

OFFICIAL

Making of National Electricity Rules

National Electricity (South Australia) Law – Section 90EB

I, Daniel Cornelis van Holst Pellekaan, Minister for Energy and Mining for the Crown in right of the State of South Australia, as the Minister administering the *National Electricity (South Australia) Act 1996* of South Australia, hereby make the National Electricity Amendment (Regulated Stand-Alone Power Systems) Rule 2022 under section 90EB(1) of the National Electricity (South Australia) Law on the unanimous recommendation of the Ministers of the participating jurisdictions sitting as the Ministerial Council on Energy for the purposes of that section.

This Rule has been signed by me for the purposes of identification as the National Electricity Amendment (Regulated Stand-Alone Power Systems) Rule 2022 and commences operation as specified below:

Schedule 1 of the Rule commences operation on 1 August 2022.

Schedule 2 of the Rule commences operation on 30 May 2023.

Schedule 3 of the Rule commences operation 7 days after publication of this notice in the South Australian Government Gazette.



Hon Dan van Holst Pellekaan MP
DEPUTY PREMIER
MINISTER FOR ENERGY AND MINING

17/2/2022

National Electricity Amendment (Regulated stand-alone power systems) Rule 2022

1 Title of Rule

This Rule is the *National Electricity Amendment (Regulated stand-alone power systems) Rule 2022*.

2 Commencement

Schedule 1 of this rule commences operation on 1 August 2022.

Schedule 2 of this rule commences operation on 30 May 2023.

Schedule 3 of this rule commences operation on the date that is 7 days after the date on which notice of the making of this Rule is published in the South Australian Gazette.

3 Amendment to the National Electricity Rules

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

4 Amendment to the National Electricity Rules

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

5 Savings and Transitional Amendment to the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 2.2.1 Registration as a Generator

In clause 2.2.1(c), in the "Note", after "under rule 2.3A", insert "or if the relevant *generating system* is connected to a *stand-alone distribution system* in a *regulated SAPS*, as a *SAPS Resource Provider* under rule 2.3C".

[2] Clause 2.3.4 Market Customer

In clause 2.3.4(c), omit "*spot market*" and substitute "*market*".

[3] Clause 2.3.4 Market Customer

In clause 2.3.4(c), after "for each *trading interval* in accordance with", insert "the".

[4] Clause 2.3.4 Market Customer

Omit clause 2.3.4(d) and substitute:

- (d) A *Market Customer* may request *AEMO* to classify any of its *market loads* as a *scheduled load* (other than a *market load* at a *connection point* in a *regulated SAPS* or a *load* that has been classified as a *wholesale demand response unit*).

[5] Clause 2.3A.1 Registration

In clause 2.3A.1(a), after "*distribution system*", insert "(other than a *stand-alone distribution system*)".

[6] New rule 2.3C SAPS Resource Provider

After rule 2.3B, insert a new rule:

2.3C SAPS Resource Provider

2.3C.1 Registration and classification

- (a) A person who intends to supply electricity from one or more *generating units* to a *stand-alone distribution system* in a *regulated SAPS* may, upon application for registration by that person in accordance with rule 2.9, be registered by *AEMO* as a *SAPS Resource Provider*.
- (b) To be eligible for registration as a *SAPS Resource Provider*, a person must satisfy *AEMO* that the person intends to classify, within a reasonable amount of time, one or more *generating units connected* to a *stand-alone distribution system* in a *regulated SAPS* each as a

market generating unit, with each *market generating unit* having a separate *connection point*.

- (c) A person must not engage in the activity of selling electricity directly to the *market* at any *connection point* in a *regulated SAPS* unless that person is registered by *AEMO* as a *Market Participant* and that *connection point* is classified as one of that person's *market connection points*.
- (d) A *Market SAPS Resource Provider* must classify each *generating unit* from which it proposes to supply electricity to a *regulated SAPS* as a *market generating unit*, with each *market generating unit* having a separate *connection point*.

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

After clause 2.4.1(a)(1B), insert:

(1C) *Market SAPS Resource Provider*;

[8] Clause 2.4.2 Eligibility

In clause 2.4.2(c)(2A), omit "or".

[9] Clause 2.4.2 Eligibility

After clause 2.4.2(c)(2A), insert:

(2B) as a *SAPS Resource Provider*, for registration as a *Market SAPS Resource Provider*; or

[10] Clause 2.10.1 Notification of intention

After clause 2.10.1(d1), insert:

- (d2) *AEMO* may reject a notice from a *Market SAPS Resource Provider* which states that it wishes to terminate its classification of a *generating unit* as a *market generating unit*, or otherwise cease to be a *Market SAPS Resource Provider* in relation to any of its *market generating units*, unless *AEMO* is satisfied that:
 - (1) another person has classified the relevant *generating unit* as one of its *market generating units* and that person is registered as a *SAPS Resource Provider* and a *Market SAPS Resource Provider*;
 - (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments with *AEMO* for electricity supplied to the *connection points* of the *market generating unit*; or

- (3) the *market generating unit* at that *connection point* will be *disconnected* on and from the date specified in the notice, and, after having regard to any relevant guidelines and procedures specified by the relevant *participating jurisdictions* to AEMO, *disconnection* is appropriate.

