

CHAPTER 9

9. Jurisdictional Derogations and Transitional Arrangements

9.1 Purpose and Application

9.1.1 Purpose

- (a) This Chapter contains the *jurisdictional derogations* that apply in relation to each *participating jurisdiction*.
- (b) This Chapter prevails over all other Chapters of the *Rules*.

9.1.2 Jurisdictional Derogations

The *jurisdictional derogations* that apply in relation to each *participating jurisdiction* are set out in this Chapter as follows:

- (a) Part A - Victoria;
- (b) Part B - New South Wales;
- (c) Part C - Australian Capital Territory;
- (d) Part D - South Australia;
- (e) Part E - Queensland; and
- (f) Part F – Tasmania.

Part G sets out the Schedules to this Chapter 9.

Part A Jurisdictional Derogations for Victoria

9.2 [Deleted]

9.3 Definitions

9.3.1 General Definitions

For the purposes of this Part A:

- (1) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (2) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Counterparties	In relation to each Smelter Agreement, means as applicable Portland Smelter Services Pty Ltd, Alcoa of Australia Limited (ACN 004 879 298) or any other party to that Smelter Agreement (other than SEC).
CPI	The Consumer Price Index: All Groups Index Number Melbourne compiled by the Australian

Column 1	Column 2
	Bureau of Statistics.
distribution licence	A <i>licence</i> to distribute and supply electricity.
Distributor	A person who holds a distribution <i>licence</i> .
EI Act	<i>Electricity Industry Act 2000</i> (Vic).
EI (RP) Act	<i>Electricity Industry (Residual Provisions) Act 1993</i> (Vic).
ESC	The Essential Services Commission established under section 7 of the <i>ESC Act</i> .
ESC Act	The <i>Essential Services Commission Act 2001</i> (Vic).
licence	A <i>licence</i> within the meaning of the <i>EI Act</i> or deemed to be issued under the <i>EI Act</i> by operation of clause 5 of Schedule 4 to the <i>EI (RP) Act</i> .
Quarter	The respective 3 monthly periods adopted by the Australian Bureau of Statistics for the compilation and issue of the CPI.
SEC	State Electricity Commission of Victoria established under the <i>State Electricity Commission Act 1958</i> (Vic).
Smelter Agreements	Each of the agreements, contracts and deeds referred to in Part A of schedule 3 to the <i>EI (RP) Act</i> in their form as at 1 July 1996 (other than the Portland and Point Henry Flexible Tariff Deeds between SEC and the State Trust Corporation of Victoria) in each case until that agreement, contract or deed expires or is terminated.
Smelter Trader	SEC in its capacity as Smelter Trader.
System Code	The code of that name sealed by the Office of the Regulator-General under the <i>Office of the Regulator-General Act 1994</i> (Vic) on 3 October 1994 and saved and continued in operation by section 67 of the <i>ESC Act</i> .
VENCorp	Victorian Energy Networks Corporation established under Division 2A of Part 2 of the <i>Gas Industry Act 1994</i> (Vic) and continued under Part 8 of the <i>Gas Industry Act 2001</i> (Vic).
Victorian Distribution	In relation to a person that holds a distribution

Column 1	Column 2
Network	<i>licence</i> , the <i>distribution systems</i> in Victoria to which that <i>licence</i> relates and includes any part of those systems.
Victorian Minister	The Minister who, for the time being, administers the <i>National Electricity (Victoria) Act 1997</i> (Vic).
Victorian Transmission Network	The <i>declared shared network</i> of Victoria.
Wholesale Metering Code	The code of that name sealed by the Office of the Regulator-General under the <i>Office of the Regulator-General Act 1994</i> (Vic) on 3 October 1994, as in force immediately before <i>market commencement</i> .

9.3.2 [Deleted]

9.3A Fault levels

Subject to the terms of a *connection agreement* under section 50E(1)(a) of the *National Electricity Law*, AEMO must, when planning the *declared shared network*, use its best endeavours to ensure that fault levels at a *connection point* will not, as a result of a short circuit at that *connection point*, exceed the limits set out in the following table:

FAULT LEVEL TABLE

NOMINAL VOLTAGE AT CONNECTION POINT	THREE AND SINGLE PHASE DESIGN FAULT LEVEL
500kV	
Metro	50.0 kA
Latrobe Valley	63.0 kA
Country	40.0 kA
330kV	40.0 kA
220kV	
Metro	40.0 kA
Latrobe Valley	40.0 kA
Country	26.2 kA
66kV	21.9 kA
22kV	26.2 kA

9.4 Transitional Arrangements for Chapter 2 - Registered Participants, Registration and Cross Border Networks

9.4.1 [Deleted]

9.4.2 Smelter Trader

- (a) For the purposes of the *Rules*:
 - (1) Smelter Trader is deemed to be entitled to register as a *Customer* in respect of the *connection points* used to supply electricity under a Smelter Agreement for so long as those *connection points* are used to supply electricity under that Smelter Agreement;
 - (2) Smelter Trader is deemed to be registered as a *Customer* and as a *Market Customer* in relation to electricity supplied under a Smelter Agreement;
 - (3) the electricity supplied under the Smelter Agreements is deemed to have been classified as a *market load* and the *connection points* used to supply that electricity are deemed to have been classified as Smelter Trader's *market connection points*;
 - (4) **[Deleted]**
 - (5) Alcoa of Australia Limited (ACN 004 879 298) is deemed to be entitled to register as a *Generator* and a *Market Generator* in relation to the *generating systems* forming part of the Anglesea Power Station; and
 - (6) **[Deleted]**
 - (7) no Counterparty is or is to be taken to be entitled to become a *Market Participant*, an *Intending Participant* or a *Customer* in respect of electricity supplied under that Smelter Agreement.
 - (8) **[Deleted]**
 - (9) **[Deleted]**
- (b) This clause 9.4.2 ceases to have effect upon the termination of the last of the Smelter Agreements.

9.4.3 Smelter Trader: compliance

- (a) If complying with a requirement of the *Rules* (the "**Rules Requirement**") would result in the Smelter Trader being in breach of a provision of one or more of the Smelter Agreements (the "**Contractual Requirement**"), then the Smelter Trader is not required to comply with the Rules Requirement to the extent of the inconsistency between the Rules Requirement and the Contractual Requirement.
- (b) If the Smelter Trader does not comply with a Rules Requirement in the circumstances described in clause 9.4.3(a), then the Smelter Trader must:
 - (1) give written notice to the *AER* of:

- (i) the Rules Requirement which has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that Rules Requirement; and
 - (iii) details of each Contractual Requirement which is said by the Smelter Trader to be inconsistent with the Rules Requirement,
- as soon as practicable and in any event within 30 *days* after the non-compliance with the Rules Requirement occurs or commences; and
- (2) provide the *AER* with any documents or information in the possession or control of the Smelter Trader which evidence the matters referred to in clause 9.4.3(b)(1) within 14 *days* (or any longer period agreed by the *AER*) of receiving a written request from 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.)

- (c) If:
 - (1) the Smelter Trader requires the co-operation of a Counterparty to a Smelter Agreement to comply with a requirement of the *Rules*;
 - (2) the Smelter Trader has used reasonable endeavours to obtain the Counterparty's co-operation in order to enable the Smelter Trader to comply with that requirement; and
 - (3) under the Smelter Agreements, SEC has no ability to require the Counterparty to so co-operate with SEC and the Counterparty is not in breach of the Smelter Agreements by refusing to so co-operate with SEC,

then the Smelter Trader is not required to comply with that requirement.

- (d) If the Smelter Trader does not comply with a requirement of the *Rules* in the circumstances described in clause 9.4.3(c), then the Smelter Trader must:
 - (1) give written notice to the *AER* of:
 - (i) the requirement of the *Rules* that has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that requirement of the *Rules*; and
 - (iii) details of the endeavours made by the Smelter Trader to obtain the co-operation of the Counterparty to enable the Smelter Trader to comply with the requirement of the *Rules*,

as soon as reasonably practical and in any event before the expiration of 30 *days* after the non-compliance with the requirement of the *Rules* occurs or commences; 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.)

- (2) provide the *AER* with any documents or information in the possession or control of the Smelter Trader which evidence the matters referred to in clause 9.4.3(d)(1) within 14 *days* (or any longer period agreed by the *AER*) of receiving a written request from 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.)

- (e) To avoid any doubt, if:
 - (1) after reviewing any written notice provided by the Smelter Trader under clause 9.4.3(b)(1) and any additional documents or information provided by the Smelter Trader under clause 9.4.3(b)(2), the *AER* forms the view that compliance with the relevant Rules Requirement would not have resulted in the Smelter Trader being in breach of the relevant Contractual Requirement; or
 - (2) after reviewing any written notice provided by the Smelter Trader under clause 9.4.3(d)(1) and any additional documents or information provided by the Smelter Trader under clause 9.4.3(d)(2), the *AER* forms the view that any of the requirements of clause 9.4.3(c) were not satisfied in respect of the subject of the notice,

then the matter may be dealt with by the *AER* as a breach of the *Rules*.

- (f) The Smelter Trader must give any notice or other information required to be given under this clause 9.4.3 (called in this clause "**required information**") in advance if it becomes aware of the potential for the circumstances giving rise to its obligation to give the required information to arise. If any required information is given under this clause 9.4.3(f), then:
 - (1) the required information is taken to have been given in accordance with this clause 9.4.3; and
 - (2) notwithstanding clause 9.4.3(f)(1), notice must be given of the non-compliance and further information provided to the *AER* upon request under clause 9.4.3(b) or clause 9.4.3(d) (as the case may be) after the non-compliance occurs or commences.

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) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clause 9.4.3(b) or clause 9.4.3(d) (as the case may be) will be effective in relation to that non-compliance until that non-compliance ends if the relevant notice specifies that the non-compliance is continuing. The Smelter Trader must notify the *AER* of the end of the non-compliance no later than 30 *days* after the non-compliance ends.

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.)

- (h) Clauses 9.4.3(a) and 9.4.3(c) do not affect SEC's obligations with respect to registration with *NEMMCO* or making payments in respect of *Participant fees, prudential requirements* or *settlement amounts*.

9.4.4 Report from AER

Within 30 *days* of the end of each Quarter, the *AER* must prepare a report for the previous Quarter and make it available on request to all *Registered Participants* and to those *participating jurisdictions* that participated in the *market* during the Quarter covered by the report. The report must include:

- (a) a summary of the acts or omission of the Smelter Trader constituting non-compliance with any requirement of the *Rules*, as disclosed in written notices received by the *AER* under clause 9.4.3 during the Quarter covered by the report; and
- (b) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation of the *market* during the Quarter covered by the report.

9.4.5 Cross Border Networks

- (a) If:
 - (1) the Victorian Minister considers that a *transmission network* or *distribution network* situated in Victoria is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,then the Victorian Minister and the *Minister* for that other *participating jurisdiction* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.4.5(a), then the *jurisdictional derogations* for Victoria do not apply to the extended part of the relevant *network* which is situated in Victoria.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for Victoria should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the Victorian Minister consents, the *jurisdictional derogations* for Victoria are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.5 [Deleted]

9.6 Transitional Arrangements for Chapter 4 - System Security

9.6.1 Operating Procedures (clause 4.10.1)

- (a) For the purposes of clause 4.10.1(b), the System Operating Procedures as defined in the System Code as at 13 December 1998 (with the necessary changes to be made by VENCorp) are the *regional specific power system operating procedures* that apply from that date in respect of the Victorian Transmission Network.
- (b) This clause is not to be taken as limiting in any way the operation of any other provision of the *Rules* relating to the review, updating and amendment of the *regional specific power system operating procedures*.

