Note:

As a result of the making of the National Electricity Amendment (Removal of intervention hierarchy) Rule 2020 No. 14, Item [33] of Schedule 3 of the National Electricity Amendment (Wholesale demand response mechanism) Rule 2020 No. 9 has been deleted.
National Electricity Amendment (Wholesale demand response mechanism) Rule 2020 No. 9

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 (Wholesale demand response mechanism) Rule 2020 No. 9

1 Title of Rule

This Rule is the National Electricity Amendment (Wholesale demand response mechanism) Rule 2020 No. 9.

2 Commencement

Schedule 1 commences operation on 24 October 2021.
Schedule 2 commences operation on 31 March 2021.
Schedule 3 commences operation on 24 October 2021.
Schedule 4 commences operation on 24 October 2021.
Schedule 5 commences operation on 24 October 2021.
Schedule 6 commences operation on 18 June 2020.

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 Amendment to the National Electricity Rules

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

6 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 4.

7 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 5.

8 Savings and Transitional Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 6.
[1] **Clause 2.3.4** Market Customer
In clause 2.3.4(d), after "its market loads", insert "(excluding a load that has been classified as a wholesale demand response unit)".

[2] **Clause 2.3.5** Ancillary services load
In clause 2.3.5(a), omit "Market Ancillary Service Provider" wherever occurring and substitute "Demand Response Service Provider".

[3] **Clause 2.3.5** Ancillary services load
In clause 2.3.5(b)(1), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[4] **Clause 2.3.5** Ancillary services load
At the end of clause 2.3.5(b)(1), omit "and".

[5] **Clause 2.3.5** Ancillary services load
In clause 2.3.5(b)(2), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[6] **Clause 2.3.5** Ancillary services load
At the end of clause 2.3.5(b)(2), omit ";." and substitute ";;".

[7] **Clause 2.3.5** Ancillary services load
After clause 2.3.5(b)(2), insert:

(3) identify each of the loads to be used by the applicant to provide market ancillary services; and

(4) demonstrate how the loads identified in subparagraph (3) have the required equipment to be used to provide market ancillary services and will be capable of meeting or exceeding the relevant performance standards and specifications to AEMO's satisfaction.

[8] **Clause 2.3.5** Ancillary services load
In clause 2.3.5(c)(2), omit "classification" and substitute "clarification".
[9] Clause 2.3.5 Ancillary services load
In clause 2.3.5(d), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[10] Clause 2.3.5 Ancillary services load
In clause 2.3.5(e)(1A), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[11] Clause 2.3.5 Ancillary services load
In clause 2.3.5(e)(2), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[12] Clause 2.3.5 Ancillary services load
After clause 2.3.5(e)(2), after "then", insert "subject to paragraph (e1),".

[13] Clause 2.3.5 Ancillary services load
After clause 2.3.5(e), insert:

(e1) AEMO must not give approval to a person under paragraph (e) in respect of a load that is classified as a wholesale demand response unit by a different person.

[14] Clause 2.3.5 Ancillary services load
In clause 2.3.5(f), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[15] Clause 2.3.5 Ancillary services load
In clause 2.3.5(g), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[16] Clause 2.3.5 Ancillary services load
In clause 2.3.5(g)(4), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[17] Clause 2.3.5 Ancillary services load
In clause 2.3.5(h), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[18] Clause 2.3.5 Ancillary services load
In clause 2.3.5(i), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".
[19] Clause 2.3.5 Ancillary services load
In clause 2.3.5(j), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[20] New clause 2.3.6 Wholesale demand response units
After clause 2.3.5, insert:

2.3.6 Wholesale demand response units

(a) If a Demand Response Service Provider in respect of a qualifying load wishes to use the load to provide wholesale demand response in accordance with the Rules, the Demand Response Service Provider must apply to AEMO for approval to classify the qualifying load as a wholesale demand response unit.

(b) An application under paragraph (a) must be in the form prescribed by AEMO and must:

(1) identify the qualifying load;
(2) specify the proposed maximum responsive component of the wholesale demand response unit; and
(3) specify the proposed baseline methodology and baseline settings to apply to the wholesale demand response unit.

(c) AEMO must, within 5 business days of receiving an application under paragraph (a), advise the applicant of any further information or clarification which is required in support of its application if, in AEMO's reasonable opinion, the application:

(1) is incomplete; or
(2) contains information upon which AEMO requires clarification.

(d) If the further information or clarification required pursuant to paragraph (c) is not provided to AEMO's satisfaction within 15 business days of the request, the Demand Response Service Provider will be deemed to have withdrawn the application.

(e) AEMO must, subject to paragraph (f), approve the classification of a load as a wholesale demand response unit if AEMO is reasonably satisfied that:

(1) the load is a qualifying load;
(2) the load is able to be used to provide wholesale demand response in accordance with the Rules;
(3) the load is capable of providing a quantity of wholesale demand response at least equal to the maximum responsive component;
(4) the Demand Response Service Provider has adequate communications and/or telemetry in place to support the issuing of dispatch instructions in respect of the load;

(5) the baseline methodology, when applied to the load and using the proposed baseline settings and historical metering data for the load:

(i) produces a baseline that satisfies the baseline methodology metrics; and

(ii) otherwise qualifies for application to the wholesale demand response unit having regard to any criteria in the wholesale demand response guidelines;

(6) the Demand Response Service Provider has submitted data in accordance with schedule 3.1; and

(7) the load satisfies each other requirement in the wholesale demand response guidelines for classification as a wholesale demand response unit.

(f) AEMO must not give approval to a person under paragraph (e) in respect of a load that is classified as an ancillary service load by a different person.

(g) If AEMO approves the classification of a load as a wholesale demand response unit, AEMO may impose on the relevant Demand Response Service Provider such terms and conditions as AEMO considers necessary to ensure that the provisions of the Rules applying to wholesale demand response can be met.

(h) A Demand Response Service Provider must comply with any terms and conditions imposed by AEMO under paragraph (g) in respect of its wholesale demand response unit.

(i) If a Demand Response Service Provider submits a dispatch bid in respect of a wholesale demand response unit, the Demand Response Service Provider must comply with dispatch instructions from AEMO in accordance with the Rules.

(j) A Demand Response Service Provider is not entitled to receive payment from AEMO for wholesale demand response except where the wholesale demand response is provided by a wholesale demand response unit in accordance with Chapter 3 or pursuant to a clause 4.8.9 instruction.

(k) A Demand Response Service Provider must notify AEMO if a load the Demand Response Service Provider has classified as a wholesale demand response unit ceases to be a qualifying load as soon as practicable and in any event no later than 10 business days after becoming aware that the load ceases to be a qualifying load.
(l) Where a Demand Response Service Provider gives AEMO a notice under paragraph (k) in respect of a load, the load ceases to be classified as a wholesale demand response unit from the time the notice is given.

(m) In this clause 2.3.6:

(1) the load is a qualifying load if:

(i) the load comprises a single connection point or a parent connection point in respect of all its associated child connection points that are not market connection points;

(ii) if the connection point is a child connection point, it is also a market connection point;

(iii) no connection point associated with the load is a connection point for a small customer load;

(iv) the load is not a market load that is a scheduled load;

(v) the Demand Response Service Provider has the consent of the retail customer at the connection point to provide wholesale demand response by means of that load;

(vi) the Demand Response Service Provider has arrangements for the provision of wholesale demand response by means of that load; and

(vii) the connection point has a type 1, 2, 3, or 4 metering installation; and

(2) a load is a small customer load if a retail customer at a connection point for the load (including any child connection point):

(i) is or would be a small customer in relation to premises delivered electrical power at the connection point; and

(ii) the retail customer has not entered into an agreement with its retailer in accordance with rule 5(2)(a) of the National Energy Retail Rules to aggregate the premises referred to in subparagraph (2)(i) with other premises.

Note
Only a business customer within the meaning of the National Energy Retail Law can enter into an agreement with its retailer in accordance with rule 5(2)(a) of the National Energy Retail Rules.

[21] Rule 2.3AA  Market Ancillary Service Provider
Omit rule 2.3AA in its entirety, including the heading, and substitute:
2.3B Demand Response Service Provider

2.3B.1 Registration

(a) A person must not engage in the activity of offering and providing wholesale demand response or market ancillary services in accordance with Chapter 3 as a Demand Response Service Provider unless that person is registered by AEMO as a Demand Response Service Provider.

(b) To be eligible for registration as a Demand Response Service Provider, a person must obtain the approval of AEMO to classify a load as an ancillary service load in accordance with clause 2.3.5 or as a wholesale demand response unit in accordance with clause 2.3.6.

(c) A Demand Response Service Provider's activities only relate to loads it has classified (in its capacity as a Demand Response Service Provider) as ancillary service loads or as wholesale demand response units, and only while it is also registered with AEMO as a Demand Response Service Provider.

[22] Clause 2.4.1 Registration as a category of Market Participant

In clause 2.4.1(a)(1B), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[23] Rule 2.12 Interpretation of References to Various Registered Participants

Omit rule 2.12(b)(1B) and substitute:

(1B) a "Demand Response Service Provider" applies to a person registered as a "Demand Response Service Provider" only in so far as it is applicable to matters connected with the person's ancillary service load or wholesale demand response unit;

[24] Rule 2.12 Interpretation of References to Various Registered Participants

Omit rule 2.12(b)(7)(i2) and substitute:

(i2) where that person is registered as a Demand Response Service Provider, in so far as it is applicable to matters connected with the person's ancillary service load or wholesale demand response unit; and
Schedule 2  Amendment to the National Electricity Rules
(Clause 4)

[1] Rule 3.7D  Demand side participation information
In rule 3.7D(a), in the definition of contracted demand side participation, omit "curtailment" and substitute "adjustment".

[2] Rule 3.7D  Demand side participation information
Omit rule 3.7D(b) and substitute:

(b) A Registered Participant must provide to AEMO in accordance with the demand side participation information guidelines:

(1) demand side participation information; or

(2) if the Registered Participant has no demand side participation information to report in respect of the relevant period, a statement to that effect.

[3] Rule 3.7D  Demand side participation information
Omit rule 3.7D(c), including the preceding heading, and substitute:

AEMO to report on demand side participation information

(c) AEMO must publish, no less than annually, an analysis of volumes and types of demand response reported under paragraph (b), which must include:

(1) information on the types of tariffs used by Network Service Providers to facilitate demand response and the proportion of retail customers on those tariffs; and

(2) an analysis of trends, including year-on-year changes, in the information reported under paragraph (b), in respect of each relevant category of Registered Participant.

[4] Rule 3.7D  Demand side participation information
In rule 3.7D(e)(1)(ii), omit "curtailment" and substitute "adjustment".

[5] Rule 3.7D  Demand side participation information
In rules 3.7D(e)(1)(iii), (iv) and (v), omit "curtailed" and substitute "adjusted".

