory Commission for the Australian Capital Territory established by section 5(1) of the *Independent Competition and Regulatory Commission Act 1997* of the Australian Capital Territory;

(6) the Utilities Commission of the Northern Territory established by section 5(1) of the *Utilities Commission Act* of the Northern Territory;

(7) the Regulator established by section 5 of the Electricity Supply Industry Act 1995 of Tasmania; and

(8) any successors and assigns of a body referred to in paragraphs (1) to (6).

**VCR methodology** has the meaning given in clause 8.12(b).

**VCR objective** is that the VCR methodology and values of customer reliability should be fit for purpose for any current or potential uses of values of customer reliability that the AER considers to be relevant.

(b) The AER must, in accordance with the *Rules consultation procedures*:

(1) develop a methodology to be used by the AER to calculate values of customer reliability (VCR methodology); and

(2) review and update the VCR methodology in accordance with paragraph (f).

(c) Notwithstanding paragraph (b), the AER may make minor and administrative amendments to the VCR methodology without complying with the *Rules consultation procedures*.

(d) The VCR methodology must:

(1) include a mechanism for directly engaging with:

   (i) *retail customers*; and

   (ii) *Customers (other than retailers)*,

   which may include the use of surveys;

(2) include a mechanism for adjusting the values of customer reliability on an annual basis; and

(3) be *published* promptly after it has been developed under paragraph (b).
(e) The AER must ensure that the VCR methodology developed under paragraph (b), and any values of customer reliability calculated in accordance with that methodology, are consistent with the VCR objective.

(f) The AER must, prior to each date on which the values of customer reliability are updated under subparagraph (g)(2):

(1) review the VCR methodology; and

(2) following such review, publish either:

   (i) an updated VCR methodology; or

   (ii) a notice stating that the existing VCR methodology was not varied as a result of the review.

(g) The AER must:

(1) publish the first values of customer reliability, calculated in accordance with the VCR methodology, on or before 31 December 2019;

(2) update the values of customer reliability at least once every five years, with the updated values to be published promptly thereafter; and

(3) maintain on its website the values of customer reliability as updated from time to time.

(h) For the purpose of complying with the Rules consultation procedures under paragraph (b), the AER must consult with:

(1) the Reliability Panel;

(2) AEMO;

(3) each jurisdictional regulator;

(4) Registered Participants; and

(5) such other persons who, in the AER's reasonable opinion, have, or have identified themselves to the AER as having, an interest in the VCR methodology and values of customer reliability.