

1 July 2020

Mr John Pierce
Chair, Australian Energy Market Commission

10 Eagle Street
Brisbane QLD 4122
T 07 3347 3100

By electronic submission

Dear Mr Pierce

Rule change request – Utility and usage of definitions

AEMO submits the attached Rule change proposal under section 91 of the National Electricity Law, with a request that the AEMC consider it as a non-controversial rule under section 96.

The Energy Security Board (ESB) has established a program of work to progress the implementation of the recommendation from the 2017 Finkel Review to review the National Electricity Rules (NER) 'with a view to streamlining them in light of changing technologies and conditions'.

Given the breadth of this recommendation, simplification of the NER will be an incremental process, over an extended period of time. The ESB's work program initially targets aspects of the NER that can be simplified where clearly warranted, and achievable without material changes to rights and obligations. From an initial review, an ESB Steering Committee has identified several measures for progressive implementation.

One of those measures was to remove, consolidate or amend NER definitions in Chapter 10 that are unused, little-used, duplicated or inconsistently used. AEMO submits the attached rule change proposal for that purpose.

AEMO acknowledges that the rule change proposal will not necessarily identify all redundant NER definitions, even within its limited scope. National Electricity Market participants and other interested parties may identify further redundant definitions, which could be incorporated into this or subsequent rule change processes.

Any questions on this rule change request should be directed to Kevin Ly, Group Manager - Regulation on kevin.ly@aemo.com.au.

Yours sincerely



Peter Geers
Chief Strategy and Markets Officer

Attachment: Rule change proposal

ELECTRICITY RULE CHANGE PROPOSAL

UTILITY AND USE OF DEFINITIONS -
ESB NATIONAL ELECTRICITY RULES SIMPLIFICATION
PROJECT

July 2020





CONTENTS

1.	SUMMARY	2
2.	RELEVANT BACKGROUND	2
3.	STATEMENT OF ISSUE	3
3.1	Current Rules	3
3.2	Issues with the current Rule	3
4.	HOW THE PROPOSAL WILL ADDRESS THE ISSUES	3
4.1	Limited review	3
4.2	How the proposal will address the issues	4
5.	DESCRIPTION OF PROPOSED RULE	4
5.1	Redundant definitions	4
5.2	Terms defined globally and locally	6
5.3	Errors and inconsistencies	7
5.4	General streamlining	10
6.	HOW THE PROPOSED RULE CONTRIBUTES TO THE NATIONAL ELECTRICITY OBJECTIVE (NEO)	11
7.	EXPECTED BENEFITS AND COSTS OF THE PROPOSED RULE	11



1. SUMMARY

The Energy Security Board (ESB) has established a program of work to progress the implementation of recommendations from the 2017 Finkel Review¹ relating to the simplification of the National Electricity Rules (NER).

Simplification of the NER will be an incremental process, over an extended period of time. As one of a number of initial steps, the ESB has identified a need to remove, consolidate or refine unused, little-used, duplicated or inconsistent NER definitions.

AEMO has submitted this rule change proposal for that purpose.

This rule change proposal is generally limited to definitions appearing in chapter 10 of the NER whose removal or amendment is clearly warranted, will not affect any party's rights or obligations, and can be achieved without material consequential amendments to other parts of the NER or associated procedures.

AEMO recognises that:

- This rule change proposal does not necessarily identify all definitions within the above description. Neither AEMO nor the ESB has undertaken the in-depth review required to produce an exhaustive list of all such definitions throughout the NER. The definitions proposed for removal or consolidation have been identified from the market bodies' combined experience. Market participants and other interested parties may identify more redundant definitions, which could be incorporated into this or subsequent rule change processes.
- There are several other defined terms that, in AEMO's view, should be considered for streamlining, combining or clarification. Another common issue that makes interpretation difficult is circularity, and definitions that point to other definitions. However, these tasks will require more extensive review to ensure all necessary consequential changes are comprehensively addressed and unintended consequences avoided. Accordingly, they are not addressed in this proposal and may be the subject of future rule change proposals.