9.6.2 Nomenclature Standards (clause 4.12)

For the purposes of clause 4.12, the Nomenclature Standards as defined in the System Code as at 13 December 1998 are taken to be the *nomenclature standards* agreed between a *Network Service Provider* in respect of the Victorian Transmission Network or a Victorian Distribution Network and *AEMO* until *AEMO* and the relevant *Network Service Provider* agree otherwise under clause 4.12(a) or *AEMO* determines otherwise under clause 4.12(a).

9.7 Transitional Arrangements for Chapter 5 - Network Connection

9.7.1 [Deleted]

9.7.2 [Deleted]

9.7.3 [Deleted]

9.7.4 Regulation of Distribution Network Connection

- (a) In this clause:
appropriate regulator means:
 - (1) if there has been no transfer of regulatory responsibility to the *AER* under a law of Victoria – the *ESC*;
 - (2) if there has been a transfer of regulatory responsibility to the *AER* under a law of Victoria – the *AER*.
- (b) This clause 9.7.4:
 - (1) applies in respect of the regulation of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* or *distribution use of system services*, and the modification of the provision of *network services* or *distribution use of system services*, in respect of, a *distribution network* (including any part of a *distribution network*) situated in Victoria; and
 - (2) expires on the date fixed under the *National Electricity (Victoria) Act 2005* as the Victorian distribution pricing determination end date.

Note:

The date is 31 December 2010 or a later date fixed in a Victorian distribution pricing determination as the date on which the determination will cease to have effect.

- (c) Notwithstanding anything to the contrary in the *Rules*, the appropriate regulator is responsible for the regulation of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* and *distribution use of system services*, and the modification of the provision of *network services* and *distribution use of system services*, in respect of, any *distribution network* to which this clause applies.
- (d) For the purposes of clause 5.3.6(c), any question as to the fairness and reasonableness of an offer to *connect* in relation to a *distribution network* to which this clause applies is to be decided by the appropriate regulator on the basis of the appropriate regulator's opinion of the fairness and reasonableness of the offer.
- (e) If a dispute arises in relation to any of access to, *connection* to, the modification of a *connection* to, the *augmentation* of, the provision of *network services* or *distribution use of system services*, or the modification of the provision of *network services* or *distribution use of system services*, in respect of, any *distribution network* to which this clause applies, then that dispute must be resolved in accordance with procedures specified by the appropriate regulator and clause 8.2 does not apply to that dispute.

9.7.5 [Deleted]

9.7.6 [Deleted]

9.7.7 [Deleted]

9.8 Transitional Arrangements for Chapter 6 - Network Pricing

9.8.1 [Deleted]

9.8.2 [Deleted]

9.8.3 [Deleted]

9.8.4 Transmission Network Pricing

- (a) Notwithstanding Chapter 6A, in determining *transmission service* pricing and revenues in respect of the Victorian Transmission Network or a part of the Victorian Transmission Network, the *AER* must:
 - (1) [Deleted]
 - (2) [Deleted]
 - (3) ensure that each Distributor has the benefit or burden of an equalisation adjustment for each *financial year* equal to the amount of the adjustment specified for that Distributor in the column headed "Equalisation Adjustment" in the following table:

TABLE	
Business	Equalisation Adjustment (\$'000) Note 2)
TXU Electricity Ltd	(4,939)
Powercor Australia Ltd	(19,011)
AGL Electricity Limited	5,171
CitiPower Pty Ltd	5,920
United Energy Ltd	12,859

multiplied by the relevant factor determined in accordance with the following table:

TABLE	
If the <i>financial year</i> falls within the period:	then the relevant factor is:
1 July 2001 - 30 June 2005	.80
1 July 2005 - 30 June 2010	.60
1 July 2010 - 30 June 2015	.40
1 July 2015 - 30 June 2020	.20
thereafter	0

- (b) *AEMO* must, in allocating revenue to be recovered from each *Distributor* to which it provides *prescribed TUOS services* and *prescribed common transmission services* by means of, or in connection with a *declared shared network* in each *financial year* of a *relevant regulatory period*, adjust the allocation in accordance with paragraph (a)(3).

9.8.4A [Deleted]

9.8.4B [Deleted]

9.8.4C [Deleted]

9.8.4D [Deleted]

9.8.4E [Deleted]

9.8.4F [Deleted]

9.8.4G [Deleted]

9.8.5 [Deleted]

9.8.6 [Deleted]

9.8.7 Distribution network pricing – transitional application of former Chapter 6

- (a) Subject to this clause, the former Chapter 6 continues to apply in relation to Victorian distribution networks during the transitional period.
- (b) The appropriate regulator has the powers and functions of the *Jurisdictional Regulator* under the former Chapter 6 as if appointed for Victoria as the *Jurisdictional Regulator* for the purposes of clause 6.2.1(b) of the former Chapter 6.
- (c) The following apply only to the extent they are consistent with clause 2.1 of the *Tariff Order*:
 - (1) national guidelines for *distribution service* pricing (so far as applicable to Victorian distribution networks) formulated under clause 6.2.1(c) of the former Chapter 6;
 - (2) guidelines and rules formulated for Victoria under clause 6.2.1(f) of the former Chapter 6,
- (d) The arrangements outlined in Parts D and E of the former Chapter 6 must also be applied by the appropriate regulator subject to clause 2.1 of the *Tariff Order*.
- (e) The value of sunk assets determined under clause 6.2.3(e)(5)(ii) of the former Chapter 6 must be consistent with clause 2.1 of the *Tariff Order*.
- (f) In regulating *distribution service* pricing for a Victorian distribution network:
 - (1) the appropriate regulator must specify explicit price capping as the form of economic regulation to be applied in accordance with clause 6.2.5(b) of the former Chapter 6; and
 - (2) the appropriate regulator must comply with clause 2.1 of the *Tariff Order*.

- (g) Neither this clause, nor the provisions of former Chapter 6 as continued in force by this clause, are relevant to a distribution determination that is to have effect after the end of the transitional period.

- (h) In this clause:

appropriate regulator means:

- (1) if there has been no transfer of regulatory responsibility to the *AER* under a law of Victoria – the ESC;
- (2) if a transfer of regulatory responsibility has been made to the *AER* under a law of Victoria – the *AER*.

transitional period means the period commencing on the commencement of this clause and ending on its expiry.

Victorian distribution network means a *distribution network* situated wholly or partly in Victoria.

- (i) This clause expires on the date fixed under the *National Electricity (Victoria) Act 2005* as the Victorian distribution pricing determination end date.

Note:

The date is 31 December 2010 or a later date fixed in a Victorian distribution pricing determination as the date on which the determination will cease to have effect.

9.8.8 Exclusion of AER's power to aggregate distribution systems and parts of distribution systems

The following provisions of Chapter 6 apply to *distribution systems* situated in Victoria as if, in each case, the words "unless the *AER* otherwise determines" were omitted:

- (a) clause 6.2.4(c);
- (b) clause 6.2.4(d);
- (c) clause 6.8.2(e);
- (d) clause 6.8.2(f).

Note:

The effect of these modifications is to exclude the AER's power to consolidate, under the ambit of a single distribution determination, 2 or more distribution systems, or 2 or more parts of a single distribution system that had, before the commencement of Chapter 6, been separately regulated.

9.9 Transitional Arrangements for Chapter 7 - Metering

9.9.1 Metering Installations To Which This Schedule Applies

The transitional arrangements set out in this clause 9.9 apply in relation to a *metering installation* (including a *check metering installation*) in use at *market commencement* that was required to comply with, and did comply with, the *Wholesale Metering Code* at *market commencement*.

9.9.2 [Deleted]

9.9.3 [Deleted]

9.9.4 [Deleted]

9.9.5 [Deleted]

9.9.6 [Deleted]

9.9.7 [Deleted]

9.9.8 [Deleted]

9.9.9 Periodic Energy Metering (clause 7.9.3)

- (a) Subject to clause 9.9.9(b), for the purposes of clause 7.10.5(a), *AEMO*, the *Local Network Service Provider* and the *Market Participant* are taken to have agreed that the data referred to in clause 7.10.5(a) which is obtained from a *metering installation* to which this clause 9.9 applies may be collated in 15 minute intervals.
- (b) This clause 9.9.9 ceases to apply in respect of a *metering installation* if *AEMO*, the relevant *Local Network Service Provider* or the relevant *Market Participant* gives notice requiring an agreement to be reached under clause 7.10.5(a).

9.9.10 Use of Alternate Technologies (clause 7.13)

- (a) Subject to this clause 9.9.10, if at *market commencement* the Wholesale Metering Code provides for the use of alternate technologies or processes for the purpose of calculating the consumption of energy by a non-franchise customer (as defined in the *EI (RP) Act* and in force immediately before the commencement of section 39(a) of the *Electricity Industry Act 1995* (Vic)), then the use of these technologies or processes is taken to have been agreed between the relevant *Market Participant(s)*, the *Local Network Service Provider* and *AEMO* but only to the extent to which the alternate technology or process was in use at *market commencement* in relation to that non-franchise customer.

9.9A [Deleted]

9.9B [Deleted]

9.9C [Deleted]

Schedule 9A1.1 [Deleted]

Schedule 9A1.2 [Deleted]

Schedule 9A1.3 [Deleted]

Schedule 9A2 [Deleted]

Schedule 9A3 Jurisdictional Derogations Granted to Generators

1. Interpretation of tables

In this schedule 9A3:

- (a) a reference to a *Generator* listed in a table is a reference to a *Generator* listed in column 1 of the relevant table;
- (b) a reference to a *generating unit* listed in a table in relation to a *Generator* is a reference to each *generating unit* listed opposite the *Generator* in the relevant table;
- (c) a reference to a *Network Service Provider* in relation to a *generating unit* or a *Generator* listed in a table is to be taken to be:
 - (1) in the case of a *generating unit connected to a transmission network*, a reference to VENCORP; and
 - (2) in the case of a *generating unit connected to a distribution network*, a reference to the person that is the *Network Service Provider* in relation to that *distribution network*; and
- (d) a reference to a modification or variation of the *Rules* or an item taken to have been agreed for the purposes of the *Rules* listed in a table applies in respect of each *generating unit* listed opposite that modification, variation or agreed item in the table.

2. Continuing effect

In this schedule 9A3, a reference to:

- (a) a particular *Generator* in relation to a *generating unit*; or
- (b) a particular *Network Service Provider* in relation to a *Generator*,

at any time after the 13 December 1998 is to be taken as a reference to the person or persons who is or are (or who is or are deemed to be) from time to time registered with AEMO as the *Generator* in respect of that *generating unit* for the purposes of the *Rules* or the *Network Service Provider* from time to time in respect of the *transmission network* or *distribution network* to which the *generating unit* is connected.

3. Subsequent agreement

Where, under a provision of this schedule 9A3, a particular matter is taken to have been agreed for the purposes of schedule 5.2 of the *Rules* in relation to a *generating unit*, then that provision ceases to apply in respect of that *generating unit* if all the parties required to reach agreement in relation to that matter under the *Rules* so agree expressly in writing.

4. [Deleted]

5. Reactive Power Capability (clause S5.2.5.1 of schedule 5.2)

Clause S5.2.5.1 of schedule 5.2 of the *Rules* is replaced for a *Generator* listed in Table 2 in respect of those *generating units* listed in column 2 of Table 2 by the following:

For the purpose of this clause S5.2.5.1:

rated active power output means the 'Rated MW (Generated)' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*; and

nominal terminal voltage means the 'Nominal Terminal Voltage' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*.