[6] Rule 3.7D  Demand side participation information
In rule 3.7D(e)(4), omit "and".
[7] Rule 3.7D  Demand side participation information

After rule 3.7D(e)(4), insert:

(4A) the requirements for a statement under paragraph (b)(2), if a Registered Participant has no demand side participation information to report; and
Schedule 3  Amendment to the National Electricity Rules

(Clause 5)

[1] Clause 3.7.3  Short term PASA
In clause 3.7.3(d)(1)(ii), after "other load", insert "(including wholesale demand response units)".

[2] Clause 3.7.3  Short term PASA
At the end of clause 3.7.3(d)(1), after "with dispatch bids for scheduled load", insert "and dispatch bids for wholesale demand response units".

[3] Clause 3.7.3  Short term PASA
In clause 3.7.3(e)(1), after "scheduled generating unit", insert "wholesale demand response unit,"

[4] Clause 3.7.3  Short term PASA
In clause 3.7.3(e)(2), after "scheduled generating unit", insert "wholesale demand response unit,"

[5] Clause 3.7.3  Short term PASA
Omit "and" at the end of clause 3.7.3(e)(2).

[6] Clause 3.7.3  Short term PASA
In clause 3.7.3(e)(3), omit "[Deleted]" and insert "projected daily wholesale demand response availability for wholesale demand response units that are wholesale demand response constrained; and".

[7] Clause 3.7.3  Short term PASA
In clause 3.7.3(h)(1), after "scheduled load", insert "and for wholesale demand response units".

[8] Rule 3.7D  Demand side participation information
In rule 3.7D(a), in the definition of contracted demand side participation, after "circumstances" insert ", or the provision of wholesale demand response by a wholesale demand response unit".

[9] Rule 3.7D  Demand side participation information
In rules 3.7D(e)(1)(iii), (iv) and (v), after "unscheduled generation", insert "or wholesale demand response".
[10] Clause 3.8.1 Central Dispatch
In clause 3.8.1(a), after "semi-scheduled generating units," insert "wholesale demand response units,"

In clause 3.8.1(b), after "network dispatch offers," insert "dispatched wholesale demand response based on wholesale demand response dispatch bids,"

[12] Clause 3.8.1 Central Dispatch
In clause 3.8.1(b)(8), after "dispatched generation," insert "dispatched wholesale demand response,"

[13] Clause 3.8.1 Central Dispatch
In clause 3.8.1(e), after "semi-scheduled generating unit," insert "wholesale demand response unit,"

[14] New clause 3.8.2A Wholesale demand response unit participation in central dispatch
After clause 3.8.2, insert:

3.8.2A Wholesale demand response unit participation in central dispatch

(a) A Demand Response Service Provider must submit a dispatch bid in respect of its wholesale demand response unit or, if aggregated, the aggregated wholesale demand response units, for each trading day in accordance with clause 3.8.7B.

(b) When a Demand Response Service Provider provides to AEMO for the purposes of the Rules the available capacity of a wholesale demand response unit or the aggregated wholesale demand response units, the Demand Response Service Provider must ensure that:

(1) the available capacity it provides to AEMO for a wholesale demand response unit that is not aggregated is equal to or less than the maximum responsive component of the wholesale demand response unit; and

(2) the available capacity it provides to AEMO for aggregated wholesale demand response units is equal to or less than the aggregate maximum responsive component of the aggregated wholesale demand response units.

(c) If a Demand Response Service Provider is aware (whether by reason of the Demand Response Service Provider’s own knowledge or a notification from AEMO) at the time the Demand Response Service
Provider provides available capacity of a wholesale demand response unit or aggregated wholesale demand response units to AEMO for the purposes of the Rules that:

(1) the wholesale demand response unit is baseline non-compliant; or

(2) in relation to aggregated wholesale demand response units, any of the wholesale demand response units in the aggregated wholesale demand response units is baseline non-compliant,

the Demand Response Service Provider must provide to AEMO an available capacity of zero for the wholesale demand response unit or aggregated wholesale demand response units.

(d) If, in relation to a trading interval:

(1) a wholesale demand response unit will be, or is likely to be, spot price exposed; or

(2) in relation to aggregated wholesale demand response units, any of the wholesale demand response units in the aggregated wholesale demand response units will be, or is likely to be, spot price exposed,

the Demand Response Service Provider must provide to AEMO an available capacity of zero for the wholesale demand response unit or aggregated wholesale demand response units in relation to the trading interval.

(e) If AEMO has given a notice under clause 3.8.23A(c) in relation to a wholesale demand response unit or aggregated wholesale demand response units, from the time the notice takes effect and for so long as the notice remains in place, the Demand Response Service Provider must provide to AEMO an available capacity for the wholesale demand response unit or aggregated wholesale demand response units in accordance with the notice.

(f) Without limiting paragraph (c) or (d), a Demand Response Service Provider must establish and implement measures in accordance with good electricity industry practice to identify:

(1) a wholesale demand response unit of the Demand Response Service Provider that is baseline non-compliant; and

(2) when a wholesale demand response unit of the Demand Response Service Provider will be, or is likely to be, spot price exposed in relation to a trading interval.

(g) The AER must develop wholesale demand response participation guidelines in accordance with the Rules consultation procedures which:
must include guidance about information a Demand Response Service Provider must keep regarding compliance with its obligations under this clause and regarding its representations under clause 3.8.22A(a2); and

(2) may include guidance relating to the requirements on Demand Response Service Providers under paragraphs (c) and (d).

(h) The AER must publish the wholesale demand response participation guidelines and may amend the guidelines from time to time.

(i) A Demand Response Service Provider must retain the information specified in the wholesale demand response participation guidelines in the manner, and for the period, specified in the guidelines.

(j) In this clause, "aggregated wholesale demand response units" refers to two or more wholesale demand response units that have been aggregated in accordance with clause 3.8.3.

[15] Clause 3.8.3  Bid and offer aggregation guidelines
In clause 3.8.3(a1), omit "Market Ancillary Service Providers" and substitute "Demand Response Service Providers".

[16] Clause 3.8.3  Bid and offer aggregation guidelines
After clause 3.8.3(a1), insert:

(a2) Demand Response Service Providers who wish to aggregate two or more wholesale demand response units so they are treated as one wholesale demand response unit for the purpose of central dispatch must apply to AEMO to do so.

Note
Wholesale demand response units are not aggregated for the purposes of clause 3.15 and calculations under that clause even if aggregated for the purpose of central dispatch.

[17] Clause 3.8.3  Bid and offer aggregation guidelines
In clause 3.8.3(b1)(1), omit "Market Ancillary Service Provider" and substitute "Demand Response Service Provider".

[18] Clause 3.8.3  Bid and offer aggregation guidelines
After clause 3.8.3(b1), insert:

(b2) AEMO must approve applications for aggregation made under paragraph (a2) if the following conditions are fulfilled:

(1) aggregated wholesale demand response units must be connected within a single region and must have been classified under
clause 2.3.6 by a single person in its capacity as a Demand Response Service Provider;

(2) power system security must not be materially affected by the proposed aggregation;

(3) control systems must satisfy the requirements of clause 2.3.6(e) after aggregation; and

(4) each other requirement for aggregation in the wholesale demand response guidelines must have been satisfied in respect of the proposed aggregation.

(b3) If AEMO approves an application for aggregation made under paragraph (a2), AEMO may impose on the relevant Demand Response Service Provider such terms and conditions as AEMO determines, which may include specification of the maximum responsive component of the aggregated wholesale demand response units and the circumstances in which AEMO may require aggregated wholesale demand response units to be disaggregated.

(b4) A Demand Response Service Provider must comply with any conditions imposed by AEMO under paragraph (b3) in respect of its wholesale demand response unit.

[19] Clause 3.8.3 Bid and offer aggregation guidelines

After clause 3.8.3(f), insert:

(f1) Demand Response Service Providers that have been granted aggregated status with respect to wholesale demand response units must, if required by AEMO, declare individual wholesale demand response unit availability and operating status to AEMO in the short term PASA process under clause 3.7.3 to allow power system security to be effectively monitored.

[20] Clause 3.8.3 Bid and offer aggregation guidelines

In clause 3.8.3(h), after "semi-scheduled generating units," insert "wholesale demand response units,"

[21] Clause 3.8.4 Notification of scheduled capacity

In the opening paragraph of clause 3.8.4, after "with scheduled generating units," insert "wholesale demand response units,"

[22] Clause 3.8.4 Notification of scheduled capacity

In clause 3.8.4(a), after "each scheduled generating unit," insert "wholesale demand response unit,"
[23] Clause 3.8.4  Notification of scheduled capacity
In clause 3.8.4(b), omit "(d) and (e)" and substitute "(d), (e) and (f)".

[24] Clause 3.8.4  Notification of scheduled capacity
At the end of clause 3.8.4(e)(2), omit "." and substitute "; and".

[25] Clause 3.8.4  Notification of scheduled capacity
After clause 3.8.4(e), insert:

(f) for wholesale demand response units, two days ahead of each trading day:
   (1) a MW capacity profile that (subject to clauses 3.8.2A(b), (c), (d) and (e)) specifies the wholesale demand response available for dispatch for each of the 288 trading intervals in the trading day; and
   (2) an up ramp rate and a down ramp rate.

[26] New clause 3.8.7B  Wholesale demand response dispatch bids
After clause 3.8.7A, insert:

3.8.7B Wholesale demand response dispatch bids
The following requirements apply to all wholesale demand response dispatch bids:

(a) the dispatch bid may contain up to 10 price bands;
(b) the dispatch bid must specify:
   (1) an incremental MW amount for each price band specified in the dispatch bid;
   (2) an up ramp rate and a down ramp rate;
(c) the MW quantities specified are to apply at the connection points for the wholesale demand response unit;
(d) the dispatch bid must specify a price for each price band;
(e) prices specified are to apply at the connection points for the wholesale demand response unit and for the purposes of central dispatch shall be referred to the regional reference node as follows:

\[ \text{RP} = \frac{\text{DOP}}{\text{LF}} \]

where
RP is the price specified in the *dispatch bid* when referred to the appropriate *regional reference node*;

DOP is the price as specified in the *dispatch bid*; and

LF is:

(1) unless paragraph (2) applies, if the *connection point* for the *wholesale demand response unit* is:

(i) a *transmission network connection point*, the relevant *intra-regional loss factor* at that *connection point*; or

(ii) a *distribution network connection point*, the product of the *distribution loss factor* at that *connection point* multiplied by the relevant *intra-regional loss factor* at the *transmission network connection point* to which it is assigned; and

(2) where two or more *wholesale demand response units* have been aggregated in accordance with clause 3.8.3, a deemed loss factor of 1;

(f) prices specified must be:

(1) greater than or equal to the *market floor price* multiplied by LF for the *wholesale demand response unit*; and

(2) less than or equal to the *market price cap* multiplied by LF for the *wholesale demand response unit*,

where LF has the meaning given in paragraph (e);

(g) the price specified for a *price band* is to be interpreted in the *central dispatch* process as the price at or above which the *wholesale demand response unit* will, as applicable:

(1) reduce the consumption of electricity;

(2) increase the export of electricity; or

(3) reduce electricity consumption and start to export electricity, at the *connection point* by up to the MW increment specified in that *price band*;

(h) the MW quantity in each *price band* in each *trading interval* must be specified in whole MW;

(i) the sum of the MW quantities specified in each *price band* in each *trading interval* must not exceed the *maximum responsive component* of the *wholesale demand response unit*; and
the dispatch bid may specify the daily wholesale demand response available for wholesale demand response units that are wholesale demand response constrained.