Given the limited scope of this rule change proposal, AEMO asks the AEMC to consider treating it as a non-controversial rule.

2. RELEVANT BACKGROUND

The Finkel Review's 2017 *Independent Review into the Future Security of the National Electricity Market: Blueprint for the Future* included a recommendation to complete 'a comprehensive review of the National Electricity Rules with a view to streamlining them in light of changing technologies and conditions.'

This is a broad and wide ranging recommendation. The ESB has commenced a work program initially targeting aspects of the NER that can be simplified where clearly warranted, and achievable without material changes to rights and obligations. From an initial review, several measures have been identified for progressive implementation. One of those was to remove or amend NER definitions that are unnecessary, are used a negligible number of times, or do not add meaning to the content of the NER.

AEMO has developed this rule change proposal in collaboration with the ESB steering committee established to oversee this work program.

¹ *Independent Review into the Future Security of the National Electricity Market: Blueprint for the Future*, Commonwealth of Australia 2017. Available at: <https://www.energy.gov.au/sites/default/files/independent-review-future-nem-blueprint-for-the-future-2017.pdf>



3. STATEMENT OF ISSUE

3.1 Current Rules

At the time of preparing this proposal, the NER stands at version 141. Before that, between National Electricity Market (NEM) commencement in 1998 and mid-2005, the National Electricity Code was amended multiple times. In more than 20 years, many NEM concepts have been introduced or become redundant, terms that were originally defined at NEM start have come to have broader meanings or been applied to new provisions, while the original application of other definitions has been limited.

As a result, some definitions are no longer used, rarely used, duplicated with the same or different meanings, or applied inconsistently.

3.2 Issues with the current Rule

The glossary in chapter 10 of the NER currently includes a number of:

- Redundant definitions (not used, used very rarely, or only in other definitions).
- Unnecessary definitions (e.g. words with common meanings, concepts defined in multiple places, multiple terms defining the same concept).
- Errors and inconsistencies (e.g. mis-spelling, terms inconsistently used throughout the NER, multiple grammatical forms defined, inconsistent use of abbreviations, italicisation and local definitions).

The continued existence of redundant or inconsistently-used definitions in the NER adds unnecessary length to the document and can give rise to ambiguity in the interpretation of the rules.

4. HOW THE PROPOSAL WILL ADDRESS THE ISSUES

4.1 Limited review

This rule change proposal has a limited scope. In accordance with the ESB's work program, it is intended as an initial improvement, targeting the removal, combination or clarification of definitions where this is clearly warranted – and therefore both straightforward and uncontroversial.

For that reason, AEMO has generally limited this proposal to definitions that:

- Are defined in chapter 10 of the NER. With a few exceptions, this proposal does not cover terms used only in specific parts of the rules and defined only in other chapters.
- Can be removed or refined without affecting any substantive rights or obligations.
- Can be removed without material consequential amendments to other parts of the NER or associated procedures.

This rule change proposal is not intended to present an exhaustive list of all NER definitions that meet these criteria, as AEMO has not conducted a comprehensive review of every definition in chapter 10. The definitions listed in this rule change have been identified with the input of the market bodies based on their experience of the NER. Market participants and other interested parties may identify additional redundant or inconsistent definitions, which could be incorporated into this, or a subsequent, rule change process.

Given its limited scope, this rule change proposal does not address other definitions that could be streamlined, combined or clarified, but do not meet the above criteria. These may require more complex



changes, or extensive review to ensure all consequential changes are identified and addressed without unintended consequences. Examples of definitions in this category include:

- Definitions used only in expired transitional rules and derogations (to be addressed as part of a review of the associated rules).
- Customer-related definitions, across the NER and the retail rules.
- Circularity of definitions that cross-refer to each other, or are self-referencing.
- Definitions associated with registered participants, use of common abbreviations, and consistency in the use and application of defined terms describing the power system and its constituent parts, across the NER and the National Electricity Law.
- Definitions that do not align with the natural meaning of the term, or have multiple meanings depending on context, e.g. 'publish', 'load', and terms relating to connection.
- Definitions that are infrequently used in the NER but are likely to be referenced in procedures, e.g. 'EN wiring information'.