- (a) Each of the *synchronous generating units*, while operating at any level of *active power* output, must be capable of:
 - (1) supplying at its terminals an amount of *reactive power* of at least the amount that would be supplied if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a lagging power factor of 0.9; and
 - (2) absorbing at its terminals an amount of *reactive power* of at least the amount that would be absorbed if the *generating unit* operated at *rated active power output*, *nominal terminal voltage* and a leading power factor set out in respect of that *generating unit* in column 3 of Table 2.
- (b) In the event that any of the relevant power factors referred to in paragraph (a) above cannot be provided in respect of a *generating unit*, the relevant *Generator* must reach a commercial arrangement under its *connection agreement* with the relevant *Network Service Provider*, or with another *Registered Participant*, for the supply of the deficit in *reactive power* as measured at that *generating unit's* terminals.

Table 2:

Generator	Generating Unit	Leading Power Factor
Alcoa of Australia Limited (ACN 004 879 298)	Anglesea Power Station Unit 1	0.991

6. [Deleted]

7. [Deleted]

8. [Deleted]

9. [Deleted]

10. [Deleted]

11. [Deleted]

12. [Deleted]

13. Governor Systems (load control) (clause S5.2.5.11 of schedule 5.2)

For the purposes of clause S5.2.5.11 of schedule 5.2 of the *Rules*, a *Generator* listed in Table 10 is not required to include *facilities* for *load* control for the *generating unit* listed in column 2 of Table 10.

Table 10:

Generator	Generating Unit
Alcoa of Australia Limited (ACN 004 879 298)	Anglesea Power Station Unit 1

14. [Deleted]

15. [Deleted]

16. Excitation Control System (clause S5.2.5.13 of schedule 5.2)

For the purposes of clause S5.2.5.13(b) of schedule 5.2 of the *Rules*, a *Generator* listed in Table 13 is not required to provide *power system* stabilising action in relation to the *generating unit* listed in column 2 of Table 13.

Table 13:

Generator	Generating Unit
Alcoa of Australia Limited (ACN 004 879 298)	Anglesea Power Station Unit 1

Part B Jurisdictional Derogations for New South Wales

9.10 [Deleted]

9.11 Definitions

9.11.1 Definitions used in this Part B

For the purposes of this Part B:

- (a) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
ES Act	<i>Electricity Supply Act 1995 (NSW).</i>
IPART	The New South Wales Independent Pricing and Regulatory Tribunal established under the <i>IPART Act</i> .
IPART Act	<i>Independent Pricing and Regulatory Tribunal Act 1992 (NSW).</i>
Minister	The Minister administering the <i>ES Act</i> from time to time.
Mount Piper Power Station	The <i>power station</i> known as the "Mount Piper Power Station" located at Portland, New South Wales.
Mount Piper Trader	Delta Electricity or such other of the Mount Piper Participants from time to time which is operating the Mount Piper Power Station.
NSW Electricity Market Code	The code entitled NSW State Electricity Market Code, as in force immediately before 13 December 1998.
Power Supply Agreements	Each of the following agreements in their form as at 1 July 1996: <ul style="list-style-type: none"> (a) Power Supply Agreement dated 23 January 1991 between Macquarie Generation, Tomago Aluminium Company Pty Ltd and others; (b) the contract known as the BHP Port Kembla Slab and Plate Products Contract between Delta Electricity (formerly known as First State Power) and BHP Steel (AIS) Pty Ltd ACN 000 019 625 (formerly known as Australian Iron &

Column 1	Column 2
	Steel Ltd), being the contract that arises from the two agreements dated 24 May 1955, the agreement dated 27 November 1958 and the agreement dated 1 December 1969 (as amended and supplemented before 1 July 1996).
Power Trader	Each of Delta Electricity (formerly known as First State Power), Macquarie Generation and such other person as may be nominated by the Minister to perform any obligation under a Power Supply Agreement.
TransGrid	The energy transmission operator known as "TransGrid" and established under the <i>Energy Services Corporations Act 1995</i> (NSW).

9.12 Transitional Arrangements for Chapter 2 - Generators, Registered Participants, Registration and Cross Border Networks

9.12.1 [Deleted]

9.12.2 Customers

For the purposes of clause 2.3.1(e), and for the purposes of clause 2.4.2(b) in so far as it relates to *Customers*, a person satisfies the requirements of New South Wales for classification of a *connection point* of that person if that person is a retailer or is a wholesale customer (as defined in the *ES Act*).

9.12.3 Power Traders

- (a) Each Power Trader for the purpose of supplying electricity under a Power Supply Agreement (the "**Power Supply Agreement**") is deemed to be and at all relevant times to have been registered with *AEMO* as a *Market Customer* in relation to electricity supplied under the Power Supply Agreement, which electricity is deemed to be and at all relevant times to have been a *market load*.
- (b) If complying with a requirement of the *Rules* ("the **Rules Requirement**") would result in a Power Trader being in breach of a provision of a Power Supply Agreement to which it is a party ("the **Contractual Requirement**"), the Power Trader is not required to comply with the Rules Requirement to the extent of the inconsistency between the Rules Requirement and the Contractual Requirement.
- (c) If a Power Trader does not comply with a Rules Requirement in the circumstances described in clause 9.12.3(b), then the Power Trader must:
 - (1) give written notice to the *AER* of:
 - (i) the Rules Requirement which has not been complied with;

- (ii) details of each act or omission which partly or wholly constitutes non-compliance with that Rules Requirement; and
 - (iii) details of each Contractual Requirement which is said by the Power Trader to be inconsistent with the Rules Requirement,
- by no later than 7 *days* after the non-compliance with the Rules Requirement occurs or commences; 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.)

- (2) provide the *AER* with any documents or information in the possession or control of the Power Trader which evidence the matters referred to in clause 9.12.3(c)(1), within 14 *days* (or any further period agreed to by the *AER*) of receiving a written request from 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.)

- (d) If:

- (1) a Power Trader requires the co-operation of any other party to a Power Supply Agreement (a **counterparty**) to comply with a requirement of the *Rules* (the **Rules Requirement**);
- (2) the Power Trader has used all reasonable endeavours to obtain the counterparty's co-operation in order to enable the Power Trader to comply with the Rules Requirement; and
- (3) under the Power Supply Agreement the Power Trader has no ability to require the counterparty to so co-operate with the Power Trader and the counterparty is not in breach of the Power Supply Agreement by refusing to so co-operate with the Power Trader,

then the Power Trader is not required to comply with that Rules Requirement.

- (e) If a Power Trader does not comply with a Rules Requirement in the circumstances described in clause 9.12.3(d), then the Power Trader must:

- (1) give written notice to the *AER* of:
 - (i) the Rules Requirement which has not been complied with;
 - (ii) details of each act or omission which partly or wholly constitutes non-compliance with that Rules Requirement; and
 - (iii) details of the endeavours made by the Power Trader to obtain the counterparty's co-operation to enable the Power Trader to comply with the Rules Requirement,

by no later than 7 *days* after the non-compliance with the Rules Requirement occurs or commences; 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.)

- (2) provide the *AER* with any documents or information in the possession or control of the Power Trader which evidence the matters referred to in clause 9.12.3(e)(1), within 14 *days* (or any further period agreed to by the *AER*) of receiving a written request from 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.)

- (f) To avoid any doubt, if:
 - (1) after reviewing any written notice provided by a Power Trader under clause 9.12.3(c)(1) and any additional documents or information provided by the Power Trader under clause 9.12.3(c)(2), the *AER* forms the view that compliance with the relevant Rules Requirement would not have resulted in the Power Trader being in breach of the relevant Contractual Requirement; or
 - (2) after reviewing any written notice provided by a Power Trader under clause 9.12.3(e)(1) (the **Notice**) and any additional documents or information provided by the Power Trader under clause 9.12.3(e)(2), the *AER* forms the view that any of the requirements of clause 9.12.3(d) were not in fact satisfied in respect of the subject matter of the Notice,

then the matter may be dealt with by the *AER* as a breach of the *Rules*.

- (g) A Power Trader may provide notice and information to the *AER* as required in clauses 9.12.3(c) or (e), as the case requires, in advance if it becomes aware of the potential for the circumstances described in clauses 9.12.3(b) or (d) to arise. Such notice and information will be deemed to have been given in accordance with clauses 9.12.3(c) or (e), as the case requires.
- (h) Notwithstanding the provision of notice and information in advance in accordance with clause 9.12.3(g), the Power Trader must give notice of non-compliance with the *Rules* and provide such other documents or information as required in accordance with clauses 9.12.3(c) or (e), as the case requires, after such non-compliance has occurred or commenced.

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.)

- (i) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clauses 9.12.3(c) or (e), as the case requires, will be effective in relation to that non-compliance until that non-compliance ends provided that:
 - (1) the notice specifies that the non-compliance is continuing; and

- (2) the Power Trader notifies the *AER* of the end of the non-compliance no later than *7 days* after the non-compliance ends.
- (j) Clauses 9.12.3(b) and (d) do not affect a Power Trader's obligation with respect to registration with *AEMO* or making payments in respect of:
 - (1) *Participant fees*;
 - (2) *prudential requirements*; or
 - (3) *settlement amounts*.
- (k) Within *30 days* of the end of each quarter in each calendar year, the *AER* must prepare a quarterly report for the previous quarter and make it available on request to all *Registered Participants* and to the *participating jurisdictions* which participated in the *market* during the quarter covered by the report. The quarterly report must include:
 - (1) a summary of the acts or omissions of Power Traders constituting non-compliance with any Rules Requirement, as disclosed in written notices received by the *AER* under clauses 9.12.3(c) or (e) during the quarter covered by the report; and
 - (2) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation of the *market* during the quarter covered by the report.
- (l) This clause 9.12.3 ceases to have effect in respect of a Power Supply Agreement upon termination of that agreement.

9.12.4 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in New South Wales is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.12.4(a), then the *jurisdictional derogations* for New South Wales do not apply to the extended part of the relevant *network* which is situated in New South Wales.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for New South Wales should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of New South Wales consents, the *jurisdictional derogations* for New South Wales are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.13 [Deleted]

9.14 Transitional Arrangements for Chapter 4 - System Security

9.14.1 Power System Operating Procedures

For the purposes of clause 4.10.1, the *regional specific power system operating procedures* that apply in respect of operations on the *network* situated in New South Wales are, with the inclusion of any operating procedures set out in such operating manuals and other documents as are specified by TransGrid and provided to NEMMCO, the *regional specific power system operating procedures* reviewed and updated under clause 4.10.2(e).

9.15 NSW contestable services for Chapter 5A

9.15.1 Definitions

In this *rule* 9.15—

- (a) **connection service** has the same meaning as in Chapter 5A.
- (b) **NSW contestable service** means a connection service that is contestable under the *jurisdictional electricity legislation* of NSW, because that legislation permits the service to be provided by more than one supplier as a contestable service or on a competitive basis.

9.15.2 Chapter 5A not to apply to certain contestable services

Chapter 5A of the *Rules* does not apply to a NSW contestable service.

9.16 Transitional Arrangements for Chapter 6 - Network Pricing

9.16.1 NSW contestable services

- (a) In this clause 9.16.1—
 - (1) **connection service** has the same meaning as in Chapter 5A.
 - (2) **NSW contestable service** means a connection service that is contestable under the *jurisdictional electricity legislation* of NSW, because that legislation permits the service to be provided by more than one supplier as a contestable service or on a competitive basis.
- (b) Part DA of Chapter 6 does not apply to a NSW contestable service.