[27] Clause 3.8.8 Validation of dispatch bids and offers
In clause 3.8.8(a), omit "3.8.7 or 3.8.7A" and substitute "3.8.7, 3.8.7A or 3.8.7B".

[28] Clause 3.8.8 Validation of dispatch bids and offers
In clause 3.8.8(c), omit "3.8.7 or 3.8.7A" and substitute "3.8.7, 3.8.7A or 3.8.7B".

[29] Clause 3.8.9 Default offers and bids
In clause 3.8.9(a), after "semi-scheduled generating unit," insert "wholesale demand response unit,"

[30] Clause 3.8.9 Default offers and bids
In clause 3.8.9(c), omit "3.8.7A" and substitute "3.8.7A, 3.8.7B".

[31] Clause 3.8.10 Network constraints
In clause 3.8.10(a), after "semi-scheduled generating units," insert "wholesale demand response units,".

[32] Clause 3.8.10 Network constraints
In clause 3.8.10(e)(2), after "semi-scheduled generating units," insert "wholesale demand response units,"

[33] Clause 3.8.14 Dispatch under conditions of supply scarcity
In clause 3.8.14(b)(3), after "dispatching scheduled generating units," insert "wholesale demand response units,"

[34] Clause 3.8.16 Equal priced dispatch bids and dispatch offers
In clause 3.8.16, after "scheduled generating units," insert "wholesale demand response units,"

[35] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(a), after "scheduled generating units," insert "wholesale demand response units,"
[36] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(a), after each occurrence of "scheduled generating unit," insert "wholesale demand response unit,"

[37] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(a2)(1), after each occurrence of "semi-scheduled generating unit," insert "wholesale demand response unit,"

[38] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(a2)(2), after each occurrence of "semi-scheduled generating unit," insert "wholesale demand response unit,"

[39] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(b), after "semi-scheduled generating unit," insert "wholesale demand response unit,"

[40] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(b)(1), after "semi-scheduled generating unit," insert "wholesale demand response unit,"

[41] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(c), after each occurrence of "semi-scheduled generating unit," insert "wholesale demand response unit,"

[42] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(d), after "In respect of scheduled loads," insert "wholesale demand response units,"

[43] Clause 3.8.19 Dispatch inflexibilities
In clause 3.8.19(d), after "in respect of those scheduled loads," insert "wholesale demand response units,"

[44] Clause 3.8.19 Dispatch inflexibilities
After clause 3.8.19(f), insert:

(f1) A dispatch inflexibility profile for a wholesale demand response unit must contain parameters to indicate its MW capacity and time related inflexibilities.
[45] Clause 3.8.20 Pre-dispatch schedule
In clause 3.8.20(g), after "Scheduled Generator," insert "Demand Response Service Provider,"

[46] Clause 3.8.20 Pre-dispatch schedule
In clause 3.8.20(g), omit "plant" and substitute "plant".

[47] Clause 3.8.20 Pre-dispatch schedule
In clause 3.8.20(j), after "generating unit," insert "wholesale demand response unit,"

[48] Clause 3.8.21 On-line dispatch process
In clause 3.8.21(j), after "If a scheduled load," insert "wholesale demand response unit,"

[49] Clause 3.8.21 On-line dispatch process
In clause 3.8.21(k), after "A scheduled load", insert ", wholesale demand response unit"

[50] Clause 3.8.21 On-line dispatch process
After clause 3.8.21(m), insert:

(n) When a wholesale demand response unit is dispatched to provide wholesale demand response, AEMO must as soon as practicable after giving the relevant dispatch instruction notify that fact to the financially responsible Market Participant for the connection points comprised in the wholesale demand response unit on a confidential basis.

[51] Clause 3.8.22 Rebidding
In clause 3.8.22(b), after "3.8.3A, 3.8.7A," insert "3.8.7B,".

[52] Clause 3.8.22 Rebidding
In clause 3.8.22(b)(1), after "daily energy constraints," insert "daily wholesale demand response constraints,"

[53] Clause 3.8.22 Rebidding
In clause 3.8.22(b)(1), after "scheduled network services", insert ", wholesale demand response units"

[54] Clause 3.8.22A Offers, bids and rebids must not be false or misleading
After clause 3.8.22A(a1), insert:
(a2) For the purposes of paragraph (a), the making of a wholesale demand response dispatch bid by a Demand Response Service Provider is deemed to represent to other Market Participants through the pre-dispatch schedules published by AEMO that:

1. any baseline deviation of the wholesale demand response unit in response to a dispatch instruction will be the result of wholesale demand response activity in relation to the wholesale demand response unit; and

2. there will be no baseline deviation offset in relation to the baseline deviation of the wholesale demand response unit in the period for which the wholesale demand response unit is dispatched.

[55] Clause 3.8.22A Offers, bids and rebids must not be false or misleading

In clause 3.8.22A(b), after "made by reason of paragraph (a1)" insert "or paragraph (a2)".

[56] Clause 3.8.22A Offers, bids and rebids must not be false or misleading

In clause 3.8.22A(e)(2), after "loading level of any load", insert "or wholesale demand response units".

[57] Clause 3.8.23 Failure to conform to dispatch instructions

In the title of clause 3.8.23, after "instructions", insert "excluding wholesale demand response units".

[58] New clause 3.8.23A Failure of wholesale demand response units to conform to dispatch instructions

After clause 3.8.23, insert:

3.8.23A Failure of wholesale demand response units to conform to dispatch instructions

(a) If a wholesale demand response unit fails to respond to a dispatch instruction within a tolerable time and accuracy (as determined in AEMO's reasonable opinion), then the wholesale demand response unit is to be declared and identified as non-conforming.

(b) AEMO may identify a wholesale demand response unit as non-conforming after dispatch has occurred and accordingly:
(1) a non-conforming wholesale demand response unit may set spot prices; and

(2) no change to spot prices will be made by reason of a wholesale demand response unit being declared and identified as non-conforming.

(c) If a wholesale demand response unit is identified as non-conforming under paragraph (a):

(1) AEMO must advise the Demand Response Service Provider that the relevant wholesale demand response unit is identified as non-conforming and request and log a reason for the non-compliance with the dispatch instruction; and

(2) if in AEMO’s opinion modification of the maximum responsive component is necessary or desirable, AEMO must request the Demand Response Service Provider to submit a modified maximum responsive component figure to satisfy AEMO that a realistic real time dispatch schedule can be carried out.

(d) If a wholesale demand response unit is identified as non-conforming under paragraph (a), it continues to be non-conforming until:

(1) the Demand Response Service Provider responds to any requests under paragraph (c); and

(2) AEMO is satisfied that the wholesale demand response unit will respond to future dispatch instructions as required.

(e) If a wholesale demand response unit is identified as non-conforming under paragraph (a), AEMO acting reasonably may by notice to a Demand Response Service Provider require the Demand Response Service Provider to limit the available capacity of the non-conforming wholesale demand response unit to a maximum figure determined by AEMO for so long as the wholesale demand response unit remains non-conforming.

(f) A notice given under paragraph (e) remains in place until:

(1) the wholesale demand response unit ceases to be non-conforming in accordance with paragraph (d); or

(2) AEMO varies the notice by giving a further notice under paragraph (e).

(g) If a wholesale demand response unit continues to be non-conforming after a reasonable period, AEMO must prepare a report setting out the details of the non-conformance and forward a copy of the report to the Demand Response Service Provider and the AER.

(h) In making an assessment for the purposes of this clause, AEMO may have regard to the baseline of the wholesale demand response unit,
metering data (including historical metering data), information from remote control equipment or remote monitoring equipment and any other matter which AEMO considers relevant. AEMO may provide its assessment and relevant information to the AER.

[59] Clause 3.9.1 Principles applicable to spot price determination
In clause 3.9.1(a)(3), after "generating unit", insert "wholesale demand response unit".

[60] Clause 3.9.1 Principles applicable to spot price determination
In clause 3.9.1(a)(6), after "purchases of electricity", insert "(including through the provision of wholesale demand response)".

[61] Clause 3.9.7 Pricing for constrained-on scheduled generating units
In the title of clause 3.9.7, omit "scheduled generating".

[62] Clause 3.9.7 Pricing for constrained-on units
In clause 3.9.7(a), after "causes a scheduled generating unit", insert "or a wholesale demand response unit".

[63] Clause 3.9.7 Pricing for constrained-on units
In clause 3.9.7(a), after "that scheduled generating unit", insert "or wholesale demand response unit".

[64] Clause 3.9.7 Pricing for constrained-on units
In clause 3.9.7(a), after "dispatch offer", insert "or dispatch bid as applicable".

[65] Clause 3.9.7 Pricing for constrained-on units
In clause 3.9.7(b), after "Scheduled Generator", insert "or Demand Response Service Provider".

[66] Clause 3.9.7 Pricing for constrained-on units
In clause 3.9.7(b), omit "clause 3.9.7(a)" and substitute "paragraph (a)".

[67] Rule 3.10 [Deleted]
Omit rule 3.10 and substitute:
3.10 Wholesale demand response

3.10.1 Wholesale demand response guidelines

(a) AEMO must develop and publish and may amend wholesale demand response guidelines setting out:

(1) requirements determined by AEMO for classification of a load as a wholesale demand response unit in accordance with clause 2.3.6 or for aggregation in accordance with clause 3.8.3 and which AEMO reasonably considers necessary;

(2) without limiting paragraph (a)(1), information about the requirements for telemetry and communications equipment for wholesale demand response units;

(3) the methodology for determination of a regional threshold under paragraph (c);

(4) information about the process for development of baseline methodologies under clause 3.10.3 including how proposals for new baseline methodologies may be made;

(5) the process for a Demand Response Service Provider to apply to AEMO for approval to apply a baseline methodology and related baseline settings to a wholesale demand response unit for the purposes of the Rules;

(6) the process for a Demand Response Service Provider to apply to AEMO for approval to change the maximum responsive component of its wholesale demand response unit;

(7) arrangements for the provision of information about the maximum responsive component of the wholesale demand response unit and the baseline methodology and baseline settings applicable to the wholesale demand response unit; and

(8) other information determined by AEMO relating to the supply of wholesale demand response under the Rules.