AEMO understands that subsequent rule change proposals may consider these, and other definitional issues, as the ESB's NER simplification work program proceeds.

4.2 How the proposal will address the issues

This proposal will assist in reducing unnecessary content and potential ambiguity in the rules by:

- Removing unused and unnecessary definitions, including those with commonly understood meanings.
- Remove rarely-used definitions, and where necessary refine the description of the relevant concept in the substantive NER provisions.
- Consistently using abbreviations where these are defined.
- Removing multiple grammatical forms of the same basic term from the definitions, relying instead on the interpretation rule in clause 1.7.1(d) of the NER.
- Amending incorrect or inconsistent spelling.
- Combining terms defined more than once or multiple defined terms for the same concept.
- Resolving inconsistent use of defined terms and equivalent, non-italicised terms throughout the NER.
- Improving consistency in the placement, use and appearance of locally-defined terms throughout the NER.

5. DESCRIPTION OF PROPOSED RULE

5.1 Redundant definitions

5.1.1 Unused definitions

The following definitions are not used in any substantive provisions and can be deleted:

<i>delayed response capacity reserve</i>	<i>demand based price</i>	<i>deprival value</i>
<i>dispatchable unit identifier</i>	<i>energy based price</i>	<i>entry cost</i>
<i>exit charge</i>	<i>exit cost</i>	<i>Market Participant registered data</i>



<i>maximum credit allowance</i>	<i>negotiated use of system service</i>	<i>NTNDP for 2011 (local definition only, clause 5.20.2(d))</i>
<i>off-loading price band</i>	<i>slow start reserve generating unit</i>	<i>take or pay contract</i>
<i>tie</i>	<i>unconstrained</i>	

5.1.2 Definitions used rarely

The following terms used only rarely or in limited provisions of the NER can be deleted. As indicated in the table below, they can be described where they appear in the substantive provision.

<p><i>acceptable credit rating</i> Used in clause 3.3.4, where the term is effectively defined, then only in clause 3.3.3(f), where it can be replaced with 'a credit rating determined as acceptable under clause 3.3.4.'</p>	<p><i>entry charge</i> Used in clause 6.20.1. Substitute with: 'charge for <i>entry service</i>'</p>
<p><i>Information Exchange Committee Annual Report</i> Used in clause 7.17.7(b) and (c), where it can be substituted with 'annual report'. Also used in the definition of '<i>B2B costs</i>', where the words: 'budget prepared by the <i>Information Exchange Committee</i> pursuant to clause 7.17.7(d) and the <i>Information Exchange Committee Annual Report</i>' can be replaced with 'budget and annual report prepared by the <i>Information Exchange Committee</i> pursuant to clause 7.17.7.'</p>	<p><i>Information Exchange Committee Working Groups</i> In clause 7.17.7(a)(3), '<i>the Information Exchange Committee Working Groups</i>' can be replaced with '<i>working groups to assist with the Information Exchange Committee Works Programme</i>'. In clauses 7.17.13 and 11.91.8, '<i>Information Exchange Committee Working Groups</i>' can be replaced with '<i>Information Exchange Committee's working groups</i>'. In clause, 7.17.7(a)(5) and 11.91.4, '<i>Information Exchange Committee Working Groups</i>' can be replaced with '<i>working groups</i>'.</p>
<p><i>local spot price</i> Defined by reference to clause 3.9.1(c), which can be deleted, and only used in clause 3.6.2(c), where the word 'local' can be deleted. The definition of '<i>spot price</i>' describes a price at a regional reference node or a connection point.</p>	<p><i>maximum power input</i> Used in clause 5.3AA(d)(1) but only in a very limited sense. Substitute with: 'maximum output'.</p>
<p><i>projected assessment of system adequacy process</i> The definition simply points to the MT and ST PASA provisions. The word 'process' has its ordinary meaning and can be used without italicisation in clauses 3.2.3(b), 3.7.1(a) and 3.7B(a).</p>	<p><i>reactive power support / reactive support</i> The term '<i>reactive power support</i>' is not used at all. '<i>Reactive support</i>' is only used in clause S5.3a.8, where it can be substituted with '<i>reactive power</i>'.</p>