9.16.2 [Deleted]

9.16.3 Jurisdictional Regulator

- (a) **[Deleted]**
- (b) However, the definitions of *local area* and *Local Network Service Provider* are to be read as if the reference to the authority responsible for administering the jurisdictional electricity legislation in the relevant participating jurisdiction were replaced by a reference to the laws of the State of New South Wales.
- (c) **[Deleted]**

9.16.4 Deemed Regulated Interconnector

For the purposes of the *Rules*, the *interconnector* between Armidale in New South Wales and Tarong in Queensland, to the extent that it forms part of the *power system* in New South Wales, is deemed to be a *regulated interconnector*.

9.16.5 [Deleted]

9.17 Transitional Arrangements for Chapter 7 - Metering

9.17.1 Extent of Derogations

- (a) **[Deleted]**
- (b) **[Deleted]**
- (c) The transitional arrangements set out in clauses 9.17.2 and 9.17.4 apply to all *metering installations* (including *check metering installations*) that were in use at 13 December 1998 and that were required to comply with (and did comply with) the NSW Electricity Market Code as at 13 December 1998.

9.17.2 Initial Registration (clause 7.1.2)

- (a) Subject to clause 9.17.2(b), if:
 - (1) a *metering installation* to which this clause 9.17 applies was registered with TransGrid under the NSW Electricity Market Code as at 13 December 1998; and
 - (2) the details registered with TransGrid were provided to *NEMMCO* on or before 13 December 1998,then the *metering installation* is taken to be registered with *AEMO* for the purposes of clause 7.1.2(a).
- (b) The *responsible person* in respect of a *metering installation* which is taken to be registered under clause 9.17.2(a) must ensure that the requirements for registration of a *metering installation* under Chapter 7 are met by 13 December 1999 or such other time as may be agreed with *AEMO*.

9.17.3 Amendments to Schedule 9G1

The transitional metering provisions set out in schedule 9G1, amended as follows, apply to New South Wales in respect of Chapter 7:

- (a) **[Deleted]**
- (b) **[Deleted]**
- (c) If, in respect of a *metering installation* commissioned before 13 December 1998, the *responsible person* has obtained an exemption prior to 13 December 1998 from TransGrid pursuant to clause 2.2(c) of Schedule 7.2 of the NSW Electricity Market Code, then that exemption is deemed to continue as an exemption granted by *AEMO* pursuant to clause S7.2.2(c) of schedule 7.2 of the *Rules*.
- (d) **[Deleted]**
- (e) **[Deleted]**

(f) [Deleted]

9.17.4 Compliance with AS/NZ ISO 9002 (clause S7.4.3(f) of schedule 7.4)

Category 1A, 2A and 3A *Metering Providers* must be able to exhibit the requirements of clause S7.4.3(f)(1) of schedule 7.4 of the *Rules* by the date which is 2 years after the date the *Metering Provider* applied to be registered as a *Metering Provider* with NEMMCO.

9.17A [Deleted]

9.18 [Deleted]

Part C Jurisdictional Derogations for the Australian Capital Territory

9.19 [Deleted]

9.20 Definitions and Transitional Arrangements for Cross-Border Networks

9.20.1 Definitions

For the purposes of this Part C:

- (a) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Minister	The Minister from time to time administering the <i>Utilities Act 2000</i> (ACT) or other applicable ACT legislation.

9.20.2 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in the Australian Capital Territory is a continuation of a *network* situated in New South Wales and should be considered to be a part of the New South Wales *network*; and
 - (2) the *Minister* for New South Wales consents,
 then those *Ministers* may nominate that the *network* is deemed to be entirely in New South Wales and the *Rules* including any relevant *jurisdictional derogations* for New South Wales are deemed to apply to the *network* as if the *network* were located entirely within New South Wales.

- (b) If a nomination is made under clause 9.20.2(a), then the *jurisdictional derogations* for the Australian Capital Territory do not apply to the extended part of the relevant *network* which is situated in the Australian Capital Territory.
- (c) If the *Minister* for New South Wales nominates that the *jurisdictional derogations* for the Australian Capital Territory should apply to a *network* part of which is situated in New South Wales, then if the *Minister* for the Australian Capital Territory consents, the *jurisdictional derogations* for the Australian Capital Territory are also to apply to that part of the *network* situated in New South Wales.

9.21 [Deleted]

9.22 [Deleted]

9.23 Transitional Arrangements for Chapter 6 - Network Pricing

9.23.1 [Deleted]

9.23.2 [Deleted]

9.23.3 [Deleted]

9.23.4 [Deleted]

9.24 Transitional Arrangements

9.24.1 Chapter 7 - Metering

The transitional metering provisions set out in schedule 9G1 apply to the Australian Capital Territory in respect of Chapter 7.

9.24.2 [Deleted]

9.24A [Deleted]

Part D Jurisdictional Derogations for South Australia

9.25 Definitions

9.25.1 [Deleted]

9.25.2 Definitions

- (a) For the purposes of this Part D, a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the table in clause 9.25.2(b).
- (b) For the purposes of this Part D, a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
customer	A customer as defined in the <i>Electricity Act</i>
Distribution Lessor Corporation	A subsidiary of the Treasurer of the State of South Australia established by the <i>Public Corporations (Distribution Lessor Corporation) Regulations 1999</i> and known as "Distribution Lessor Corporation" and includes any entity which replaces or assumes rights or obligations of Distribution Lessor Corporation under a South Australian Distribution Network Lease, by way of succession, assignment, novation, ministerial direction, or otherwise.
Electricity Act	<i>Electricity Act 1996 (SA).</i>
ETSA Corporation	The statutory corporation established pursuant to the <i>Electricity Corporations Act 1994</i> and known as "ETSA Corporation" and includes its successors and assigns
ETSA Power	The statutory corporation established as a subsidiary of ETSA Corporation by the <i>Public Corporations (ETSA Power) Regulations 1995</i> , and includes its successors and assigns.
ETSA Transmission Corporation	The statutory corporation established pursuant to the <i>Electricity Corporations Act 1994</i> and known as "ETSA Transmission Corporation" and includes any party which replaces or assumes rights or obligations of ETSA Transmission Corporation as a party to the South Australian Transmission Lease, by way of succession, assignment, novation, ministerial direction, or otherwise.
Generation Lessor Corporation	A subsidiary of the Treasurer of the State of South Australia established by the <i>Public Corporations (Generation Lessor Corporation) Regulations 1999</i> and known as "Generation Lessor Corporation" and includes any entity which replaces or assumes rights or obligations of Generation Lessor Corporation under the South Australian Generation Leases, by way of succession, assignment, novation, ministerial direction, or otherwise.
Northern Power Station agreements	The various agreements, documents and deeds in their form as at 1 July 1996 relating to the leasing and ownership of the <i>generating system</i> and associated <i>generating units</i> comprising the Northern Power Station entered into by ETSA Corporation and now

Column 1	Column 2
	under the control of SA Generation Corporation
Northern Power Station Participants	The parties to the Northern Power Station agreements other than SA Generation Corporation.
Osborne agreement	The Agreement dated 4 June 1996 (in its form as at 1 July 1996) between ETSA Corporation and Osborne Cogeneration Pty Ltd and known as the "Osborne Power Purchase Agreement".
South Australian Distribution Network Lease	Any lease with respect to the electricity <i>distribution network</i> , plant and equipment owned by Distribution Lessor Corporation from time to time.
SA Generation Corporation	The statutory corporation established pursuant to the <i>Electricity Corporations Act 1994</i> and known as "SA Generation Corporation" (trading as Optima Energy), and includes its successors and assigns
South Australian Generation Leases	Leases with respect to electricity <i>generating systems</i> and associated <i>generating units</i> owned by Generation Lessor Corporation from time to time.
South Australian network	A <i>network</i> situated in South Australia or deemed to be situated in South Australia by operation of clause 9.4.5.
South Australian Transmission Lease	The various agreements, documents and deeds in their form as at 31 August 1998 relating to the leasing and ownership of the <i>transmission network</i> in South Australia entered into by ETSA Transmission Corporation.
South Australian Transmission Lease Participants	The parties to the South Australian Transmission Lease other than ETSA Transmission Corporation.
South Australian Transmission Network Sub Sub Sub Lease	Any sub sub sub-lease (together with any lease or agreement to lease extending beyond the termination date of such sub sub sub lease) with respect to the electricity <i>transmission network</i> , plant and equipment of which ETSA Transmission Corporation is sub sub sub-lessor from time to time.

(c) [Deleted]

(d) For the purposes of the *Rules applicable regulatory instruments* includes the following South Australian instruments in relation only to the regulation

of *networks, network services* and retail sales of electricity in South Australia:

- (i) the *Electricity Act*;
- (ii) all codes and regulations made and licences issued under the *Electricity Act*;
- (iii) all regulatory instruments applicable under those licences;
- (iv) the Electricity Pricing Order made under section 35B of the *Electricity Act*;
- (v) the *Electricity Corporations (Restructuring and Disposal) Act 1999*;
- (vi) the *Essential Services Commission Act 2002*; and
- (vii) all regulations and determinations made under the *Essential Services Commission Act 2002*.

9.26 Transitional Arrangements for Chapter 2 - Registered Participants, Registration And Cross Border Networks

9.26.1 Registration as a Generator

For the purposes of the *Rules*:

- (a) ETSA Power and any one person that replaces or assumes rights or obligations of ETSA Power as party to the Osborne agreement, by way of succession, assignment, novation, ministerial direction, or otherwise, is deemed to be, and at all relevant times to have been, the person who must register as the *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the Osborne agreement;
- (b) Osborne Cogeneration Pty Ltd is not to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the Osborne agreement;
- (c) SA Generation Corporation and any person that replaces or assumes rights or obligations of SA Generation Corporation as party to the Northern Power Station agreements, by way of succession, assignment, novation, ministerial direction, or otherwise, is deemed to be, and at all relevant times to have been, the person that must register as the *Generator* (unless otherwise exempt) in relation to the *generating system* and associated *generating units* which are the subject of the Northern Power Station agreements;
- (d) the Northern Power Station Participants are not to, and are not to be taken to be entitled to, and are taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating system* and associated *generating units* which are the subject of the Northern Power Station agreements;
- (e) clauses 9.26.1(a) and (b) will cease to have effect on the termination of the Osborne agreement;
- (f) clauses 9.26.1(c) and (d) will cease to have effect on the termination of the last of the Northern Power Station agreements;

- (g) Generation Lessor Corporation is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating system* and associated *generating units* in South Australia which are the subject of the South Australian Generation Leases; and
- (h) clause 9.26.1(g) will apply in respect of each South Australian Generation Lease from the time that lease becomes effective and will cease to have effect on the termination of that lease (or the termination of any renewal of that lease).

9.26.2 Registration as a Customer

For the purposes of clause 2.3.1(e), a person may classify its electricity purchased at a *connection point* in South Australia if the person is a *retailer* or a customer pursuant to the Electricity Act and regulations.

9.26.3 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in South Australia is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.26.3(a), then the *jurisdictional derogations* for South Australia do not apply to the extended part of the relevant *network* which is situated in South Australia.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for South Australia should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of South Australia consents, the *jurisdictional derogations* for South Australia are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.26.4 [Deleted]

9.26.5 Registration as a Network Service Provider

For the purpose of the *Rules*:

- (a) the South Australian Transmission Lease Participants are not obliged to, and are taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *transmission network* in South Australia which is the subject of the South Australian Transmission Lease.