(b) In developing or amending the wholesale demand response guidelines, AEMO must have regard to:

(1) the need not to distort the operation of the market;

(2) the need to maximise the effectiveness of wholesale demand response at the least cost to end use consumers of electricity; and

(3) any other matter determined by AEMO acting reasonably and which must be specified by AEMO in the wholesale demand response guidelines.
(c) AEMO may determine and if it does so, must publish a threshold for the total quantity of wholesale demand response in a region above which AEMO will impose additional or alternative telemetry and communications equipment requirements for any load in the region seeking to be classified as a wholesale demand response unit after the threshold is reached.

(d) If AEMO determines a threshold under paragraph (c), AEMO must publish and update each month information about progress towards reaching the threshold.

(e) AEMO must comply with the Rules consultation procedures when making or amending the wholesale demand response guidelines.

(f) AEMO may make minor or administrative changes to the wholesale demand response guidelines without complying with the Rules consultation procedures.

3.10.2 Baseline methodology metrics and baseline compliance testing

(a) AEMO must determine and publish and may amend the baseline methodology metrics setting out the parameters for assessing the baseline produced by a baseline methodology when applied to a wholesale demand response unit.

(b) The assessment referred to in paragraph (a) must include an assessment of both accuracy and freedom from bias, where:

(1) accuracy means the deviation between actual consumption or export of a wholesale demand response unit (as recorded by metering data) and its baseline for each of the measures of baseline accuracy in paragraph (c); and

(2) bias means the deviation between actual consumption of a wholesale demand response unit (as recorded by metering data) and its baseline for each of the measures of baseline accuracy in paragraph (c) consistently exhibiting error:

(i) in a single direction (either above or below the baseline); or

(ii) under the same circumstances (for example, during heatwaves).

(c) The baseline methodology metrics must assess accuracy and bias:

(1) in particular trading intervals; and

(2) across multiple trading intervals (whether or not contiguous) to test accuracy and bias under a range of conditions or when demand response is likely to be dispatched or in other circumstances determined by AEMO.
(d)  *AEMO* must determine and publish and may amend arrangements for regular and systematic testing, in relation to wholesale demand response units, to determine whether baseline methodologies approved for application to wholesale demand response units using applicable baseline settings produce baselines that satisfy the baseline methodology metrics (*baseline compliance testing*).

(e)  *AEMO* must determine and publish and may amend the frequency with which baseline compliance testing will occur, which may be different for different wholesale demand response units or classes of wholesale demand response unit.

(f)  In determining the baseline methodology metrics and the frequency of baseline compliance testing, *AEMO* must have regard to:

1. the need not to distort the operation of the market;
2. the need to maximise the effectiveness of wholesale demand response at the least cost to end use consumers of electricity; and
3. the level of accuracy achieved by the demand forecasts used by *AEMO* for pre-dispatch and the forecasts referred to in rule 3.7B(c)(4).

(g)  *AEMO* must conduct baseline compliance testing in accordance with *AEMO*'s determinations under paragraphs (d) and (e).

(h)  If baseline compliance testing by *AEMO* indicates that a wholesale demand response unit does not satisfy the baseline compliance standard in accordance with clause 3.10.4(a), *AEMO* must notify the relevant Demand Response Service Provider as soon as practicable.

(i)  If a Demand Response Service Provider becomes aware that its wholesale demand response unit does not satisfy the baseline compliance standard in accordance with clause 3.10.4(a), the Demand Response Service Provider must notify *AEMO* as soon as practicable.

### 3.10.3 Baseline methodology development

(a)  *AEMO* must in accordance with the wholesale demand response guidelines develop one or more baseline methodologies and must publish the baseline methodologies in the register maintained under paragraph (d).

(b)  A baseline methodology must specify the parameters that must be set for each wholesale demand response unit with the approval of *AEMO* (when approved, the *baseline settings*) to allow the baseline methodology to apply to different wholesale demand response units.

(c)  In developing baseline methodologies, *AEMO* must have regard to the need for consistent results to be achievable when *AEMO*, a
Demand Response Service Provider or any other person calculates a baseline for a wholesale demand response unit using the approved baseline methodology, approved baseline settings and the same set of metering data.

(d) AEMO must establish and maintain a register of baseline methodologies and baseline settings. The register must include information to facilitate assessment of a wholesale demand response unit or prospective wholesale demand response unit against the baseline methodology and appropriate baseline settings.

3.10.4 Baseline non-compliance

(a) The baseline compliance standard is satisfied by a wholesale demand response unit if the approved baseline methodology, when applied to the wholesale demand response unit using the approved baseline settings, produces a baseline that satisfies the baseline methodology metrics (baseline compliance standard).

(b) A wholesale demand response unit of a Demand Response Service Provider is baseline non-compliant if it does not satisfy the baseline compliance standard in accordance with paragraph (a) and it continues to be baseline non-compliant until the Demand Response Service Provider demonstrates that the wholesale demand response unit satisfies the baseline compliance standard in accordance with paragraph (a).

(c) Where a wholesale demand response unit that has been aggregated with one or more other wholesale demand response units becomes baseline non-compliant (including by reason of a change to the baseline methodology metrics), the Demand Response Service Provider may elect to withdraw the non-compliant wholesale demand response unit from the aggregated wholesale demand response unit on a permanent basis or until it ceases to be baseline non-compliant.

(d) In this rule, a reference to an approved baseline methodology or approved baseline settings is a reference to the baseline methodology or baseline settings approved by AEMO for application to the wholesale demand response unit when the wholesale demand response unit is classified under Chapter 2, or if a replacement baseline methodology or modified baseline settings are approved by AEMO under paragraph (e), the replacement baseline methodology or modified baseline settings as the case may be.

(e) AEMO may on the application of the Demand Response Service Provider approve the application of a replacement baseline methodology to a wholesale demand response unit or modified baseline settings if AEMO is reasonably satisfied that the replacement baseline methodology or modified baseline settings, when applied to
the wholesale demand response unit and using historical metering data for the wholesale demand response unit:

(1) produces a baseline that satisfies the baseline methodology metrics; and

(2) otherwise qualifies for application to the wholesale demand response unit having regard to any criteria in the wholesale demand response guidelines.

3.10.5 Calculation of baselines

(a) Subject to paragraph (b), for the purposes of the Rules the baseline for a wholesale demand response unit is calculated by applying the approved baseline methodology and approved baseline settings for the wholesale demand response unit.

(b) AEMO may determine and amend procedures (abnormal baseline notice procedures) for the submission of a notice to AEMO by a Demand Response Service Provider identifying a wholesale demand response unit of the Demand Response Service Provider and requesting and, if approved by AEMO, implementing a temporary adjustment to the calculation of the baseline for that wholesale demand response unit.

(c) AEMO may impose conditions on its approval of a temporary adjustment to the calculation of a baseline under paragraph (b).

(d) In determining the abnormal baseline notice procedures, AEMO must include terms and conditions that:

(1) only permit an abnormal baseline notice to be given in respect of an event or circumstance affecting a wholesale demand response unit that is not and could not reasonably have been accounted for in the baseline methodology and as a result of which the baseline produced by the baseline methodology will not satisfy the baseline methodology metrics unless adjusted by the factor specified in the notice; and

(2) limit the frequency of abnormal baseline notices and the number of trading intervals to which a factor specified in the notice may be applied (at any time, and in aggregate in any 12 month period) as reasonably considered necessary by AEMO to maintain the accuracy and reliability of baseline calculations.

(e) AEMO may specify in the abnormal baseline notice procedures:

(1) requirements for the submission of abnormal baseline notices including timing and content;
(2) information to be provided to AEMO or records to be made by the Demand Response Service Provider in connection with an abnormal baseline notice;

(3) events or circumstances that are taken to have been accounted for in the baseline methodology and in respect of which no abnormal baseline notice may be given;

(4) conditions limiting or precluding the submission of an abnormal baseline notice where reasonably considered necessary by AEMO to maintain the accuracy and reliability of baseline calculations; and

(5) any other terms and conditions reasonably determined by AEMO.

(f) AEMO must comply with the Rules consultation procedures when making or amending the abnormal baseline notice procedures.

(g) AEMO may make minor or administrative changes to the abnormal baseline notice procedures without complying with the Rules consultation procedures.

### 3.10.6 Wholesale demand response annual reporting

(a) Within six months after the end of each calendar year, AEMO must prepare and publish a report on the operation of the arrangements for the provision of wholesale demand response under the Rules.

(b) A report under paragraph (a) must report on outcomes relating to the use and accuracy of baseline methodologies in respect of that year, including:

1. information about:
   
   (i) baseline methodologies available for use under the wholesale demand response guidelines and the extent to which the baseline methodologies are being used, with an analysis of trends over time; and
   
   (ii) proposals for new baseline methodologies received by AEMO and new baseline methodologies being developed;

2. for each baseline methodology, an assessment against the baseline methodology metrics as measured during the wholesale demand response unit classification process and baseline compliance testing;

3. any periods for which any wholesale demand response units have been baseline non-compliant;

4. potential improvements to the provision of wholesale demand response under the Rules which may include:
changes to baseline methodology metrics as a result of the development of new baseline methodologies;

(ii) the development of new baseline methodologies;

(iii) any other measures that may be taken to improve the accuracy or reduce the bias of baseline methodologies; and

(iv) changes to the wholesale demand response guidelines or the Rules; and

(5) the timing and process for making any improvements.

(c) A report under paragraph (a) must include, for the period under review:

(1) the number of registered Demand Response Service Providers;

(2) the number and capacity of wholesale demand response units;

(3) the amount of dispatched wholesale demand response and the frequency of dispatch;

(4) analysis of the spot market price levels at which wholesale demand response was dispatched;

(5) the frequency and extent of wholesale demand response units declared to be non-conforming under clause 3.8.23(a);

(6) analysis of the impact of dispatched wholesale demand response on the procurement and use of each market ancillary service; and

(7) analysis of trends, including year-on-year changes, in the matters referred to in paragraphs (1) to (6).

3.10.7 AEMC wholesale demand response review

(a) The AEMC must, by the third anniversary of the commencement of this clause:

(1) conduct a review of the arrangements for the provision of wholesale demand response under the Rules in accordance with paragraph (b) and the Rules consultation procedures; and

(2) publish a report of its findings and recommendations.

(b) The review under paragraph (a) must consider the costs, benefits and effectiveness of the arrangements having regard to:

(1) the impact of the arrangements on the spot price;

(2) the accuracy of baseline methodologies;

(3) market and technological developments; and
(4) any other matters relating to wholesale demand response which the AEMC considers relevant.

[68] Clause 3.12.1 Intervention settlement timetable
In clause 3.12.1(a), after "3.14.5B", insert ", 3.15.6B".

[69] Clause 3.13.3 Standing data
In clause 3.13.3(b), after "scheduled network services", insert ", wholesale demand response units".

[70] Clause 3.13.3 Standing data
In clause 3.13.3(b1), after "scheduled network services", insert ", wholesale demand response units".