Definitions that are only used in another definition should be relocated into the main definition:

<p><i>Co-ordinated Universal Time</i> Amend definition of <i>Eastern Standard Time</i> to: the time which is set 10 hours in advance of Co-ordinated Universal Time as maintained under section 8AA of the <i>National Measurement Act</i>.</p>	<p><i>system-wide benefits</i> Amend definition of <i>above standard system shared transmission service</i> to: 'a <i>shared transmission service</i> ... investments that have benefits extending to <i>Transmission Network Users</i> beyond those <i>connected</i> at a single <i>transmission network connection point</i>.'</p>
---	--

5.1.3 Defined terms with common meanings

The commonly-used words listed below have meanings that are generally understood. In most cases, the terms are used inconsistently throughout the NER - some instances italicised and others not. In most cases there is no apparent difference in meaning, or a particularly narrow meaning is intended that should be

defined locally. These defined terms should be removed from chapter 10, and un-italicised wherever they appear in the NER:

<i>change</i>	<i>local</i> (leaving the defined term as 'local area' only)	<i>materially</i> (specific materiality thresholds should be defined in the relevant provision of chapters 6 and 6A respectively)
<i>metering</i>	<i>profile</i>	<i>review</i> (where intended to refer to audit standard, define locally)
<i>time</i>		

5.2 Terms defined globally and locally

A number of defined terms in chapter 10 are also defined in other parts of the NER, with slight modifications. AEMO has identified three such terms where it considers an amendment to the chapter 10 definition is clearly warranted, allowing the local definitions to be removed.

5.2.1 Confidential information

There is a definition of '*confidential information*' in chapter 10 and a local definition in clause 5A.A.1. The only difference is that the chapter 5A definition includes connection applicants. The chapter 10 definition is limited to information provided to a Registered Participant or AEMO under the NER.

Several other provisions of the NER seek to extend the confidentiality obligations in Part C of chapter 8 to persons other than Registered Participants, but have not made corresponding adjustments to the definition of confidential information. Throughout the NER, the defined term '*confidential information*' is used to describe information provided not only to AEMO or Registered participants, but other parties including the AEMC, the AER, Connection Applicants under chapter 5, project developers, and independent experts. Parties with other roles in the market will also receive B2B information, metering data and other information which the NER designate to be *confidential information*.

This is partly recognised in clause 8.6.1A, which states:

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

However, since the definition of '*confidential information*' itself refers only to information provided to AEMO and Registered Participants (without modification), clause 8.6.1A is not fully effective. AEMO therefore proposes that:

- The definition of *confidential information* in clause 5A.A.1 is removed.
- The definition of *confidential information* in chapter 10 is replaced with the following:

Information which is or has been provided to a person under or in connection with the *Rules* and which is stated under the *Rules*, or by *AEMO*, the *AER* or the *AEMC*, to be *confidential information* or is otherwise confidential or commercially sensitive. It also includes any information which is derived from such information.
- The term '*confidential information*' is italicised consistently throughout the NER.

5.2.2 Static excitation system

A '*static excitation system*' is defined in chapter 10 as:

An *excitation control system* in which the power to the rotor of a *synchronous generating unit* is transmitted through high power solid-state electronic devices.



There is also a local definition in clause S5.2.5.13:

an excitation control system that does not use rotating machinery to produce the field current.

Both definitions have the same meaning, but the chapter 10 definition includes a layer of specificity that is unnecessary to effectively convey the meaning. The generality of the S5.2.5.13 is preferable.

AEMO proposes that the chapter 10 definition of '*static excitation system*' is replaced with:

an excitation control system that does not use rotating machinery to produce the field current.

The definition in S5.2.5.13 can then be deleted and each instance of the term italicised.

AEMO notes, however, that the term is otherwise only used in a Queensland jurisdictional derogation in clause 9.37.21(e), and accordingly this change may also need to be proposed by the Minister in order to have effect in that derogation.