- (b) Clause 9.26.5(a) will cease to have effect on the termination, extension or variation of the South Australian Transmission Lease.
- (c) Distribution Lessor Corporation is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *distribution network* in South Australia which is the subject of the South Australian Distribution Network Lease.
- (d) ETSA Transmission Corporation (notwithstanding that it is the owner and sub sub sub lessor of the *transmission network* in South Australia) is not obliged to, and is not to be taken to be entitled to, and is to be taken to have been exempted from the requirement to, register as a *Network Service Provider* in relation to the *transmission network* in South Australia which is the subject of the South Australian Transmission Network Sub Sub Sub Lease.
- (e) Clause 9.26.5(c) will have effect for the period of each South Australian Distribution Network Lease (including the period of any renewal).
- (f) Clause 9.26.5(d) will have effect for the period of each South Australian Transmission Network Sub Sub Sub Lease (including the period of any renewal).

9.27 [Deleted]

9.28 Transitional Arrangements for Chapter 5 - Network Connection

9.28.1 Application of clause 5.2

For the purposes of clause 5.2:

- (a) for *facilities* existing at *market commencement*, *Registered Participant* exemptions may be sought from *AEMO* in accordance with the *Rules* for particular *facilities* where material departures from the *Rules* are reasonably expected. Any necessity to alter the existing arrangements for *facilities* is to be negotiated and agreed by affected *Registered Participants*;
- (b) South Australia reserves the right to seek further exemptions from *AEMO* in accordance with the *Rules* for existing *power stations* if they are unable to meet the requirements of the *Rules* and those exemptions will not result in system damage; and
- (c) **[Deleted]**
- (d) **[Deleted]**
- (e) the provisions in this clause 9.28 apply until there are corresponding changes to the *Rules* which deliver equivalent outcomes to the satisfaction of the South Australian Government.

9.28.2 [Deleted]

9.29 Transitional Arrangements for Chapter 6 - Economic Regulation of Distribution Services

9.29.1 [Deleted]

9.29.2 [Deleted]

9.29.3 [Deleted]

9.29.4 [Deleted]

9.29.5 Distribution Network Pricing – South Australia

(a) In this clause:

price determination means Part B of the 2005–2010 Electricity Distribution Price Determination made under the *Essential Services Commission Act 2002* (SA).

SA Distributor means the *Distribution Network Service Provider* whose *distribution network* is situated in South Australia.

relevant distribution determination means the distribution determination for the SA Distributor for the *regulatory control period* that commences in 2010.

small customer has the same meaning as in the *Electricity Act 1996* (SA).

statement of regulatory intent means the *statement of regulatory intent* in regard to the electricity distribution efficiency carryover mechanism issued by the Essential Services Commission on 23 March 2007 under clause 7.4 of the Electricity Pricing Order made by the Treasurer under section 35B of the *Electricity Act 1996* (SA) on 11 October 1999.

(b) The relevant distribution determination:

(1) must incorporate appropriate transitional arrangements to take into account the change from a pre-tax to a *post-tax revenue model* (which must be consistent with any agreement between the AER and the SA Distributor about the arrangements necessary to deal with the transition); and

(2) must allow the SA Distributor to carry forward impacts associated with the calculation of Maximum Average Distribution Revenue under the price determination into the 2010/11 and 2011/12 *regulatory years*.

(c) The *efficiency benefit sharing scheme* under the relevant distribution determination must be consistent with the *statement of regulatory intent*.

(d) The following side constraint is to be applied to tariffs for small customers for the *regulatory control period* to which the relevant distribution determination applies:

The fixed supply charge component of the tariff must not increase by more than \$10 from one *regulatory year* to the next.

- (e) In preparing its *framework and approach paper* for the distribution determination that is to follow the relevant distribution determination, the *AER* must consider whether the above side constraint should continue with or without modification.
- (f) Any reduction in *transmission network* charges as a result of a regulatory reset (excluding reductions resulting from the distribution of *settlements residue* and *settlements residue auction* proceeds) must be paid to all *customers*.

9.29.6 Capital contributions, prepayments and financial guarantees

- (a) The amount that a South Australian *Distribution Network Service Provider* may receive by way of capital contribution, prepayment and/or financial guarantee in respect of a South Australian network will be determined by the appropriate regulator in accordance with *applicable regulatory instruments*.
- (b) This clause operates to the exclusion of clause 6.7.2(b) of the former Chapter 6 (as it continues in force under transitional provisions) and clause 6.21.2(2) of the present Chapter 6.
- (c) In this clause:
appropriate regulator means:
 - (1) if the South Australian Minister has made no transfer of regulatory responsibility to the *AER* under clause 11.14.4 – the South Australian Essential Services Commission;
 - (2) if the South Australian Minister has made a transfer of regulatory responsibility to the *AER* under clause 11.14.4 – the *AER*.

9.29.7 Ring fencing

On the *AER's* assumption of responsibility for the economic regulation of *distribution services* in South Australia, the guidelines entitled *Operational Ring-fencing Requirements for the SA Electricity Supply Industry: Electricity Industry Guideline No. 9* dated June 2003 (including amendments and substitutions made up to the date the *AER* assumes that responsibility) will be taken to be distribution ring-fencing guidelines issued by the *AER* under Rule 6.17.

9.29A Monitoring and reporting

- (a) This clause applies to information about *interconnectors* into South Australia or consisting of South Australian market data that is:
 - (1) within *AEMO's* control; and
 - (2) reasonably required by a relevant South Australian authority to fulfil obligations under:
 - (i) a relevant protocol on the use of emergency powers; or
 - (ii) regulations under the *Electricity Act 1996(SA)*.
- (b) *AEMO* must, at the request of a relevant South Australian authority, provide the authority with information to which this clause applies.

- (c) The information must be provided by way of a real time data link or, if such a link is not available, by the most expeditious means reasonably practicable in the circumstances.
- (d) If the cost incurred by *AEMO* in providing information under this clause exceeds the cost usually incurred in providing a *Market Participant* with information in accordance with the *Rules*, the relevant South Australian authority that requested the information must pay the excess.
- (e) In this *Rule*:

relevant protocol on the use of emergency powers means the National Electricity Market Memorandum of Understanding on the Use of Emergency Powers (as amended from time to time) and includes any later protocol on the use of emergency powers agreed between jurisdictions participating in the National Electricity Market.

relevant South Australian authority means:

- (a) the Technical Regulator; or
- (b) an officer of the South Australian Public Service nominated by the SA Minister to be a responsible officer for the purpose of fulfilling obligations under:
 - (i) a relevant protocol on the use of emergency powers; or
 - (ii) regulations under the *Electricity Act 1996* (SA).

Technical Regulator means the person holding or acting in the office of Technical Regulator under section 7 of the *Electricity Act 1996* (SA).

9.30 Transitional Provisions

9.30.1 Chapter 7 - Metering

- (1) The transitional metering provisions set out in schedule 9G1 apply to South Australia in respect of Chapter 7.

Part E Jurisdictional Derogations for Queensland

9.31 [Deleted]

9.32 Definitions and Interpretation

9.32.1 Definitions

- (a) For the purposes of this Part E:
 - (1) a word or expression defined in the glossary in Chapter 10 has the meaning given to it in the glossary unless it is referred to in column 1 of the following table; and
 - (2) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
connection agreement	Includes all "Connection and Access Agreements" established in Queensland prior to <i>market commencement</i> .
Electricity Act	The <i>Electricity Act 1994</i> (Qld).
excluded customer	An excluded customer as defined in the <i>Electricity Act</i> .
exempt seller	An exempt seller as defined in the National Energy Retail Law (Queensland).
exempted generation agreement	An agreement between a State Electricity Entity and the owner or operator of a <i>generating system</i> , as listed at schedule 9E1, and any amendment of such agreement made prior to 13 December 1998 or, if made in accordance with clause 9.34.6(s), thereafter.
GOC Act	The <i>Government Owned Corporations Act 1993</i> (Qld).
Minister	The Minister administering the <i>Electricity Act</i> from time to time.
Nominated Generator	A State Electricity Entity determined by the <i>Minister</i> for the purposes described in clause 9.34.6 for a <i>generating system</i> to which an exempted generation agreement applies.
Powerlink Queensland	Queensland Electricity Transmission Corporation Ltd, a corporation established under the GOC Act.
Queensland Competition Authority	The Queensland Competition Authority established under the <i>Queensland Competition Authority Act</i> .
Queensland Competition Authority Act	The <i>Queensland Competition Authority Act 1997</i> (Qld).
Queensland distribution network	A <i>distribution network</i> (including any part of a <i>distribution network</i>) situated in Queensland.
Queensland Grid Code	The Code of that name first issued by the Department of Mines and Energy (Qld) on 28 November 1994, as amended from time to time.
Queensland system	The sum of the <i>transmission network</i> located in Queensland operating at a nominal <i>voltage</i> of 275 kV, the <i>connection assets</i> associated with that <i>network</i> and any <i>transmission or distribution system</i>

Column 1	Column 2
	<i>connected</i> to that <i>network</i> and also located in Queensland.
Queensland transmission network	A <i>transmission network</i> (including any part of a <i>transmission network</i>) situated in Queensland.
Small Generator	A <i>Generator</i> whose <i>generating system</i> is <i>connected</i> to the Queensland system and has a <i>nameplate rating</i> of less than 5MW.
Stanwell Corporation Ltd	A corporation established under the GOC Act.
Stanwell Cross Border Leases	The various agreements, documents and deeds relating to the leasing, ownership and operation of the <i>generating systems</i> comprising the Stanwell Power Station entered into, or to be entered into, at the request of, or for the benefit of, one or more of Stanwell Corporation Ltd and the State of Queensland and whether or not any of Stanwell Corporation Ltd or the State of Queensland is a party to those agreements, documents and deeds.
Stanwell Power Station	The <i>power station</i> known as the "Stanwell Power Station" located at Stanwell, Queensland.
State Electricity Entity	A State electricity entity as defined in the <i>Electricity Act</i> .
transmission authority	An authority of that name issued under the <i>Electricity Act</i> .

- (b) For the purposes of the *Rules*, to the extent that any *network* is located in Queensland, a *network* or part of a *network* is a *transmission network* if and only if it satisfies the following definition of "*transmission network*" and the definition of "*transmission network*" given in the glossary in Chapter 10 does not apply in those circumstances:

transmission network	Despite clause 6A.1.5(b) and the glossary of the <i>Rules</i> , in Queensland the <i>transmission network</i> assets are to be taken to include only those assets owned by Powerlink Queensland or any other <i>Transmission Network Service Provider</i> that holds a transmission authority irrespective of the <i>voltage</i> level and does not include any assets owned by a <i>Distribution Network Service Provider</i> whether or not such <i>distribution</i> assets are operated in parallel with the
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	<i>transmission system.</i>
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9.32.2 Interpretation

In this Part E, a reference to any authority, corporation or body whether statutory or otherwise, in the event of that authority, corporation or body ceasing to exist or being reconstituted, renamed or replaced or its powers, duties or functions being transferred to or assumed by any other authority, corporation or body, will, as the case requires, be taken to refer to the authority, corporation or body replacing it or the authority, corporation or body, succeeding to or assuming the powers, duties or functions of it.

9.33 Transitional Arrangements for Chapter 1

9.33.1 [Deleted]

9.34 Transitional Arrangements for Chapter 2 - Registered Participants and Registration

9.34.1 Application of the Rules in Queensland (clauses 2.2 and 2.5)

Any person who engages in the activity of owning, controlling or operating:

- (a) a *generating system* that *supplies* electricity to a *transmission or distribution system* of a kind referred to in clause 9.34.1(b); or
- (b) a *transmission or distribution system* in Queensland which does not form part of the *national grid*,

is not to, and is not to be taken to be entitled to, and is taken to have been exempted from the requirement to, register as a *Registered Participant* in relation to that activity.