[71] Clause 3.13.3 Standing data
In clause 3.13.3(b1)(ii), omit "or".

[72] Clause 3.13.3 Standing data
In clause 3.13.3(b1)(iii), omit "," and substitute "; or".

[73] Clause 3.13.3 Standing data
After clause 3.13.3(b1)(iii), insert:

(iv) the number of individual wholesale demand response units that have been aggregated in accordance with clause 3.8.3.

[74] Clause 3.13.3A Statement of opportunities
In clause 3.13.3A(a)(8), after "in relation to generating units", insert ", wholesale demand response units".

[75] Clause 3.13.4 Spot market
In clause 3.13.4(f)(1), after "power system load", insert "taking into account the most probable availability of wholesale demand response units".

[76] Clause 3.13.4 Spot market
In clause 3.13.4(p), after "generating units", insert ", wholesale demand response units".

[77] Clause 3.13.4 Spot market
In clause 3.13.4(p)(3), after "dispatch bid", insert "prices".
[78] Clause 3.13.4  Spot market
In clause 3.13.4(q)(1), after "dispatched generation," insert "dispatched wholesale demand response,"

[79] Clause 3.13.4  Spot market
In clause 3.13.4(q)(1), after "semi-scheduled generating unit," insert "wholesale demand response unit."

[80] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods
In clause 3.14.5A(a)(1), omit "and".

[81] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods
In clause 3.14.5A(a)(2), omit "," and insert "; and".

[82] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods
After clause 3.14.5A(a)(2), insert:

(3) Demand Response Service Providers to supply wholesale demand response,

[83] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods
In clause 3.14.5A(d), in the equation in the "CO" definition, after "(MWE x BVAS)", insert "+ (MWDR x BVDR)".

[84] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods
In clause 3.14.5A(d), under the equation in the "CO" definition, after "BVAS" definition, insert:

\[
MWDR \,=\, \text{the sum of the wholesale demand response settlement quantities of the Market Suspension Compensation Claimant (in MWh) during the market suspension pricing schedule period.}
\]

\[
BVDR \,=\, \text{the amount (in $/MWh) calculated in accordance with paragraph (f1) below.}
\]
[85] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods

At the end of clause 3.14.5A(d), after "and where C is a negative number, it will be deemed to be zero.", insert a new paragraph:

If a quantity of energy is both sent out generation and wholesale demand response, it must be included in the calculation of MWDR and not SOG.

[86] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods

After clause 3.14.5A(f), insert:

(f1) The benchmark value for wholesale demand response (BVDR) at paragraph (d) is to be determined in accordance with the formula below:

\[ BVDR = BCE_{(av)} \times 1.15 \]

where:

\( BCE_{(av)} \) means the value of \( BC_{(av)} \) determined under paragraph (e) above (in $/MWh) for a class of Scheduled Generator in the same region as the Market Suspension Compensation Claimant, as selected by AEMO in accordance with the market suspension compensation methodology.

[87] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods

In clause 3.14.5A(h)(2), at the end of the paragraph, omit "and".

[88] Clause 3.14.5A  Payment of compensation due to market suspension pricing schedule periods

After clause 3.14.5A(h)(2), insert:

(2A) the approach to be adopted by AEMO in selecting the class of Scheduled Generator to be used when determining the value of \( BC_{(av)} \) for the calculation in paragraph (f1); and

[89] Clause 3.14.5B  Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(a), omit " or market ancillary services" and substitute ", market ancillary services or wholesale demand response".
[90] **Clause 3.14.5B**  
**Claims for additional compensation due to market suspension pricing schedule periods**

In clause 3.14.5B(a)(3), after "market ancillary services", insert "or the relevant wholesale demand response unit supplying wholesale demand response".

[91] **Clause 3.14.5B**  
**Claims for additional compensation due to market suspension pricing schedule periods**

In clause 3.14.5B(d), after "means", insert ", in respect of a generating unit supplying energy or market ancillary services".

[92] **Clause 3.14.5B**  
**Claims for additional compensation due to market suspension pricing schedule periods**

After clause 3.14.5B(d), insert:

(d1) For the purposes of paragraph (a), the direct costs incurred by the Market Suspension Compensation Claimant means, in respect of a wholesale demand response unit supplying wholesale demand response:

1. fuel costs in connection with the relevant wholesale demand response unit;
2. incremental maintenance costs in connection with the relevant wholesale demand response unit;
3. incremental manning costs in connection with the relevant wholesale demand response unit; and
4. other direct costs reasonably incurred in connection with the relevant wholesale demand response unit, where such costs are incurred to enable the wholesale demand response unit to supply wholesale demand response during the market suspension pricing schedule period.

[93] **Clause 3.14.6**  
**Compensation due to the application of an administered price cap or administered floor price**

In the definition of "price limit event" in clause 3.14.6(a), in paragraph (1) omit "and Non-Scheduled Generators" and substitute ", Non-Scheduled Generators and Demand Response Service Providers".
[94] Clause 3.14.6  Compensation due to the application of an administered price cap or administered floor price

Omit clause 3.14.6(b)(1) and substitute:

(1) a Scheduled Generator, Non-Scheduled Generator or Demand Response Service Provider in the relevant region;

[95] Clause 3.14.6  Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(c)(2), omit "and".

[96] Clause 3.14.6  Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(c)(3), omit "," and substitute "; and".

[97] Clause 3.14.6  Compensation due to the application of an administered price cap or administered floor price

After clause 3.14.6(c)(3), insert:

(4) Demand Response Service Providers to supply wholesale demand response,

[98] Clause 3.15.1  Settlements management by AEMO

In clause 3.15.1(a)(3), omit "and".

[99] Clause 3.15.1  Settlements management by AEMO

In clause 3.15.1(a)(4), omit "," and substitute "; and".

[100] Clause 3.15.1  Settlements management by AEMO

After clause 3.15.1(a)(4), insert:

(5) under clause 3.15.6B.
After clause 3.15.6A, insert:

3.15.6B Wholesale demand response transactions

(a) In each trading interval, in relation to the connection point for a dispatched wholesale demand response unit in the trading interval, a wholesale demand response transaction occurs, which results in a trading amount for the relevant Demand Response Service Provider determined in accordance with the formula:

$$\text{TA} = (\text{WDRSQ} \times \text{TLF}) \times (\text{RRP} – \text{WDRRR})$$

where:

- \(\text{TA}\) = the trading amount to be determined (which will be a positive or negative dollar amount for each trading interval);
- \(\text{WDRSQ}\) = the wholesale demand response settlement quantity for the connection point for the wholesale demand response unit in the trading interval, expressed in MWh and calculated under paragraph (c) except that if the wholesale demand response settlement quantity for a trading interval is greater than MRCSQ for the trading interval, then WDRSQ equals MRCSQ for the trading interval;
- \(\text{MRCSQ}\) = the maximum responsive component quantity for the connection point for the trading interval, expressed in MWh and calculated under paragraph (e);
- \(\text{TLF}\) = for a transmission network connection point, is the relevant intra-regional loss factor at that connection point, and for any other connection point, is the relevant intra-regional loss factor at the transmission network connection point or virtual transmission node to which it is assigned in accordance with clause 3.6.2(b)(2);
- \(\text{RRP}\) = the regional reference price for the regional reference node to which the connection point is assigned, expressed in dollars per MWh; and
- \(\text{WDRRR}\) = the wholesale demand regional reimbursement rate for the regional reference node to which the
In each trading interval, in relation to a connection point for a dispatched wholesale demand response unit in the trading interval, a wholesale demand response transaction occurs, which results in a trading amount for the financially responsible Market Participant for the connection point determined in accordance with the formula:

\[ TA = (\text{WDRSQ} \times \text{TLF}) \times (\text{WDRRR} - \text{RRP}) \]

where:

- \( TA \) = the trading amount to be determined (which will be a positive or negative dollar amount for each trading interval);
- \( \text{WDRSQ} \) = the wholesale demand response settlement quantity for the connection point for the wholesale demand response unit for the trading interval, expressed in MWh and calculated under paragraph (c) except that if the wholesale demand response settlement quantity for a trading interval is greater than MRCSQ for the trading interval, then WDRSQ equals MRCSQ for the trading interval;
- \( \text{MRCSQ} \) = the maximum responsive component quantity for the connection point for the trading interval, expressed in MWh and calculated under paragraph (c);
- \( \text{TLF} \) = for a transmission network connection point, is the relevant intra-regional loss factor at that connection point, and for any other connection point, is the relevant intra-regional loss factor at the transmission network connection point or virtual transmission node to which it is assigned in accordance with clause 3.6.2(b)(2);
- \( \text{WDRRR} \) = the wholesale demand regional reimbursement rate for the regional reference node to which the connection point is assigned, expressed in dollars per MWh and determined under paragraph (f); and
- \( \text{RRP} \) = the regional reference price for the regional reference node to which the connection point is assigned, expressed in dollars per MWh.
(c) The wholesale demand response settlement quantity for a connection point for a dispatched wholesale demand response unit for a trading interval is determined in accordance with the formula:

\[
\text{WDRSQ} = -1 \times (\text{BSQ} - \text{ME}) \times \text{DLF}
\]

where:

- \( \text{WDRSQ} \) = the wholesale demand response settlement quantity to be determined;
- \( \text{BSQ} \) = the baseline settlement quantity for the connection point for the trading interval, expressed in MWh and calculated under paragraph (d);
- \( \text{ME} \) = the amount of electrical energy, expressed in MWh, flowing at the connection point in the trading interval, as recorded in the metering data in respect of that connection point and that trading interval (expressed as a positive value where the flow is towards the transmission network connection point to which the connection point is assigned and negative value where the flow is in the other direction).
- \( \text{DLF} \) = the distribution loss factor applicable at the connection point.

(d) The baseline settlement quantity for a connection point for a wholesale demand response unit for a trading interval is the baseline (in MWh) for the wholesale demand response unit for the trading interval (as may be subject to temporary adjustment under clause 3.10.5(b)).

**Note**

The definition of baseline in Chapter 10 states that a baseline is expressed as a positive value where the flow is towards the transmission network connection point to which the connection point is assigned and a negative value where the flow is in the other direction.

(e) The maximum responsive component quantity for a connection point for a wholesale demand response unit for a trading interval is equal to the maximum responsive component for the wholesale demand response unit (in MW and expressed as a positive number) divided by the number of trading intervals in an hour.

(f) The wholesale demand regional reimbursement rate for a regional reference node for a trading interval is the peak period load weighted average spot price for the regional reference node determined by the AEMO in accordance with paragraph (g) for the quarter in which the trading interval falls.
(g) AEMO must calculate and publish for each quarter commencing on 1 January, 1 April, 1 July and 1 October the peak period load weighted average spot price for each regional reference node over the 12 month period ending immediately before the start of the quarter. For this purpose, peak periods are periods during the "peak load profile" specified in the contract specification Australian Peak Load Electricity Futures Contract in the ASX 24 Operating Rules of the Australian Securities Exchange as amended from time to time or, where this specification ceases to be in effect, during an equivalent peak period determined by AEMO acting reasonably.