5.2.3 Payment date

'*Payment date*' is defined in chapter 10 as the 20th *business day* after the end of a *billing period*.

It is clear from clause 3.15.16, however, that the payment date is not fixed at the 20th business day after the end of a billing period:

On the 20th business day after the end of a billing period, or 2 business days after receiving a statement under clause 3.15.15, whichever is the later, and in accordance with the timetable each Market Participant must pay to AEMO in cleared funds the net amount stated to be payable by that Market Participant in that statement whether or not the Market Participant continues to dispute the net amount payable.

Clause 3.15.22(a) then defines the term '*payment date*' again multiple times, this time by reference to clause 3.15.16.

To address the inconsistency and duplication, AEMO proposes:

- The chapter 10 definition of '*payment date*' is substituted with:

The 20th business day after the end of a billing period, or 2 business days after receiving a final statement, whichever is the later.

- Clause 3.15.16 is amended as follows:

On each payment date, and in accordance with the timetable, each Market Participant must pay to AEMO in cleared funds the net amount stated to be payable by that Market Participant in the relevant final statement, whether or not the Market Participant continues to dispute the net amount payable.

- Clause 3.15.22(a)(1), (3) and (4) are amended to be consistent with sub-clause (2), by replacing:

*in accordance with the timetable on the latest date for payment by Market Participants as described in clause 3.15.16 (called the **payment date**)*

with:

on the payment date in accordance with the timetable.

5.3 Errors and inconsistencies

5.3.1 Spelling

Defined terms or adaptations of defined terms that are incorrectly or inconsistently spelt should be corrected wherever they appear, using the most commonly accepted form:

- '*Synchronous condensor*' should be spelt '*synchronous condenser*'.

- Hyphenation: Add hyphens in terms like ‘undervoltage’, ‘under frequency’ and ‘over frequency’, and make corresponding amendments where those terms are used. Under-frequency, for example, appears as ‘under-frequency’ (5 times), ‘*under frequency*’ (4 times, in the definition and use of *under frequency scheme*), and ‘underfrequency’ once.

5.3.2 Inconsistent use of defined terms

Some defined terms that are not used consistently throughout the NER to describe the same concept. Provisions in the NER that do not use the defined term appropriately should be amended as set out below:

<p><i>Minister/Minister</i></p> <p>A ‘<i>Minister</i>’ is defined as a Minister under the National Electricity Law (NEL). <i>Minister of (a, that, another, or other, etc) participating jurisdiction</i> is separately defined, also by reference to the corresponding NEL definition. The NEL does not separately define these terms. They are used through the NER interchangeably and often not italicised consistently with the definitions.</p> <p>AEMO proposes redefining ‘<i>Minister</i>’ as: ‘A Minister of a <i>participating jurisdiction</i> within the meaning of section 6 of the <i>National Electricity Law</i>’; removing the definition ‘<i>Minister of (a, that, another, or other, etc) participating jurisdiction</i>’; and deleting the phrase ‘of a <i>participating jurisdiction</i>’ wherever it appears after <i>Minister</i>. References to Ministers of ‘other’ or another’ participating jurisdiction in jurisdictional derogations or transitional provisions should be retained.</p>	<p><i>power system security</i></p> <p>The reference to ‘system security’ in clauses 3.12A.5(b) and 8.11.6(b) should be replaced with ‘<i>power system security</i>’. In clause 3.15.10A the words ‘system security’ before ‘<i>direction settlements</i>’ should be deleted. Italicise the word ‘security’ in clause 5.20A.4(b)(3).</p>
<p><i>reactive plant</i></p> <p>Defined in chapter 10 by reference to clause 4.5.1(g). In clause 4.5.1(g), as well as clause 4.5.1(f) and 4.10.5, the term ‘<i>reactive power facilities</i>’ is used instead. This is not itself a defined term, but a hybrid of <i>reactive power</i> and <i>facilities</i>. In each instance, <i>reactive power facilities</i> should be replaced with <i>reactive plant</i>.</p>	<p><i>regional reference price</i></p> <p>Defined in chapter 10 as the <i>spot price</i> at the <i>regional reference node</i>, and should be used in these clauses:</p> <ul style="list-style-type: none"> • 3.2.2(c): replace ‘<i>spot prices</i> at each <i>regional reference node</i>’ with ‘<i>a regional reference price</i> for each <i>region</i>’. • 3.4.1(b)(1): replace ‘<i>a spot price</i> for energy to apply at each <i>regional reference node</i>’ with ‘<i>a regional reference price</i> for each <i>region</i>’ • 3.6.1(b)(3): replace ‘<i>prices of electricity</i> at <i>regional reference nodes</i>’ with ‘<i>regional reference prices</i>’ • 3.9.1(a)(2): replace ‘<i>a spot price</i> at a <i>regional reference node</i>’ with ‘<i>a regional reference price</i>’ • 3.9.1(b): delete ‘<i>which is the spot price</i> at the <i>regional reference node</i>’. • 3.9.1(h): replace ‘<i>spot price</i> at a <i>regional reference node</i>’ with ‘<i>regional reference price</i>’ • 3.13.1: replace ‘<i>the regional reference price</i> at any <i>regional reference node</i>’ with ‘<i>regional reference prices</i>’
<p>the <i>Rules</i></p> <p>Defined as ‘the <i>Rules</i>’ in clause 1.1.1, but references to ‘these <i>Rules</i>’ appears in other clauses:</p> <ul style="list-style-type: none"> • Clause 1.2 – Replace ‘These <i>Rules</i> are the National Electricity Rules made under’ with ‘The National Electricity Rules are made under’ <p>Replace ‘these <i>Rules</i>’ or ‘these <i>Rules</i>’ with ‘the <i>Rules</i>’ wherever appearing (another 52 times).</p>	<p><i>transmission or distribution system</i></p> <p>While this is a defined term (used 28 times), it was not considered necessary to define ‘<i>transmission or distribution network</i>’. The phrase ‘<i>transmission or distribution network</i>’ is used 16 times, ‘<i>transmission network</i> or [a] <i>distribution network</i>’ a further 27 times. The expanded (and undefined) phrase ‘<i>transmission system</i> or <i>distribution system</i>’ is used 13 times.</p>



	AEMO proposes removing the definition of <i>transmission or distribution system</i> from chapter 10, with corresponding amendments each time it is used. AEMO also notes that the use of 'network' or 'system' is not necessarily systematic. This may be reviewed as part of a future consultation.
--	--

5.3.3 Inconsistencies in locally-defined terms

Locally-defined terms appear throughout the NER. Some are defined for a single rule or clause, while others are used in an extended part of the relevant chapter. Within and between each set of locally-defined terms there is inconsistency of placement, font, and practice for inclusion in chapter 10. Non-exhaustive examples of each issue are provided below. AEMO proposes that these matters should all be treated consistently, and has suggested a preferred approach for consideration by the AEMC in each case.

Inconsistent placement

Examples of inconsistency in the placement of local definitions include:

- At the start of the chapter, e.g. chapter 3², chapter 4A, chapter 5A.
- At the start of a part of the chapter, e.g. chapter 5, part D.
- At the start of a clause or rule, e.g. 2.9A, 3.7D, 3.7E, 3.15.9A, 5.13.2, 5.13A³.
- In one rule for that rule and other associated provisions, e.g. rule 5.3A.
- At the end of a chapter, e.g. chapter 2A.
- At the end of a clause or rule, e.g. 3.15.6A, 3.15.8, 6B.A2.4, 7.8.6, 8.10.
- In the middle of a clause, e.g. 3.15.6A(c1).

AEMO suggests that each group of local definitions should appear at the start of the lowest level of the rules in which they are all used. AEMO notes that the start of a clause or set of related clauses or rules is also the most appropriate location for provisions that explain the application or scope of those provisions.

Inconsistent font

Some locally-defined terms, like 'generator energy', 'small generator energy' and 'customer energy' in clauses 3.15.6A and 3.15.8, are italicised intermittently when they are used in those clauses, but most are not.