9.34.2 Stanwell Cross Border Leases (clause 2.2)

- (a) Stanwell Corporation Ltd is deemed to be the person that must register as a *Generator* in relation to the *generating systems* which are the subject of the Stanwell Cross Border Leases.
- (b) The parties (other than Stanwell Corporation Ltd) to the Stanwell Cross Border Leases are not to be and are not to be entitled to, and are taken to have been exempted from the requirement to, register as a *Generator* in relation to the *generating systems* which are the subject of the Stanwell Cross Border Leases.
- (c) Clauses 9.34.2(a) and (b) cease to have effect upon the expiry or earlier termination of the last of the Stanwell Cross Border Leases.

9.34.3 [Deleted]

9.34.4 Registration as a Customer (clause 2.3.1)

- (a) Subject to clause 9.34.4(c), for the purpose of clause 2.3.1(e), a person satisfies the requirements of Queensland for classification of a *connection point* if that person is:

- (1) a customer (other than an excluded customer) in relation to that *connection point*; or
 - (2) a *retailer* who is authorised to sell electricity to the person *connected* at that *connection point*; or
 - (3) an exempt seller; or
 - (4) a person exempted under the *National Energy Retail Law* (Queensland), from the operation of section 88 of that Act.
- (b) For the purpose of clause 2.3.1(e), a person does not satisfy the requirements of Queensland for classification of its electricity purchased at a *connection point* in Queensland if the electricity is *supplied* through a *transmission system* which does not form part of the *national grid*.

9.34.5 There is no clause 9.34.5

9.34.6 Exempted generation agreements (clause 2.2)

- (a) For the purpose of supplying electricity under any exempted generation agreement, for each *generating system* which forms part of one of the *power stations* listed in schedule 9E1 the Minister may determine, in consultation in each case with the owner of the relevant *generating system*, whether a State Electricity Entity (the "**Nominated Generator**"), rather than another person engaging in the activity of owning, operating or controlling the *generating system*, should be the *Generator* in respect of the *generating system*.
- (b) For the purposes of the *Rules* if the Minister has determined a Nominated Generator for any *generating system* as described in clause 9.34.6(a):
- (1) the Nominated Generator is taken to be, and at all relevant times to have been, and is the person that must register as, a *Generator* in relation to that *generating system*; and
 - (2) any person engaging in the activity of owning, controlling or operating that *generating system*, not being the Nominated Generator, is not to, is not entitled to, and is taken to have been exempted from the requirement to, register as a *Generator* in relation to that *generating system*.
- (c) If complying with a requirement of the *Rules* ("the **Rules Requirement**") would result in a Nominated Generator being in breach of a provision of an exempted generation agreement to which it is a party (the **contractual requirement**), the Nominated Generator is not required to comply with the *Rules* requirement to the extent of the inconsistency between the *Rules* requirement and the contractual requirement provided that this clause 9.34.6(c) must not be interpreted to relieve a Nominated Generator of the obligation to submit offers in respect of a *scheduled generating unit* or to operate the *generating unit* in accordance with *dispatch instructions* determined under Chapter 3.
- (d) If:
- (1) a Nominated Generator requires the co-operation of one or more of the parties to an exempted generation agreement (a "**counterparty**")

in order to enable the Nominated Generator to comply with the *Rules* requirement;

- (2) the Nominated Generator has used its reasonable endeavours to obtain the counterparty's co-operation in order to enable the Nominated Generator to comply with the *Rules* requirement; and
- (3) the Nominated Generator has no ability to require the counterparty to so co-operate with the Nominated Generator and the counterparty is not in breach of the exempted generation agreement by refusing to so co-operate,

then the Nominated Generator is not required to comply with the *Rules* requirement.

- (e) If a Nominated Generator does not comply with a *Rules* requirement in the circumstances set out in clause 9.34.6(c) or (d), the Nominated Generator must:

- (1) give notice to the *AER* as soon as practicable, and in any event before the expiration of 7 *days* after the non-compliance with the *Rules* requirement occurs or commences, of:
 - (a) details of the *Rules* requirement which has not been or will not be complied with;
 - (b) details of each act or omission which partly or wholly constitutes non-compliance with that *Rules* requirement;
 - (c) in the case of circumstances described in clause 9.34.6(c), unless explicitly prohibited by the terms of the relevant exempted generation agreement, details of each contractual requirement which is considered by the Nominated Generator to be inconsistent with the *Rules* requirement; and
 - (d) in the case of circumstances described in clause 9.34.6(d), details of the endeavours made by the Nominated Generator to obtain the counterparty's co-operation to enable the Nominated Generator to comply with the *Rules* requirement; and
- (2) unless explicitly prohibited by the terms of the relevant exempted generation agreement, give the *AER* any documents or information in the possession or control of the Nominated Generator which evidence the matters referred to in clause 9.34.6(e)(1) within 14 *days* (or any further period agreed to by the *AER*) of receiving a written request from the *AER*.

- (f) To avoid any doubt, if after reviewing a notice and any documents or information given by the Nominated Generator under clause 9.34.6(e), the *AER* forms the view that:

- (1) in the case of circumstances described in clause 9.34.6(c), compliance with the *Rules* requirement would not have resulted in the Nominated Generator being in breach of the relevant contractual requirement; or
- (2) in the case of circumstances described in clause 9.34.6(d), any of the requirements of clause 9.34.6(d) were not in fact satisfied,

then the matter may be dealt with by the *AER* as a breach of the *Rules*.

- (g) **[Deleted]**
- (h) A Nominated Generator may give notice and information to the *AER* as required in clause 9.34.6(e) in advance if it becomes aware of the potential for the circumstances described in clause 9.34.6(c) or 9.34.6(d) to arise, and the giving of that notice and information will be taken to satisfy the requirements of the Nominated Generator in clause 9.34.6(e)(1) in respect of those circumstances.
- (i) Notwithstanding the provision of notice and information in advance in accordance with clause 9.34.6(h), the Nominated Generator must provide such other documents or information as may be required in accordance with clause 9.34.6(e) after such non-compliance has occurred or commenced.
- (j) If non-compliance with the *Rules* is continuing, the notice of non-compliance with the *Rules* provided under clause 9.34.6(e) will be effective in relation to that non-compliance until that non-compliance ends provided that:
 - (1) the notice specifies that the non-compliance is continuing; and
 - (2) the Nominated Generator notifies the *AER* of the end of the non-compliance no later than 7 days after the non-compliance ends.
- (k) Clauses 9.34.6(c) and 9.34.6(d) do not affect the obligations of a Nominated Generator with respect to registration with *AEMO* or to making payments under the provisions of the *Rules* in respect of:
 - (1) *Participant fees*;
 - (2) *prudential requirements*; or
 - (3) *settlement amounts*.
- (l) Within 30 *days* of the end of each quarter in each calendar year, the *AER* must prepare a quarterly report for the previous quarter and make it available upon request to all *Registered Participants* and those *participating jurisdictions* that participated in the *market* during the quarter covered by the report. The quarterly report must include:
 - (1) a summary of the acts or omissions of the Nominated Generator constituting non-compliance with any requirement of the *Rules*, as disclosed in written notices received by the *AER* under this clause 9.34.6 during the quarter covered by the report: and
 - (2) an assessment by the *AER* of the effect that those acts or omissions have had on the efficient operation, during the quarter covered by the report, of the *spot market*.
- (m) **[Deleted]**
- (n) No amendment, other than an amendment to correct a typographical error, may be made to an exempted generation agreement unless the parties to the exempted generation agreement submit to the *AER*:

- (1) the proposed amendment, a copy of the exempted generation agreement and such supporting information as the parties consider necessary (the **EGA amendment material**);
- (2) a request that the *AER* seek advice from the *ACCC* as to whether the *ACCC* considers that the proposed amendment would or may:
 - (i) **[Deleted]**
 - (ii) **[Deleted]**
 - (iii) contravene a provision of the *Competition and Consumer Act 2010* (Cth) or the Competition Code of a *participating jurisdiction*; and
- (3) if requested by the *AER* to do so, such further information as may be required by the *AER* in order for the *ACCC* to consider the matters referred to in clause 9.34.6(n)(2),

and the proposed amendment is not prohibited under clause 9.34.6(q).

- (o) When the parties to an exempted generation agreement submit EGA amendment material to the *AER* in accordance with clause 9.34.6(n), they may include as part of the material submitted a written request that the *AER* and the *ACCC* treat the EGA amendment material as confidential. In such a case the *AER*:
 - (1) must comply with that request until such time as the parties to the exempted generation agreement notify the *AER* in writing that the *AER* is no longer under an obligation to do so; and
 - (2) must not provide any EGA amendment material to the *ACCC* unless the parties to the exempted generation agreement have notified the *AER* in writing that they have agreed acceptable confidentiality arrangements in relation to the EGA amendment material with the *ACCC* and that the *AER* should provide the EGA amendment material to the *ACCC*.
- (p) **[Deleted]**
- (q) If, within 10 *business days* of receiving the material referred to in clause 9.34.6(n) or such other period as is agreed between the *AER* and the parties to the exempted generation agreement, the *AER* responds that:
 - (1) the *ACCC* considers that the proposed amendment would or may have any or all of the effects referred to in clause 9.34.6(n)(2); or
 - (2) the *ACCC* considers that it is unable, because of:
 - (i) insufficient information before it; or
 - (ii) any confidentiality arrangements in relation to the EGA amendment material agreed between the *ACCC* and the parties to the exempted generation agreement,to reasonably consider whether the proposed amendment would have any or all of the effects referred to in clause 9.34.6(n)(2),

then the proposed amendment must not be made.

- (r) If the *AER* has not provided a response to a request made in accordance with clause 9.34.6(n)(2) within:
 - (1) 10 *business days* of receiving the material referred to in clause 9.34.6(n); or
 - (2) such other period as is agreed between the *AER* and the parties to the exempted generation agreement,the *ACCC* is deemed to have no objection to the proposed amendment.
- (s) If the *AER* notifies the parties to the exempted generation agreement that the *ACCC* has no objection to the proposed amendment, or if the *ACCC* is deemed under clause 9.34.6(r) to have no objection to the proposed amendment, the parties to the exempted generation agreement may make the proposed amendment.
- (t) This clause 9.34.6 ceases to have effect in respect of a *generating system* the subject of an exempted generation agreement upon the termination of that agreement.

9.35 [Deleted]

9.36 [Deleted]

9.37 Transitional Arrangements for Chapter 5 - Network Connection

9.37.1 [Deleted]

9.37.2 Existing connection and access agreements (clause 5.2)

- (a) The technical connection and network pricing requirements of the Interconnection and Power Pooling Agreement dated 30 March 1994 between the owners of the Gladstone Power Station and the Queensland Electricity Commission (as amended prior to 18 January 1998) are to be taken to be a *connection agreement* in respect of both the Gladstone Power Station and the Boyne Island aluminium smelter unless replacement *connection agreements* are entered into in respect of the power station and smelter.
- (b) Despite anything to the contrary in clause 5.2.2, if the *generating system* at Gladstone Power Station meets the technical connection requirements of the Interconnection and Power Pooling Agreement, or the technical requirements of a replacement *connection agreement* no less onerous than those in the Interconnection and Power Pooling Agreement, the relevant *generating system* is to be deemed to comply with all the technical connection requirements of the *Rules* in respect of the Gladstone Power Station.
- (c) Despite anything to the contrary in clause 5.2.2, if the Boyne Island aluminium smelter meets the technical connection requirements of the Interconnection and Power Pooling Agreement, or the technical requirements of a replacement *connection agreement* no less onerous than those in the Interconnection and Power Pooling Agreement, the Boyne Island aluminium smelter is to be deemed to comply with all the technical

connection requirements of the *Rules* in respect of the Boyne Island aluminium smelter.

