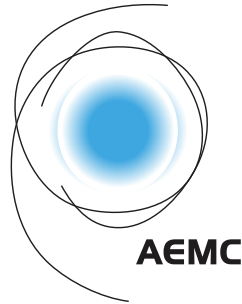


Note: Schedule 2 the *National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019 No. 11* will commence operation on 1 October 2021 as a result of the amendments made under the [*National Electricity Amendment \(Delayed implementation of five minute and global settlement\) Rule 2020 No. 10.*](#)



National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019 No. 11

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015 of the Northern Territory; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce
Chairman
Australian Energy Market Commission

National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019 No. 11

1 Title of Rule

This Rule is the *National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019 No. 11*.

2 Commencement

Schedule 1 of this Rule commences operation on 20 December 2019.

Schedule 2 of this Rule commences operation on 1 July 2021 immediately after the commencement of Schedule 2 of the *National Electricity Amendment (Intervention compensation and settlement processes) Rule 2019 No 5*.

Schedule 3 of this Rule commences operation on 19 December 2019.

3 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

4 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

5 Savings and Transitional Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.9.2 Determination of spot prices

In clause 3.9.2(e)(2), omit "clauses 3.9.3(c) and 3.9.3(d)" and substitute "clauses 3.9.3(b2) and 3.9.3(c)".

[2] Clause 3.9.3 Pricing in the event of intervention by AEMO

Omit clause 3.9.3(b), and substitute:

(b) Subject to subparagraphs (b2)(1) and (b2)(2), if, in *AEMO's* reasonable opinion, the reason for an *AEMO intervention event* is to obtain either:

- (1) a service for which a *dispatch price* or *ancillary service price* is determined by the *dispatch algorithm*; or
- (2) a service that is a direct substitute for a service for which a *dispatch price* or *ancillary service price* is determined by the *dispatch algorithm*,

then, subject to paragraph (c), *AEMO* must in accordance with the methodology or assumptions *published* pursuant to paragraph (e) set the *dispatch price* and *ancillary service prices* for an *intervention price dispatch interval* at the value which *AEMO*, in its reasonable opinion, considers would have applied as the *dispatch price* and *ancillary service prices* for that *dispatch interval* in the relevant *region* had the *AEMO intervention event* not occurred.

(b1) Without limitation, examples of the types of service referred to in paragraph (b) include:

- (1) *energy* that is capable of being provided by any *generating unit* within a *region*;
- (2) *energy* which, as a result of a *network constraint* or other *constraint*, is only capable of being provided by any *generating unit* located in the part of the *region* that includes the *regional reference node*;
- (3) *market ancillary services* that are capable of being provided by any *ancillary service generating unit* within a *region*;
- (4) *market ancillary services* which, as a result of a *network constraint* or other *constraint*, are only capable of being provided by any *ancillary service generating unit* located in the part of the *region* that includes the *regional reference node*; and

- (5) demand response that reduces the need for the provision of *energy* or *market ancillary services* within a region.
- (b2) AEMO must continue to set *dispatch prices* pursuant to clause 3.9.2 and *ancillary service prices* pursuant to clause 3.9.2A if the reason for an *AEMO intervention event* is to obtain:
- (1) *energy* and *market ancillary services* which, as a result of a *network constraint* or other *constraint*, are only capable of being provided by a *generating unit* or *ancillary service generating unit* in a part of the *region* which, due to the *constraint*, does not include the *regional reference node*; or
 - (2) demand response which, as a result of a *network constraint* or other *constraint*, is needed to reduce demand for *energy* or *market ancillary services* in a part of the *region* which, due to the *constraint*, does not include the *regional reference node*; or
 - (3) a service for which a *dispatch price* or *ancillary service price* is not determined by the *dispatch algorithm*, regardless of whether *energy* or *market ancillary services* are also provided incidental to the provision of that service.
- (b3) Without limitation, examples of the services referred to in subparagraph (b2)(3) include the provision of:
- (1) *inertia*;
 - (2) *voltage control*;
 - (3) system strength; and
 - (4) *non-market ancillary services*.
- (b4) In respect of any *intervention price dispatch interval* in which more than one *AEMO intervention event* is in effect, AEMO must in accordance with the methodology or assumptions *published* pursuant to paragraph (e) set *dispatch prices* and *ancillary service prices* pursuant to paragraph (b) as if:
- (1) the services described in paragraph (b) were not provided; and
 - (2) *energy* or *market ancillary services* provided incidental to the provision of any services described in subparagraph (b2)(3) were taken into account.

[3] Clause 3.9.3 Pricing in the event of intervention by AEMO

In clause 3.9.3(c), omit "this clause 3.9.3" and substitute "clause 3.9.3(b)".

[4] Clause 3.9.3 Pricing in the event of intervention by AEMO

Omit clause 3.9.3(d) and substitute "[Deleted]".

[5] Clause 3.13.6A Report by AEMO

Omit clause 3.13.6A(a)(6) and substitute:

- (6) the basis upon which *AEMO* determined its approach to setting *dispatch prices* and *ancillary service prices* in accordance with clause 3.9.3.

[6] Clause 3.20.6 Reporting on RERT by AEMO

Omit clause 3.20.6(e)(6) and substitute:

- (6) the basis upon which *AEMO* determined its approach to setting *dispatch prices* and *ancillary service prices* in accordance with clause 3.9.3.