[102] Clause 3.15.7 Payment to Directed Participants
In clause 3.15.7(c), in the definition of AMP, after "Scheduled Network Service Providers", insert ", Demand Response Service Providers".

[103] Clause 3.15.9 Reserve settlements
In clause 3.15.9(b)(2)(ii), after "scheduled network service", insert ", wholesale demand response unit".

[104] Clause 3.15.10 Administered price cap or administered floor price compensation payments
In clause 3.15.10(a), after "Scheduled Network Service Provider", insert ", Demand Response Service Provider".

[105] Clause 3.20.1 Definitions
In clause 3.20.1(b), omit "energy only" and substitute "energy only (including by means of wholesale demand response)".

[106] Clause 3.20.3 Reserve contracts
In clause 3.20.3(a)(1), after "scheduled generating units," insert "wholesale demand response units,"

[107] Clause 3.20.3 Reserve contracts
In clause 3.20.3(g), after "capacity of scheduled generating units," insert "wholesale demand response units."
Clause 3.20.6 Reporting on RERT by AEMO

In clause 3.20.6(g)(2), after "scheduled generating unit", insert "wholesale demand response unit, ".

Clause 3.20.7 AEMO’s exercise of the RERT

In clause 3.20.7(b), after "dispatching a scheduled generating unit," , insert "wholesale demand response unit,".

Clause 3.20.7 AEMO’s exercise of the RERT

In clause 3.20.7(c), after "a scheduled generating unit", insert ", a wholesale demand response unit".

Clause 3.20.7 AEMO’s exercise of the RERT

In clause 3.20.7(d), after "scheduled generating unit," , insert "wholesale demand response unit,".

Clause 3.20.7 AEMO’s exercise of the RERT

In clause 3.20.7(d)(1), after "scheduled generating unit," , insert "wholesale demand response unit,".

Clause 3.20.7 AEMO’s exercise of the RERT

In clause 3.20.7(d)(2), after "dispatch of scheduled generating units," , insert "wholesale demand response units,".

Clause 3.20.7 AEMO’s exercise of the RERT

Omit clause 3.20.7(e)(1) and substitute:

(1) the methodology, information and assumptions that AEMO uses to satisfy itself that a person complies with:

   (i) clause 3.20.3(i) in relation to generating units or loads that are the subject of unscheduled reserve contracts; and

   (ii) clause 3.20.3(h) in relation to wholesale demand response units that are the subject of scheduled reserve contracts;
AEMO's exercise of the RERT

After clause 3.20.7(e)(1), insert:

(1A) the measures AEMO will adopt in order to reduce the possibility that generating units or loads likely to be activated under unscheduled reserve contracts are otherwise engaged at the time the unscheduled reserve contracts are required to be activated by AEMO;

Bid and Offer Validation Data

In paragraph (b) of schedule 3.1, after "each of their scheduled loads," insert "wholesale demand response units, ".

Schedule 3.1

After the "Note" under table "Ancillary Service Generating Unit and Ancillary Service Load Data:"

Wholesale demand response unit data:

<table>
<thead>
<tr>
<th>Data</th>
<th>Units of Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale demand response unit information:</td>
<td></td>
</tr>
<tr>
<td>Wholesale demand response unit name</td>
<td></td>
</tr>
<tr>
<td>Dispatchable unit identifier</td>
<td></td>
</tr>
<tr>
<td>Maximum responsive component of the wholesale demand response unit</td>
<td>MW</td>
</tr>
<tr>
<td>Maximum ramp rate</td>
<td>MW/minute</td>
</tr>
</tbody>
</table>
Schedule 4  Amendment to the National Electricity Rules  
(Clause 6)

[1] Clause 4.1.1  Purpose
In clause 4.1.1(a)(3)(iv), after "semi-scheduled generating units," insert "wholesale demand response units, ".

[2] Clause 4.3.1  Responsibility of AEMO for power system security
In clause 4.3.1(i), after "semi-scheduled generating units," insert "wholesale demand response units, ".

[3] Clause 4.3.1  Responsibility of AEMO for power system security
In clause 4.3.1(j), after "generating units," insert "wholesale demand response units, ".

[4] Clause 4.4.2  Operational frequency control requirements
In clause 4.4.2(a), after "semi-scheduled generating units," insert "wholesale demand response units, ".

[5] Clause 4.8.5  Managing declarations of conditions
In clause 4.8.5(c)(2), after "Market Customers," , insert "Demand Response Service Providers,".

[6] Clause 4.9.1  Load forecasting
In clause 4.9.1(b), after "total generation", insert "or wholesale demand response"

[7] New clause 4.9.2B  Dispatch instructions to Demand Response Service Providers
After clause 4.9.2A, insert:

4.9.2B  Dispatch instructions to Demand Response Service Providers
(a)  AEMO may, at any time, give instructions to a Demand Response Service Provider in relation to any of its wholesale demand response units nominating the level or schedule of baseline deviation to be achieved by the wholesale demand response unit over the specified period (dispatch instructions) in accordance with clause 4.9.5(b).
(b)  Where two or more wholesale demand response units have been aggregated in accordance with clause 3.8.3, paragraph (a) applies in
respect of the aggregate baseline deviation of the aggregated wholesale demand response units.

(c) A baseline deviation quantity nominated in a dispatch instruction must not be less than zero and must not be more than the available capacity of the wholesale demand response unit or aggregated wholesale demand response units.

(d) A Demand Response Service Provider must, with respect to wholesale demand response units in relation to which a dispatch bid has been submitted for a particular trading interval, ensure that appropriate personnel or electronic facilities are available at all times to receive and immediately act upon dispatch instructions issued by AEMO to the Demand Response Service Provider.

(e) AEMO must make, as a power system operating procedure, a procedure setting out arrangements for notifying a Demand Response Service Provider whether it is being given a dispatch instruction in relation to its wholesale demand response unit to provide wholesale demand response in a trading interval.

[8] Clause 4.9.3 Instructions to Registered Participants
In clause 4.9.3(a), omit "load" and substitute "scheduled load".

[9] Clause 4.9.5 Form of dispatch instructions
After clause 4.9.5(a1), insert:

(a2) A dispatch instruction for a wholesale demand response unit must include the following:

(1) specific reference to the wholesale demand response unit to which the dispatch instruction applies;

(2) the desired baseline deviation of the wholesale demand response unit at the end of the trading interval to which it relates;

(3) the ramp rate (if applicable) which is to be followed in the provision of the baseline deviation by the wholesale demand response unit or a specific target time to reach the baseline deviation specified in the dispatch instruction;

(4) the time the dispatch instruction is issued; and

(5) if the time at which the dispatch instruction is to take effect is different from the time the dispatch instruction is issued, the start time.
[10] Clause 4.9.8  General responsibilities of Registered Participants

After clause 4.9.8(e), insert:

(f) A Demand Response Service Provider must ensure that each of its wholesale demand response units is at all times able to comply with its latest dispatch bid.


After clause 4.9.9D, insert:

4.9.9E Wholesale demand response availability changes

A Demand Response Service Provider must, without delay, notify AEMO of any event which has changed or is likely to change the availability of any of its wholesale demand response units, as soon as the Demand Response Service Provider becomes aware of the event.

[12] Clause 4.11.1  Remote control and monitoring devices

After clause 4.11.1(c), insert:

(c1) A Demand Response Service Provider must in respect of its wholesale demand response units arrange the installation and maintenance of all remote control equipment and remote monitoring equipment in accordance with the standards and protocols determined and advised by AEMO for use in the relevant control centre.

[13] Clause 4A.E.1  Qualifying contracts

In clause 4A.E.1(b)(2), omit "of" and substitute "for".

[14] Clause 4A.E.1  Qualifying contracts

In clause 4A.E.1(c), omit "person curtails" and substitute "person provides demand response (including wholesale demand response) by curtailing".

[15] Clause 4A.E.1  Qualifying contracts

In clause 4A.E.1(e), after "curtailment", insert "or the provision by a liable entity of wholesale demand response".

[16] Clause 4A.F.3  Share of one-in-two year peak demand forecast

Omit clause 4A.F.3(b)(3) and substitute:
(3) the quantity in subparagraph (1) or (2) (as applicable) is to be adjusted by adding:

(i) the liable entity's measured actual demand response (other than wholesale demand response) under a qualifying contract at each connection point for which it is financially responsible for the compliance TI, or registered if an opt-in customer, multiplied by the distribution loss factor for that connection point; and

(ii) the wholesale demand response settlement quantity for each connection point for which the liable entity is financially responsible for the compliance TI;

[17] Clause 4A.F.3 Share of one-in-two year peak demand forecast

Omit clause 4A.F.3(d) and substitute:

(d) The adjusted peak demand for a compliance TI is the actual demand for the region in that compliance TI as determined under clause 4A.A.4(b) adjusted for:

(1) the measured actual demand response of all liable entities during that compliance TI (other than wholesale demand response) as determined in accordance with the PoLR cost procedures; and

(2) the wholesale demand response settlement quantities for that compliance TI for all connection points for which a liable entity is financially responsible.

[18] Chapter 7, Part F Security of metering installation and energy data

In Chapter 7, above rule 7.15, in the title of Part F, after "and energy data", insert "and baseline data".

[19] Clause 7.15.5 Access to data

In the title of clause 7.15.5, after "Access to", insert "energy".

[20] Clause 7.15.5 Access to energy data

In clause 7.15.5(f)(3), omit "and".

[21] Clause 7.15.5 Access to energy data

In clause 7.15.5(f)(4), insert "an" before "Exempt Embedded Network Service Provider".
[22] **Clause 7.15.5**  **Access to energy data**

In clause 7.15.5(f)(4), omit "metering data," and substitute "metering data; and".

[23] **Clause 7.15.5**  **Access to energy data**

After clause 7.15.5(f)(4), insert:

(5) a Demand Response Service Provider may access or receive NMI Standing Data or metering data,

[24] **New clause 7.15.6**  **Access to baseline data**

After clause 7.15.5, insert:

7.15.6  **Access to baseline data**

(a) Baseline data is confidential and must be treated as confidential information in accordance with the Rules.

(b) For the purposes of clause 8.6.2(c), the retail customer for the connection point for a wholesale demand response unit is deemed to have provided the baseline data relating to the wholesale demand response unit.

(c) A Demand Response Service Provider for a wholesale demand response unit must if requested by the retail customer at the connection point for the wholesale demand response unit provide to the retail customer the baseline data relating to the wholesale demand response unit.

(d) AEMO must provide baseline data and access to baseline data in accordance with paragraphs (e) and (f).

(e) A Demand Response Service Provider may access and receive baseline data relating to its wholesale demand response units.