If, as discussed below, locally-defined terms are also included in chapter 10, they should be italicised. If that suggestion is not adopted, AEMO suggests they should appear each time in bold, to alert the reader that the term is locally defined. This is particularly important where locally defined terms are interspersed with chapter 10 definitions across a fairly long section of the rules, like chapter 5 part D or rule 3.3.

Inclusion in chapter 10

Chapter 10 includes many definitions that point to the NER clauses in which those terms are defined or described. Those terms may or may not also be used in other parts of the rules. However, the terms that are defined in lists in various parts of the rules, discussed in the sections above, are generally not also included in chapter 10.

² Clause 3.1.1A defines prudential terms that, with one exception, are used exclusively in rule 3.3. 'Maximum credit limit' is also used in clause 3.15.11 – like 'trading limit' which is defined in chapter 10 only.

³ Terms defined specifically for 5.13A and 5.13.2 appear within chapter 5 part D, which has other terms defined for the whole part in clause 5.10.2.



In AEMO's view, it would be helpful to include terms that are used in more than one NER clause in chapter 10. If it is still convenient to define sets of terms locally so as to group them together for reference in the place they are most used, the chapter 10 definition can simply point to the clause where they are locally defined.

5.4 General streamlining

5.4.1 Defining multiple grammatical forms

Clause 1.7.1(d) of the NER provides that, when italicised, other parts of speech and grammatical forms of a word or phrase defined in the Rules have a corresponding meaning. It is therefore unnecessary to specifically define multiple grammatical forms in the NER. AEMO has identified the following definitions to be consolidated under a single term:

<i>activate</i>	<i>connect</i>	<i>constrain</i>
<i>disconnect</i>	<i>enable</i>	<i>energise</i>
<i>interconnector</i>	<i>island</i>	<i>publish</i>
<i>reconnect⁴</i>	<i>region</i>	<i>synchronise/synchronising</i>

5.4.2 Use of abbreviations

Some terms are defined using both the full term and an abbreviation (either together or in separate definitions), and then used interchangeably throughout the NER. Alternatively, the full term is used on its own and the abbreviation is used when combined into a related definition.

AEMO proposes that the following abbreviations should be used consistently in the NER to replace the full term wherever possible⁵ (abbreviation to come first in the definition):

<i>AGC (automatic generation control)</i>	<i>CRNP (cost reflective network pricing)</i>	<i>EAAP (Energy adequacy assessment projection)</i>
<i>NEL (only defined as National Electricity Law, but abbreviation used in some places)</i>	<i>NEM (National Electricity Market)</i>	<i>NERL (National Energy Retail Law)</i>
<i>NERR (National Energy Retail Rules)</i>	<i>NSCAS (network support and control ancillary service)</i>	<i>PASA (projected assessment of system adequacy)</i>
<i>RERT (reliability and emergency reserve trader)</i>	<i>SRAS (system restart ancillary service)</i>	<i>SRD (settlement[s] residue distribution)</i>
<i>TUOS (transmission use of system service)</i>		

A few consequential amendments may be required. For example in relation to PASA, clause 3.7.1(a) would require amendment to require AEMO simply to 'administer medium term and short term PASA processes as described in rule 3.7.'

⁴ There are a number of instances of 'reconnect' and its derivatives that are not italicised.

⁵ Occasionally it may be appropriate to use the full term, e.g. in headings or in some explanatory provisions.



6. HOW THE PROPOSED RULE CONTRIBUTES TO THE NATIONAL ELECTRICITY OBJECTIVE (NEO)

The proposed rule would reduce some unnecessary detail from the NER and assist their interpretation. Simplifying the application of some aspects of the NER can be expected to contribute to the more efficient operation of electricity services.

7. EXPECTED BENEFITS AND COSTS OF THE PROPOSED RULE

There are no obvious costs associated with the implementation of the proposed rule other than the costs of the rule change process itself.

A handful of the proposed definitional changes may result in a need for non-material updates to procedures or guidelines made under the NER, although AEMO considers it is unlikely that such updates would be required before the rule came into effect.