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 3.9.2 Determination of spot prices

In clause 3.9.2(e)(2), omit "clauses 3.9.3(c) and 3.9.3(d)" and substitute "clauses 3.9.3(b2) and 3.9.3(c)".

[2] Clause 3.9.3 Pricing in the event of intervention by AEMO

Omit clause 3.9.3(b), and substitute:

(b) Subject to subparagraphs (b2)(1) and (b2)(2), if, in *AEMO's* reasonable opinion, the reason for an *AEMO intervention event* is to obtain either:

- (1) a service for which a *spot price* or *ancillary service price* is determined by the *dispatch algorithm*; or
- (2) a service that is a direct substitute for a service for which a *spot price* or *ancillary service price* is determined by the *dispatch algorithm*,

then, subject to paragraph (c), *AEMO* must in accordance with the methodology or assumptions *published* pursuant to paragraph (e) set the *spot price* and *ancillary service prices* for an *intervention price trading interval* at the value which *AEMO*, in its reasonable opinion, considers would have applied as the *spot price* and *ancillary service prices* for that *trading interval* in the relevant *region* had the *AEMO intervention event* not occurred.

(b1) Without limitation, examples of the types of service referred to in paragraph (b) include:

- (1) *energy* that is capable of being provided by any *generating unit* within a *region*;
- (2) *energy* which, as a result of a *network constraint* or other *constraint*, is only capable of being provided by any *generating unit* located in the part of the *region* that includes the *regional reference node*;
- (3) *market ancillary services* that are capable of being provided by any *ancillary service generating unit* within a *region*;
- (4) *market ancillary services* which, as a result of a *network constraint* or other *constraint*, are only capable of being provided by any *ancillary service generating unit* located in the part of the *region* that includes the *regional reference node*; and

- (5) demand response that reduces the need for the provision of *energy* or *market ancillary services* within a region.
- (b2) AEMO must continue to set *spot prices* pursuant to clause 3.9.2 and *ancillary service prices* pursuant to clause 3.9.2A if the reason for an *AEMO intervention event* is to obtain:
- (1) *energy* and *market ancillary services* which, as a result of a *network constraint* or other *constraint*, are only capable of being provided by a *generating unit* or *ancillary service generating unit* in a part of the *region* which, due to the *constraint*, does not include the *regional reference node*; or
 - (2) demand response which, as a result of a *network constraint* or other *constraint*, is needed to reduce demand for *energy* or *market ancillary services* in a part of the *region* which, due to the *constraint*, does not include the *regional reference node*; or
 - (3) a service for which a *spot price* or *ancillary service price* is not determined by the *dispatch algorithm*, regardless of whether *energy* or *market ancillary services* are also provided incidental to the provision of that service.
- (b3) Without limitation examples of the services referred to in subparagraph (b2)(3) include the provision of:
- (1) *inertia*;
 - (2) *voltage control*;
 - (3) system strength; and
 - (4) *non-market ancillary services*.
- (b4) In respect of any *intervention price trading interval* in which more than one *AEMO intervention event* is in effect, AEMO must in accordance with the methodology or assumptions *published* pursuant to paragraph (e) set *spot prices* and *ancillary service prices* pursuant to paragraph (b) as if:
- (1) the services described in paragraph (b) were not provided; and
 - (2) *energy* or *market ancillary services* provided incidental to the provision of any services described in subparagraph (b2)(3) were taken into account.

[3] Clause 3.9.3 Pricing in the event of intervention by AEMO

In clause 3.9.3(c), omit "this clause 3.9.3" and substitute "clause 3.9.3(b)".

[4] Clause 3.9.3 Pricing in the event of intervention by AEMO

Omit clause 3.9.3(d) and substitute "[Deleted]".

[5] Clause 3.13.6A Report by AEMO

In clause 3.13.6A(a)(6), omit "*dispatch prices*" and substitute "*spot prices*".

[6] Clause 3.20.6 Reporting on RERT by AEMO

In clause 3.20.6(e)(6), omit "*dispatch prices*" and substitute "*spot prices*".

Schedule 3 Savings and Transitional Amendment to the National Electricity Rules

(Clause 5)

[1] Chapter 11 Savings and Transitional Amendment to the National Electricity Rules

After Part ZZZT, insert:

Part ZZZU Application of the regional reference node test to the Reliability and Emergency Reserve Trader

11.119 Rules consequential on the making of the National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019

11.119.1 Definitions

For the purposes of this rule 11.119:

Amending Rule means the National Electricity Amendment (Application of the regional reference node test to the Reliability and Emergency Reserve Trader) Rule 2019.

commencement date means 20 December 2019.

old Chapter 3 means Chapter 3 of the *Rules* and all related definitions in the *Rules* as in force immediately prior to the commencement date.

11.119.2 AEMO intervention event in effect on commencement date

If:

- (a) *AEMO* issues a *direction* prior to the commencement date; and
 - (b) that *direction* remains in effect on or after the commencement date,
- then, for so long as the *direction* remains in effect, old Chapter 3 will apply in respect of the *AEMO intervention event* corresponding with the *direction*.

[END OF RULE AS MADE]