(f) A retailer may access and receive baseline data relating to a wholesale demand response unit if the retailer is the financially responsible Market Participant for the connection point for the wholesale demand response unit.
[1] Chapter 10  New definitions

In chapter 10, insert the following new definitions in alphabetical order:

*abnormal baseline notice*

A notice given to AEMO in accordance with clause 3.10.5(b) and the abnormal baseline notice procedures.

*abnormal baseline notice procedures*

The procedures which may be made by AEMO under clause 3.10.5.

*baseline*

For a wholesale demand response unit:

(a) when the wholesale demand response unit is not being dispatched to provide wholesale demand response, a forecast of the amount of electrical energy flowing at the connection point for the wholesale demand response unit; and

(b) when the wholesale demand response unit is being dispatched to provide wholesale demand response, an estimate of what the amount of electrical energy flowing at the connection point for the wholesale demand response unit would have been if the wholesale demand response unit had not been dispatched,

in each case calculated in accordance with clause 3.10.5 and expressed as a positive value where the flow is towards the transmission network connection point to which the connection point is assigned and a negative value where the flow is in the other direction.

*baseline compliance testing*

Testing in accordance with arrangements determined by AEMO under clause 3.10.2(d) to determine whether a baseline methodology when applied to a wholesale demand response unit produces a baseline that satisfies the baseline methodology metrics.

*baseline compliance standard*

Has the meaning given in clause 3.10.4(a).

*baseline data*

The following information in relation to a wholesale demand response unit:
(a) the baseline methodology and baseline settings approved for application to the wholesale demand response unit;

(b) the maximum responsive component of the wholesale demand response unit; and

(c) periods when the wholesale demand response unit has been dispatched to provide wholesale demand response and the quantity of wholesale demand response provided.

baseline deviation

For a wholesale demand response unit in a period, a deviation between the amount of electrical energy flowing at the connection point for the wholesale demand response unit in the period and the baseline of the wholesale demand response unit for the period.

baseline deviation offset

In relation to baseline deviation by a dispatched wholesale demand response unit in the period for which it is dispatched, electrical energy flowing at another connection point in the period that directly or indirectly offsets any part of the baseline deviation of the wholesale demand response unit in that period including where the offset occurs due to or by reason of:

(a) the relevant wholesale demand response activity or an activity connected with or undertaken in conjunction with the wholesale demand response activity; or

(b) the configuration of the wholesale demand response unit or any facility associated with the wholesale demand response unit.

baseline methodology

A methodology to determine a baseline for a wholesale demand response unit.

baseline methodology metrics

Parameters determined by AEMO in accordance with clause 3.10.2(a) for assessing the baseline produced by a baseline methodology when applied to a wholesale demand response unit using applicable baseline settings.

baseline non-compliant

Has the meaning given in clause 3.10.4(b).

baseline settings

Has the meaning given in clause 3.10.3(b).
Demand Response Service Provider

A person who offers and provides load as either or both:

(a) wholesale demand response in respect of a wholesale demand response unit; and

(b) a market ancillary service in respect of ancillary service load,

and who is registered by AEMO as a Demand Response Service Provider under Chapter 2. The relevant person does not need to be the Market Customer for the relevant load.

dispatch bid price

The price submitted for a price band and a trading interval in a dispatch bid.

dispatched wholesale demand response unit

In a trading interval, a wholesale demand response unit which has received instructions from AEMO as part of central dispatch to provide wholesale demand response in the trading interval.

dispatched wholesale demand response

The wholesale demand response which has been dispatched as part of central dispatch.

maximum responsive component

The maximum quantity (in MW) of wholesale demand response that a wholesale demand response unit is able to provide in accordance with the Rules.

For wholesale demand response units aggregated in accordance with clause 3.8.3, the maximum responsive component specified by AEMO as a condition of aggregation under clause 3.8.3(b3) (if any) or otherwise, the aggregate maximum responsive component of the aggregated wholesale demand response units.

qualifying load

Has the meaning given in clause 2.3.6(m).

small customer load

Has the meaning given in clause 2.3.6(m).

spot price exposed

A wholesale demand response unit is spot price exposed in relation to a trading interval if:
(a) the price:

(1) for electricity consumed in that trading interval at any connection point for the wholesale demand response unit (or that would have been consumed but for a reduction in demand); and

(2) payable by a retail customer to the financially responsible Market Participant for the connection point or its related body corporate,

is equal to, or varies by reference to, the spot price in that trading interval; or

(b) the price:

(1) for or in respect of electricity supplied to the transmission or distribution network in that trading interval at any connection point for the wholesale demand response unit; and

(2) payable by the financially responsible Market Participant for the connection point or its related body corporate to a retail customer,

is equal to, or varies by reference to, the spot price in that trading interval.

**wholesale demand regional reimbursement rate**

The rate determined in accordance with clause 3.15.6B(f).

**wholesale demand response**

Means a baseline deviation achieved by (as applicable to a wholesale demand response unit):

(a) reducing the consumption of electricity; or

(b) increasing the export of electricity; or

(c) reducing the consumption of electricity and starting to export electricity,

at the connection point of the wholesale demand response unit in response to a dispatch instruction but only to the extent:

(d) resulting from wholesale demand response activity; and

(e) there is no baseline deviation offset.

**wholesale demand response activity**

An activity in relation to a wholesale demand response unit for which both of the following criteria are satisfied:
(a) the activity is undertaken for the purpose of achieving a baseline deviation in a period in accordance with a dispatch instruction relating to the wholesale demand response unit and period; and

(b) the activity would not be undertaken but for the dispatch instruction.

**wholesale demand response constraint**
A limitation on the capability of a wholesale demand response unit to provide wholesale demand response at the level that would occur if the limitation were removed.

**wholesale demand response dispatch bid**
A notice submitted by a Demand Response Service Provider to AEMO relating to the dispatch of a wholesale demand response unit in accordance with clause 3.8.7B.

**wholesale demand response guidelines**
Guidelines made by AEMO under clause 3.10.1.

**wholesale demand response participation guidelines**
Guidelines made by the AER under clause 3.8.2A(g).

**wholesale demand response settlement quantity**
The quantity determined for a wholesale demand response unit under clause 3.15.6B(c).

**wholesale demand response unit**
(a) A load which has been classified in accordance with Chapter 2 as a wholesale demand response unit.

(b) For the purposes of Chapter 3 (except clause 3.8.2A and rule 3.15) and rule 4.9, two or more wholesale demand response units referred to in paragraph (a) that have been aggregated in accordance with clause 3.8.3.

[2] **Chapter 10 Substituted definitions**
In chapter 10, substitute the following definitions:

**AEMO intervention event**
An event where AEMO intervenes in the market under the Rules by:

(a) issuing a direction in accordance with clause 4.8.9; or
(b) exercising the **reliability and emergency reserve trader** in accordance with rule 3.20 by:

1. **dispatching** scheduled generating units, wholesale demand response units, scheduled network services or scheduled loads in accordance with a scheduled reserve contract; or

2. **activating** loads or generating units under an unscheduled reserve contract.

**Ancillary Service Provider**

A person (including a Demand Response Service Provider) who engages in the activity of owning, controlling or operating a generating unit, load or market load classified in accordance with Chapter 2 as an ancillary service generating unit or ancillary service load, as the case may be.

**available capacity**

(a) The total MW capacity available for **dispatch** by a scheduled generating unit, semi-scheduled generating unit or scheduled load (i.e. maximum plant availability) or, in relation to a specified **price band**, the MW capacity within that **price band** available for **dispatch** (i.e. availability at each **price band**).

(b) For a **wholesale demand response unit**, subject to clauses 3.8.2A(b), (c), (d) and (e):

1. the total MW capacity available for **dispatch** by the **wholesale demand response unit** (i.e. maximum plant availability); and

2. in relation to a specified **price band**, the MW capacity within that **price band** available for **dispatch** (i.e. availability at each **price band**).

**bid and offer validation data**

Data submitted by Scheduled Generators, Semi-Scheduled Generators and Market Participants to AEMO in relation to their scheduled loads, scheduled generating units, semi-scheduled generating units, wholesale demand response units and scheduled market network services in accordance with schedule 3.1.

**central dispatch**

The process managed by AEMO for the **dispatch** of scheduled generating units, semi-scheduled generating units, wholesale demand response units, scheduled loads, scheduled network services and market ancillary services in accordance with rule 3.8.
constrained on

In respect of a generating unit, the state where, due to a constraint on a network or in order to provide inertia network services under an inertia services agreement or system strength services under a system strength services agreement, the output of that generating unit is limited above the level to which it would otherwise have been dispatched by AEMO on the basis of its dispatch offer.

In respect of a wholesale demand response unit, the state where, due to a constraint on a network, the loading level of that wholesale demand response unit is limited above the level to which it would otherwise have been dispatched by AEMO on the basis of its dispatch bid.

constraint, constrained

A limitation on the capability of a network, load, a generating unit or a wholesale demand response unit such that it is unacceptable to either transfer, consume or generate the level of electrical power, or provide the level of wholesale demand response, that would occur if the limitation was removed.

Directed Participant

A Scheduled Generator, Semi-Scheduled Generator, Market Generator, Demand Response Service Provider in respect of its ancillary service load, Scheduled Network Service Provider or Market Customer the subject of a direction.

dispatch

The act of initiating or enabling all or part of the response specified in a dispatch bid, dispatch offer or market ancillary service offer in accordance with rule 3.8, or a direction or operation of capacity the subject of a reserve contract or an instruction under an ancillary services agreement or to enable an inertia network service or system strength service as appropriate.

dispatch bid

A notice submitted by a Market Participant to AEMO relating to the dispatch of a scheduled load in accordance with clause 3.8.7 or a wholesale demand response dispatch bid.

dispatch inflexibility profile

Data which may be provided to AEMO by Market Participants, in accordance with clause 3.8.19, to specify dispatch inflexibilities in respect of scheduled loads, wholesale demand response units or scheduled generating units which are not slow start generating units.
**dispatch instruction**

An instruction given to a *Registered Participant* under clauses 4.9.2, 4.9.2A, 4.9.2B, 4.9.3, 4.9.3A, or to an *NMAS provider* under clause 4.9.3A.

**dispatchable unit identifier**

A unique reference label allocated by *AEMO* for each *scheduled generating unit*, *semi-scheduled generating unit*, *wholesale demand response unit*, *scheduled load*, and *scheduled network service*.

**dispatched load**

The *load* which has been *dispatched* as part of *central dispatch*, but not including *dispatched wholesale demand response*.

**inflexible, inflexibility**

In respect of a *scheduled generating unit*, *wholesale demand response unit*, *scheduled load* or *scheduled network service* for a *trading interval* means that the *scheduled generating unit*, *wholesale demand response unit*, *scheduled load* or *scheduled network service* is only able to be *dispatched* in the *trading interval* at a fixed *loading level* specified in accordance with clause 3.8.19(a).

**load shedding**

Reducing or *disconnecting load* from the *power system*, other than by means of *wholesale demand response*.