- (d) Despite anything to the contrary in clause 5.2.2, if Queensland Rail complies with the technical requirements in the *connection agreements* for Queensland Rail *connections* as at 18 January 1998, Queensland Rail is to be deemed to comply with all the technical connection requirements of the *Rules*.
- (e) Small Generators are not required to comply with the conditions of *connection* set out in schedule 5.2 of the *Rules*.

9.37.3 [Deleted]

9.37.4 [Deleted]

9.37.5 Forecasts for connection points to transmission network (clause 5.11.1)

If a *Network Service Provider*, on the Queensland system, modifies forecast information in accordance with clause 5.11.1(d), then that *Network Service Provider* is not required to notify the relevant *Registered Participant* if it has conflicting confidentiality obligations to other *Registered Participants*.

9.37.6 There is no clause 9.37.6

9.37.7 Cross Border Networks

- (a) If:
 - (1) the *Minister* considers that a *transmission network* or *distribution network* situated in Queensland is a continuation of a *network* situated in another *participating jurisdiction* and should be considered to be part of the *network* of that other *participating jurisdiction*; and
 - (2) the *Minister* for that other *participating jurisdiction* consents,then those *Ministers* may nominate that the *network* is deemed to be entirely in that other *participating jurisdiction* and the *Rules* including any relevant *jurisdictional derogations* for the other *participating jurisdiction* are deemed to apply to the *network* as if the *network* were located entirely within that other *participating jurisdiction*.
- (b) If a nomination is made under clause 9.37.7(a), then the *jurisdictional derogations* for Queensland do not apply to the continuation of the relevant *network* which is situated in Queensland.
- (c) If the *Minister* of another *participating jurisdiction* nominates that the *jurisdictional derogations* for Queensland should apply to a *network* part of which is situated in that other *participating jurisdiction*, then if the *Minister* in respect of Queensland consents, the *jurisdictional derogations* for Queensland are also to apply to that part of the *network* situated in the other *participating jurisdiction*.

9.37.8 [Deleted]

9.37.9 Credible contingency events (clause S5.1.2.1 of schedule 5.1)

- (a) The *protection systems* installed on any 110/132kV lines located in Queensland and existing at *market commencement* are deemed to comply with clause S5.1.2.1(d) of schedule 5.1 of the *Rules* except where such *protection system* has a material effect in degrading the stability and security of the Queensland system or the *power system*.

9.37.10 Reactive power capability (clause S5.2.5.1 of schedule 5.2)

Clause S5.2.5.1 of schedule 5.2 of the *Rules* is replaced for each of the *generating units* situated at the relevant *power station* listed in the following table by the following:

For the purpose of this clause S5.2.5.1:

rated active power output means the 'Rated MW Generated)' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*; and

nominal terminal voltage means the 'Nominal Terminal Voltage' (as defined in the *Generating System Design Data Sheet*) for the relevant *synchronous generating unit*.

- (a) Each of the *generating units*, while operating at any level of *active power* output, must be capable of:
- (1) supplying at its terminals an amount of *reactive power* of at least the amount that would be supplied if the *generating unit* operated at rated *active power* output, nominal terminal voltage and a lagging power factor of 0.9; and
 - (2) absorbing at its terminals an amount of *reactive power* of at least the amount that would be absorbed if the *generating unit* operated at rated *active power* output, nominal terminal voltage and a leading power factor set out in respect of that *generating unit* in column 3 of the following table.
- (b) In the event that any of the relevant power factors referred to in paragraph (a) above cannot be provided in respect of a *generating unit*, the relevant *Generator* must reach a commercial arrangement under its *connection agreement* with the relevant *Network Service Provider*, or with another *Registered Participant*, for the supply of the deficit in *reactive power* as measured at that *generating unit's* terminals.

Power station	Generating units	Leading power factor
Gladstone	Units 1 to 4	0.99
Gladstone	Units 5 & 6	0.94
Collinsville	Units 1 to 5	0.95

9.37.11 [Deleted]

9.37.12 Voltage fluctuations (clause S5.1.5 of schedule 5.1)

For application in Queensland, clause S5.1.5 of schedule 5.1 of the *Rules* is replaced with the following:

"A *Network Service Provider* whose *network* is a Queensland transmission network or a Queensland distribution network must include conditions in *connection agreements* in relation to the permissible variation with time of the power *generated* or *load* taken by a *Registered Participant* to ensure that other *Registered Participants* are supplied with a power-frequency voltage which fluctuates to an extent that is less than the limit defined by the "Threshold of Perceptibility" or the "Threshold of Irritability" as the case may be for the conditions specified in the paragraph below, in Figure 1 of *Australian Standard AS2279*, Part 4.

A *Network Service Provider* whose *network* is a Queensland transmission network or a Queensland distribution network must ensure that *voltage* fluctuations caused by the switching or operation of *network plant* does not exceed the following amounts referenced to Figure 1 of *Australian Standard AS 2279*, Part 4:

- (1) Above 66kV:
 - (A) the "Threshold of Perceptibility" when all *network plant* is in service; and
 - (B) the "Threshold of Irritability" during any *credible contingency event* which is reasonably expected to be of short duration;
- (2) 66kV and below: the "Threshold of Irritability" when all *network plant* is in service.

The requirements of paragraphs (1) and (2) above do not apply to events such as switching of *network plant* to or from an abnormal state or to *network* faults which occur infrequently (ie. less than one event per day).

Where the *Rules* (other than this Part E) refer to clause S5.1.5(a) or (b) of schedule 5.1 of the *Rules* then, in so far as that reference relates to a *Network Service Provider* whose *network* is a Queensland transmission network or a Queensland distribution network or to a *network* which is a Queensland transmission network or a Queensland distribution network, that reference must be construed as a reference to the immediately preceding paragraph.

A *Network Service Provider* whose *network* is a Queensland transmission network or a Queensland distribution network is responsible only for excursions in *voltage* fluctuations outside the range defined in the first two paragraphs of this clause S5.1.5 caused by *network plant* and the pursuit of all reasonable measures available under the *Rules* to remedy the situation in respect of *Registered Participants* whose *plant* does not perform to the standards defined by clause S5.2.5.2(c) of schedule 5.2 of the *Rules* for *Generators*, the standards set out in the first paragraph below for *Customers* and the standards set out in the second paragraph below for *Market Network Service Providers*.

Each *Customer* must ensure that variations in current at each of its *connection points* including those arising from the *energisation*, de-energisation or operation of any *plant* within or supplied from the *Customer's substation* are such that the

contribution to the magnitude and rate of occurrence of the resulting *voltage* disturbance does not exceed the following limits:

- (i) where only one *Customer* has a *connection point* associated with the point of *supply*, the limit is 80% of the threshold of perceptibility set out in Figure 1 of *Australian Standard AS2279*, Part 4; or
- (ii) where two or more *Distribution Network Service Providers* or *Customers* causing *voltage* fluctuations have a *connection point* associated with a point of *supply*, the threshold of perceptibility limit is to be shared in a manner to be agreed between the *Distribution Network Service Provider* and the *Registered Participant* in accordance with *good electricity industry practice* that recognises the number of *Registered Participants* in the vicinity that may produce *voltage* fluctuations.

Each *Market Network Service Provider* must ensure that variations in current at each of its *connection points* arising from the *energisation*, de-energisation or operation of any of its *plant* involved in the provision of *market network services* are such that the contribution to the magnitude and rate of occurrence of the resulting *voltage* disturbance does not exceed the following limits:

- (i) where only one *Market Network Service Provider* has a *connection point* associated with the point of *supply*, the limit is 80% of the threshold of perceptibility set out in Figure 1 of *Australian Standard AS2279*, Part 4; or
- (ii) where two or more *Distribution Network Service Providers*, *Market Network Service Providers* or *Customers* causing *voltage* fluctuations have a *connection point* associated with a point of *supply*, the threshold of perceptibility limit is to be shared in a manner to be agreed between the *Distribution Network Service Provider* and the *Registered Participant* in accordance with *good electricity industry practice* that recognises the number of *Registered Participants* in the vicinity that may produce *voltage* fluctuations.

For these purposes, references to *Australian Standard AS2279* are references to that standard as it existed prior to it being superseded by AS/NZS 61000.3.7:2001."

Note

See clause 11.10.7.

9.37.13 [Deleted]

9.37.14 [Deleted]

9.37.15 [Deleted]

9.37.16 [Deleted]

9.37.17 [Deleted]

9.37.18 [Deleted]

9.37.19 Generating unit response to disturbances (clause S5.2.5.3 of schedule 5.2)

- (a) Despite the provisions of clause S5.2.5.3 of schedule 5.2 of the *Rules*, the *generating units* listed in the following table are not required to operate continuously outside the corresponding *frequency* band specified in column three of the following table:

Power station	Generating units	Frequency band
Gladstone	Units 1 to 6	47.5 Hz to 51.5 Hz
Collinsville	Units 1 to 4	48.0 Hz to 51 Hz
Collinsville	Unit 5	48.0 Hz to 52 Hz

- (b) [Deleted]

- (b1) [Deleted]

9.37.20 [Deleted]

9.37.21 Excitation control system (clause S.5.2.5.13 of schedule 5.2)

- (a) For each of the *generating units* listed in the following table:
- (1) the application of clause S5.2.5.13(a) of schedule 5.2 of the *Rules* is modified by amending it to ensure that the short-time average *generating unit* stator *voltage* at highest rated power output level is not required to be more than 5% above nominal stator *voltage*; and
 - (2) the application of clause S5.2.5.13(b) of schedule 5.2 of the *Rules* is modified by deleting the words "all operating conditions" and replacing them with the words "all normal operating conditions and any *credible contingency event*".

Power station	Generating units
Gladstone	Units 1 to 6
Collinsville	Units 1 to 5

- (b) **[Deleted]**
- (c) **[Deleted]**
- (d) For Collinsville Power Station, any variation to the minimum performance requirements specified in clause S5.2.5.13 of schedule 5.2 of the *Rules* is to be limited to figures agreed with the *Network Service Provider* to whose *network* the Collinsville Power Station is *connected*.
- (e) A *Generator* whose *generating unit* is situated in Queensland must ensure that each new *synchronous generating unit* of greater than 100MW is fitted with a *static excitation system* or some other *excitation control system* which will provide *voltage* regulation to within 0.5% of the selected setpoint value unless otherwise agreed with the relevant *Network Service Provider*.

Note

See clause 11.10.7.

9.37.22 [Deleted]

9.37.23 Annual forecast information for planning purposes (schedule 5.7)

Each *Registered Participant* that has a *connection point* to a Queensland *transmission network* must submit to the relevant Queensland *Transmission Network Service Provider* a forecast of the annual *energy* consumption associated with each *connection point* together with the information set out in schedule 5.7 of the *Rules*.

9.38 Transitional Arrangements for Chapter 6 - Network Pricing

9.38.1 [Deleted]

9.38.2 [Deleted]

9.38.3 [Deleted]

9.38.4 Interconnectors between regions

For the purposes of the *Rules*, the *interconnector* between Armidale in New South Wales and Tarong in Queensland, to the extent that it forms part of the Queensland system, is deemed to be a *regulated interconnector*.