**loading level**

The level of output, consumption or power flow (in MW) of a *generating unit*, *load* or *scheduled network service*.

For a *wholesale demand response unit*, the level of *baseline deviation* (in MW) of the *wholesale demand response unit*.

**Market Participant**

A person who is registered by *AEMO* as a *Market Generator*, *Market Customer*, *Market Small Generation Aggregator*, *Demand Response Service Provider* or *Market Network Service Provider* under Chapter 2.

**Market Settlement and Transfer Solution Procedures**

The procedures from time to time *published* by *AEMO* under clause 7.16.2 which include those governing:

(a) the recording of financial responsibility for *energy* flows at a *connection point*, the transfer of that responsibility between *Market*
Participants and the recording of energy flows at a connection point; and

(b) the recording of the classification of a connection point as a wholesale demand response unit and the Demand Response Service Provider responsible for the wholesale demand response unit.

**Market Suspension Compensation Claimant**

(a) A Scheduled Generator or a Demand Response Service Provider who supplied energy or wholesale demand response during a market suspension pricing schedule period:

(1) in a suspended region; or

(2) in a region where spot prices were affected in accordance with clause 3.14.5(f); or

(b) an Ancillary Service Provider in a suspended region, in respect of an ancillary service generating unit which is also a scheduled generating unit, who provided market ancillary services during a market suspension pricing schedule period.

**PASA availability**

The physical plant capability (taking ambient weather conditions into account in the manner described in the procedure prepared under clause 3.7.2(g)) of a scheduled generating unit, scheduled load or scheduled network service available in a particular period, including any physical plant capability that can be made available during that period, on 24 hours’ notice.

For a wholesale demand response unit, the maximum MW wholesale demand response available in a particular period, including any wholesale demand response that can be made available during that period, on 24 hours’ notice.

**plant**

(a) In relation to a connection point, includes all equipment involved in generating, utilising or transmitting electrical energy.

(b) In relation to dispatch bids and offers, controllable generating equipment, controllable loads and wholesale demand response units.

(c) In relation to the statement of opportunities prepared by AEMO, individually controllable generating facilities registered or capable of being registered with AEMO.

(d) In relation to the regulatory investment test for transmission, any of the definitions of plant in paragraphs (a) to (c) relevant to the application of the regulatory investment test for transmission to a RIT-T project.
(e) In relation to the regulatory investment test for distribution, any of the definitions of plant in paragraphs (a) to (c) relevant to the application of the regulatory investment test for distribution to a RIT-D project.

(f) In relation to a system strength remediation scheme, includes all equipment involved in the implementation of the scheme.

scheduled plant

In respect of a Registered Participant, a scheduled generating unit, a semi-scheduled generating unit, an ancillary service load, a scheduled network service or a scheduled load classified by or in respect to that Registered Participant in accordance with Chapter 2.

scheduled reserve

The amount of surplus or unused capacity:

(a) of scheduled generating units;
(b) of scheduled network services;
(c) of wholesale demand response units; or
(d) arising out of the ability to reduce scheduled loads.

unscheduled reserve

The amount of surplus or unused capacity:

(a) of generating units (other than scheduled generating units); or
(b) arising out of the ability to reduce demand (other than a scheduled load or wholesale demand response unit).

[3] Chapter 10 Omitted definitions

Omit the definition of "Market Ancillary Service Provider".

[4] Chapter 10 Amended definition

In the definition of "good electricity industry practice", after "supply of electricity", insert "or the provision of wholesale demand response".
Schedule 6  Savings and Transitional Amendment to the National Electricity Rules

(Clause 8)

[1] New Part ZZZZA  Wholesale demand response

In Chapter 11, after Part ZZZZ, insert:

Part ZZZZA  Wholesale demand response

11.125  Rules consequential on the making of the National Electricity Amendment (Wholesale demand response mechanism) Rule 2020

11.125.1  Definitions

(a)  In this rule 11.125:

  Amending Rule means the National Electricity Amendment (Wholesale demand response mechanism) Rule 2020.

  Contracts and Firmness Guidelines has the meaning in Chapter 4A.

  effective date means the date of commencement of Schedules 1, 3, 4 and 5 of the Amending Rule.

  new Chapter 2 means Chapter 2 as in force immediately after the effective date.

  new Chapter 10 means Chapter 10 as in force immediately after the effective date.

  new clause 2.3.6 means clause 2.3.6 as in force immediately after the effective date.

  new clause 2.3B.1 means clause 2.3B.1 as in force immediately after the effective date.

  new clause 3.8.2A(g) means clause 3.8.2A(g) as in force immediately after the effective date.

  new clause 3.8.3 means clause 3.8.3 as in force immediately after the effective date.

  new clause 3.8.3(a2) means clause 3.8.3(a2) as in force immediately after the effective date.

  new clause 3.10.1 means clause 3.10.1 as in force immediately after the effective date.

  new clause 3.10.2 means clause 3.10.2 as in force immediately after the effective date.
new clause 3.10.3(a) means clause 3.10.3(a) as in force immediately after the effective date.

new clause 3.10.3(c) means clause 3.10.3(c) as in force immediately after the effective date.

new clause 3.10.5(b) means clause 3.10.5(b) as in force immediately after the effective date.

new clause 3.10.6 means clause 3.10.6 as in force immediately after the effective date.

(b) Italicised terms used in this rule 11.125 have the same meaning as in new Chapter 10.

11.125.2 Wholesale demand response guidelines

(a) No later than 4 months before the effective date, AEMO must make and publish:

(1) the wholesale demand response guidelines in accordance with new clause 3.10.1; and

(2) AEMO’s determination of the baseline methodology metrics and matters relating to baseline compliance testing under new clause 3.10.2.

(b) AEMO must comply with the Rules consultation procedure when making the wholesale demand response guidelines and the determinations under paragraph (a).

(c) The wholesale demand response guidelines and determinations made under paragraph (a) must come into effect no later than 4 months before the effective date so as to enable the following to be made before the effective date:

(1) applications for approval to classify a load as a wholesale demand response unit under new clause 2.3.6; and

(2) applications for aggregation of wholesale demand response units under new clause 3.8.3(a2).

(d) If an application referred to in paragraph (c) is made after the wholesale demand response guidelines are made under paragraph (a) and before the effective date, AEMO must assess the application in accordance with the applicable provisions in new clause 2.3.6 or new clause 3.8.3 (as applicable) and the wholesale demand response guidelines made under paragraph (a).

11.125.3 Baseline methodologies

(a) No later than 4 months before the effective date, AEMO must establish the register of baseline methodologies under new clause 3.10.3(c).
(b) No later than 4 months before the effective date, AEMO must develop one or more baseline methodologies in accordance with new clause 3.10.3(a) and publish them in the register established under new clause 3.10.3(c).

11.125.4 Wholesale demand response participation guidelines

(a) By the effective date, the AER must in accordance with the Rules consultation procedures make and publish the wholesale demand response participation guidelines under new clause 3.8.2A(g).

(b) The guidelines made under paragraph (a) must come into effect on and from the effective date.

11.125.5 Extension of time for registration and aggregation

(a) The period of 15 business days specified in clause 2.9.2(b) is extended to 30 business days as follows:

(1) during the period commencing 4 months before the effective date and ending 3 months after the effective date; and

(2) in respect of an application under new clause 2.3B.1 to register as a Demand Response Service Provider or an application for approval to classify a load as a wholesale demand response unit under new clause 2.3.6.

(b) The period of 20 business days specified in clause 3.8.3(e) is extended to 40 business days:

(1) during the period commencing 4 months before the effective date and ending 3 months after the effective date; and

(2) in respect of an application to aggregate two or more wholesale demand response units.

11.125.6 Amendments to AEMO, AER and AEMC documents

(a) By the effective date, AEMO must review and where necessary amend and publish the following documents to take into account the Amending Rule:

(1) the spot market operations timetable in accordance with clause 3.4.3;

(2) the procedure used by AEMO for preparation of the short term PASA and published under clause 3.7.3(j);

(3) the market suspension compensation methodology made by AEMO under clause 3.14.5A(h);

(4) the schedule of benchmark values made by AEMO under clause 3.14.5A(j);
(5) the PoLR cost procedures made by AEMO under clause 3.15.9A(1);

(6) the principles and process used by AEMO to calculate the estimated settlement amount developed by AEMO under clause 3.15.12(c);

(7) the RERT procedures;

(8) the Market Settlement and Transfer Solution Procedures; and

(9) the other documents mentioned in clause 11.103.2(a).

(b) Where the only change to:

(1) a document referred to in paragraph (a); or

(2) any other document made by AEMO under or in accordance with the Rules,

to take into account the Amending Rule is to replace the term Market Ancillary Service Provider with Demand Response Service Provider, AEMO is not required to consult before amending the document to make that replacement.

(c) By the effective date, the AER must review and where necessary amend and publish the following documents to take into account the Amending Rule:

(1) the guidelines maintained under clause 3.8.22 in respect of rebidding; and

(2) the Contracts and Firmness Guidelines.

(d) By the effective date, the AEMC must review and where necessary amend and publish the compensation guidelines made under clause 3.14.6(e) to take into account the Amending Rule.

(e) Amendments made in accordance with this clause must take effect on and from the effective date.

11.125.7 Amendments to the demand side participation information guidelines

(a) By 31 December 2020, AEMO must review and where necessary amend and publish the demand side participation information guidelines made under rule 3.7D(e) to take into account the Amending Rule.

(b) The amendments made in accordance with paragraph (a) must take effect on and from 31 March 2021.
11.125.8 Amendment to RERT guidelines

(a) With effect on and from the effective date, the RERT guidelines are amended as set out below:

In the explanatory note at the end of section 2 of the RERT guidelines, insert "(including by means of wholesale demand response)" after "energy only".

(b) By the effective date, the Reliability Panel must make and publish the RERT guidelines in the form amended by paragraph (a).

(c) For the purposes of paragraph (b), the Reliability Panel is not required to make and publish the RERT guidelines in accordance with the Rules consultation procedures.

11.125.9 Renaming of Market Ancillary Service Providers

(a) A person who immediately before the effective date is registered with AEMO as a Market Ancillary Service Provider in respect of an ancillary service load is taken to be registered with AEMO as a Demand Response Service Provider in respect of that ancillary service load with effect on and from the effective date.

(b) A load classified as an ancillary service load immediately before the effective date continues to be classified as an ancillary service load on and from the effective date.

(c) To avoid doubt, registrations and classifications referred to in paragraphs (a) and (b) are, on and from the effective date, subject to new Chapter 2 as if they had been made under new Chapter 2.

11.125.10 Wholesale demand response annual reporting

(a) New clause 3.10.6 does not apply to the calendar year in which the effective date occurs (the commencement year).

(b) AEMO must prepare the first report under new clause 3.10.6 within six months after the end of the calendar year after the commencement year, covering the period from the effective date to the end of that calendar year.