9.38.5 Transmission pricing for exempted generation agreements

- (a) Notwithstanding the provisions of Chapter 6, the amounts payable for *transmission services* in respect of a *generating system* or a *load* the subject of an exempted generation agreement by a *Generator* or *Customer* which is referred to in an exempted generation agreement, or the relevant State Electricity Entity nominated pursuant to clause 9.34.6(a), as the case may be, will be the amounts payable under the *connection agreement* in respect of that *generating system* or *load*.
- (b) If the amounts payable for *transmission services* under clause 9.38.5(a) differ to those that would have been payable if the amounts had been

calculated in accordance with the provisions of Chapter 6 (as modified by this clause 9.38) then the amount of that difference is to be recovered in accordance with clause 6.5.6(a).

- (c) For the purpose of clause 9.38.5(b), the amount of any difference is to be recovered from *Transmission Customers* located in Queensland and connected to the Queensland system and is not otherwise to be taken into account in determining *Transmission Customer common service* charges under clause 6.5.6(a).
- (d) For the application of clause 9.38.5(a) to the *generating system* at Gladstone Power Station and the *load* at the Boyne Island aluminium smelter, the *connection agreement* referred to is the Interconnection and Power Pooling Agreement dated 30 March 1994 between the owners of the Gladstone Power Station and the Queensland Electricity Commission (as amended prior to 18 January 1998), or any *connection agreements* entered into in respect of those *connection points* in replacement of that agreement, provided that in the latter case any difference to be recovered pursuant to clause 9.38.5(b) must not exceed that which would have applied had that agreement continued.
- (e) Clause 9.38.5(a) continues to apply in respect of the *generating system* at Gladstone Power Station and the *load* at the Boyne Island aluminium smelter despite the entering into *connection agreements* in replacement of the Interconnection and Power Pooling Agreement as envisaged in clause 9.38.5(d).

9.39 Transitional Arrangements for Chapter 7 - Metering

9.39.1 Metering installations to which this clause applies

- (a) The transitional *metering* provisions set out in schedule 9G1 apply to Queensland in respect of Chapter 7.
- (b) Notwithstanding the application of schedule 9G1 in Queensland, the transitional arrangements set out in this clause 9.39 apply in relation to a *metering installation* (including a *check metering installation*) that meets the following criteria:
 - (1) at 1 October 1997, the *metering installation*:
 - (i) was a *metering installation* to which the Queensland Grid Code applied; and
 - (ii) complied with the metering requirements of the Queensland Grid Code; and
 - (2) excepting normal repair and maintenance, no part of the *metering installation* has been modified or replaced since 1 October 1997.

9.39.2 [Deleted]

9.39.3 [Deleted]

9.39.4 [Deleted]

9.39.5 [Deleted]

9.40 Transitional Arrangements for Chapter 8 - Administration Functions

9.40.1 [Deleted]

9.40.2 [Deleted]

9.40.3 [Deleted]

9.41 [Deleted]

Schedule 9E1 Exempted Generation Agreements

Station Name	Owner or Operator of Station	Date of Agreement
Gladstone Power Station	GPS Participants ¹	30 March 1994
Collinsville Power Station	Collinsville Participants ²	30 November 1995
Townsville Power Station	Transfield Townsville Pty Ltd A.C.N. 075 001 991	2 August 1996
Oakey Power Station	Oakey Power Pty Ltd A.C.N. 075 258 114	10 September 1996
Mt Stuart Power Station	Origin Energy Mt Stuart, a general partnership between Origin Energy Mt Stuart BV (ARBN 079 232 572) & Origin Energy Australia Holdings BV (ARBN 079 234 165)	5 August 1996
Various Sugar Mills	Queensland Sugar Power Pool Pty Ltd A.C.N. 072 003 537	21 December 1995
Somerset Dam Hydro	Hydro Power Pty Ltd A.C.N. 010 669 351	1 June 1996
Browns Plains Landfill Gas	EDL LFG (QLD) Pty Ltd A.C.N. 071 089 579 and Energex Limited A.C.N. 078 849 055	31 July 1996

¹ GPS Participants Each of: GPS Power Pty Ltd, A.C.N. 009 103 422;
GPS Energy Pty Ltd, A.C.N. 063 207 456;
Sunshine State Power B.V., A.R.B.N. 062 295 425;
Sunshine State Power (No 2) B.V., ARBN 063 382 829;
SLMA GPS Pty Ltd, A.C.N. 063 779 028;
Ryowa II GPS Pty Ltd, A.C.N. 063 780 058; and
YKK GPS (Queensland) Pty Ltd, A.C.N. 062 905 275.

² Collinsville Participants Each of: Transfield Collinsville Pty Ltd, A.C.N. 058 436 847;
and
Transfield Services Collinsville B.V., A.R.B.N. 070 968 606.

Part F Jurisdictional Derogations for Tasmania

9.42 Definitions and interpretation

9.42.1 Definitions

For the purposes of this Part F:

- (a) a word or expression defined in the glossary in chapter 10 has the meaning given to it in the glossary, unless it is referred to in column 1 of the following table; and
- (b) a word or expression referred to in column 1 of the following table has the meaning given to it in column 2 of the table:

Column 1	Column 2
Aurora	Aurora Energy Pty Ltd (ABN 85 082 464 622).
Basslink	The project for the interconnection, by means of a DC electricity transmission link, of the Victorian and Tasmanian <i>transmission systems</i> .
ESI Act	The <i>Electricity Supply Industry Act 1995</i> (Tas).
George Town Substation	The electricity substation located on the land comprised in Certificate of Title Volume 34076 Folio 1.

Column 1	Column 2
Hydro Tasmania	The Hydro-Electric Corporation (ABN 48 072 377 158).
Minister	The Minister for the time being responsible for administering the <i>ESI Act</i> .
Tasmanian Code	The Tasmanian Electricity Code issued under section 49A of the <i>ESI Act</i> .
Tasmanian Code Participant	A person who is a Code Participant within the meaning of the <i>Tasmanian Code</i> .
Tasmanian Electricity Regulator	The office of the Regulator established pursuant to section 5 of the <i>ESI Act</i> .
Tasmanian Network Service Provider	A person who is a <i>Network Service Provider</i> in respect of a <i>network</i> located in Tasmania (including the <i>Network Service Provider</i> in respect of Basslink).
Transend	Transend Networks Pty Limited (ABN 57 082 586 892).
Transition Date	The date on and from which section 6 of the <i>Electricity - National Scheme (Tasmania) Act 1999</i> commences.

9.42.2 Interpretation

In this Part F, references to Tasmania do not include King Island or Flinders Island unless the context otherwise requires.

9.42.3 National grid, power system and related expressions

Notwithstanding anything else in the *Rules*, but subject to the other provisions of this Part F, on and from the Transition Date:

- (a) the *connected transmission systems* and *distribution systems* located in Tasmania are to be treated as forming part of the *national grid* and the interconnected *transmission* and *distribution networks*; and
- (b) the electricity power system located in Tasmania, including associated *generation* and *transmission* and *distribution networks* for the *supply* of electricity, is to be treated as forming part of the *power system* and the electricity system,

even if they are not *connected* to a *network* or *networks* in other *participating jurisdictions*.

9.43 [Deleted]

9.44 Transitional arrangements for Chapter 2 – Registered Participants and Registration - Customers (clause 2.3.1(e))

For the purposes of clause 2.3.1(e), and for the purposes of clause 2.4.2(b) in so far as it relates to *Customers*, a person satisfies the requirements of Tasmania for classification of a *connection point* of that person if that person is a *retailer* or is a contestable customer within the meaning of the ESI Act in respect of that *connection point*.

9.45 Tasmanian Region (clause 3.5)

Notwithstanding Chapter 2A, the State of Tasmania is, and must be, one *region* and that *region* must not include any areas which fall outside of the State of Tasmania.

9.47 Transitional arrangements for Chapter 5- Network Connection

9.47.1 Existing Connection Agreements

The following agreements are each to be taken to be a *connection agreement* for the purposes of clause 5.2:

- (a) the Connection Agreement dated 1 July 1998 between Aurora and Hydro Tasmania;
- (b) the Connection and Network Services Agreement dated 1 July 1998 between Transend and Aurora;
- (c) the Connection and Network Services Agreement dated 1 July 1998 between Transend and Hydro Tasmania;
- (d) the Basslink Connection Agreement dated 28 January 2000 between National Grid International Limited and Transend; and
- (e) any other connection agreement entered into prior to the Transition Date in accordance with the *Tasmanian Code*.

9.48 Transitional arrangements - Transmission and Distribution Pricing

9.48.4A Ring fencing

On the *AER's* assumption of responsibility for the economic regulation of *distribution services* in Tasmania, the following guidelines (as amended or substituted from time to time) will be taken to be distribution ring-fencing guidelines issued by the *AER* under Rule 6.17:

- (1) *Guideline for Ring-fencing in the Tasmanian Electricity Supply Industry* (dated October 2004); and
- (2) *Electricity Distribution and Retail Accounting Ring-fencing Guidelines: Electricity Guideline No 2.2, Issue No 5, March 2011*.

Note:

The *AER* will assume responsibility for the economic regulation of *distribution services* on the transfer of regulatory responsibility under clause 11.14.4.

9.48.4B Uniformity of tariffs for small customers

- (a) In making a distribution determination or approving a *pricing proposal* for a Tasmanian *Distribution Network Service Provider*, the *AER* must ensure that distribution tariffs for small customers of a particular class are uniform regardless of where in mainland Tasmania the customer is supplied with electricity.
- (b) In this clause, small *customer* has the same meaning as under the *National Energy Retail Law (Tasmania) Regulations 2012*.

9.48.5 Transmission network

For the purpose of the *Rules*, a *network* operating at "extra high voltage" (as that term is defined in the *ESI Act*) is deemed to be a *transmission network*.

9.48.6 Deemed regulated interconnector

For the purposes of the *Rules*, any *interconnector* between *regions* in Tasmania in existence when those *regions* are established, to the extent that it forms part of the *power system* in Tasmania, is deemed to be a *regulated interconnector*.

Part G Schedules to Chapter 9

Schedule 9G1 Metering Transitional Arrangements

1. Introduction

- (a) The following minimum requirements apply in respect of *metering installations* commissioned before 13 December 1998.
- (b) [Deleted]

2. [Deleted]

3. General Principle

The general principle is that *meters* are required and a *metering installation(s)* capable of recording half-hour *energy* flows and of providing electronic data for transfer to the *metering database* is to be in place for each *Market Participant's connection point(s)* before the *Market Participant* is permitted to participate in the *market*, and there will be no relaxation of this principle in the *jurisdictional derogations*.

4. [Deleted]

5. Accuracy Requirements

5.1 Existing Metering Installations Transitional Exemptions

In addition to those allowances in clause S7.2.2 of schedule 7.2 - "Metering installations commissioned prior to 13 December 1998", the following conditions/exemptions apply:

- (a) For *Generators*, *generated* quantities together with estimates for *generating unit* auxiliary loads may be used provided there is an agreed method with NEMMCO for determining *sent-out* energy. [refer to clause 7.3.2]
- (b) The *check metering* requirements of the *Rules* do not have to be met for Type 1 *metering installations*. A minimum of partial *check metering* is required for Types 1 and 2 *metering installations*. [refer to clause S7.2.4 of schedule 7.2 of Chapter 7]
- (c) Joint use of secondary circuits is permitted for Type 1 *metering installations*. [refer to cl.S7.2.6.1(a) of schedule 7.2 of Chapter 7]

5.2 [Deleted]

6. [Deleted]

7. [Deleted]

8. [Deleted]

9. [Deleted]

10. [Deleted]