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

In rule 2.12(b)(1A), after "*market generating units*", insert "other than (in each case) those *connected* to a *stand-alone distribution system* in a *regulated SAPS*".

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

After subparagraph (b)(1B) in rule 2.12, insert:

- (1C) a "*SAPS Resource Provider*" applies to a person registered as a "*SAPS Resource Provider*" only in so far as it is applicable to matters connected with the person's *generating units* or *market generating units* that are (in each case) *connected* to a *stand-alone distribution system* in a *regulated SAPS*;

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

After subparagraph (b)(7)(i2) in rule 2.12, insert:

- (i3) where that person is registered as a *Market SAPS Resource Provider*, in so far as it is applicable to matters connected with the person's *market generating units* that are *connected* to a *stand-alone distribution system* in a *regulated SAPS*; and

[14] New clause 4.1.2 Application to a regulated SAPS

After clause 4.1.1, insert:

4.1.2 Application to a regulated SAPS

This Chapter does not apply to or in respect of a *regulated SAPS*.

[15] Clause 4A.A.4 Peak demand

In clause 4A.A.4(b)(1), after "the demand for that *region*", insert " (excluding demand in a *regulated SAPS*)".

[16] Clause 4A.D.1 Application

In clause 4A.D.1(b), after "to a *connection point* in that *region*", insert ", but does not include a reference to a *connection point* in a *regulated SAPS*".

[17] Clause 4A.F.1 Application

After clause 4A.F.1(b), insert:

- (c) In this Part F (other than this paragraph):
 - (1) a reference to a *connection point* does not include a reference to a *connection point* in a *regulated SAPS*; and
 - (2) the *adjusted gross energy* at a *connection point* in a *regulated SAPS* must not be taken into account in determining liable load for a compliance TI.

[18] Clause 5.1.2 Overview of Part B and connection and access under the Rules

In the table in clause 5.1.2(d), in the "Process" column, in row 7, after "Rules 5.3 and 5.3A apply (see clause 5.3.1A for the interaction between the two rules)", insert a new paragraph "The election is not available where *connecting* to a *regulated SAPS*".

[19] Clause 5.1.2 Overview of Part B and connection and access under the Rules

In the table in clause 5.1.2(d), in the "Connection Applicant" column, in row 12, after the first paragraph, insert a new paragraph "Any *load connecting* to a *regulated SAPS*".

[20] Clause 5.1.2 Overview of Part B and connection and access under the Rules

In the table in clause 5.1.2(d), in the "Connection Applicant" column, in row 12, in the last paragraph, after "instead of Chapter 5A", insert "or is *connecting* to a *regulated SAPS*".

[21] New clause 5.1.3 Application of this chapter to a connection to a regulated SAPS

After clause 5.1.2, insert:

5.1.3 Application of this chapter to a connection to a regulated SAPS

The following provisions do not apply to or in respect of a *connection* or proposed *connection* to a *regulated SAPS*:

- (a) rules 5.3 and 5.3A; and
- (b) Part C.

[22] Clause 5.2.3 Obligations of network service providers

In clause 5.2.3(e), omit "*national grid*" and substitute "interconnected national electricity system".

[23] Clause 5.3A.2 Miscellaneous

In clause 5.3A.2(b)(1), omit "demand side engagement document" and substitute "*industry engagement document*".

[24] Clause 5.10.2 Definitions

In clause 5.10.2, omit "In this Part D and schedules 5.8, 5.9 and 5.4A" and substitute "In this Part D and schedules 5.4A, 5.8, 5.9 and 5.13".

[25] Clause 5.10.2 Definitions

In clause 5.10.2, insert the following definitions in alphabetical order:

affected network user means, in relation to a proposal to undertake a *DNSP-led SAPS project*:

- (a) each person supplied with a *distribution service* by means of the *network* that will form part of the *regulated SAPS*; and
- (b) each *landowner* for land on which is situated premises supplied by means of the *network* that will form part of the *regulated SAPS*.

industry engagement document means the document *published* by the *Distribution Network Service Provider* under clause 5.13.1(g).

industry engagement register means a facility by which a person can register with a *Distribution Network Service Provider* their interest in being notified of developments relating to *distribution network* planning and expansion.

industry engagement strategy means the strategy developed by a *Distribution Network Service Provider* under clause 5.13.1(e) and described in its *industry engagement document*.

landowner means, in relation to an area of land, each person who is an owner or lessee of the land.

options screening report means the report prepared under clause 5.17.4(b).

SAPS customer engagement document means the document *published* by the *Distribution Network Service Provider* under clause 5.13.4(b).

SAPS customer engagement objectives means the following objectives:

- (a) providing relevant and timely information about *DNSP-led SAPS projects* and *SAPS customer engagement strategies* and processes; and

- (b) engaging in timely and effective communications and other engagement with *affected network users* and *landowners* during the planning, development, construction and commissioning of a *DNSP-led SAPS project*.

SAPS customer engagement strategy means the strategy developed by a *Distribution Network Service Provider* under clause 5.13.4(a) and described in its *SAPS customer engagement document*.

SAPS quality of supply principle means the principle that the quality and reliability of *supply* experienced by a *Distribution Customer* having a *connection point* with a *regulated SAPS* should be no worse than the quality and reliability of *supply* that the *Distribution Customer* would experience if the *connection point* were in a part of the *distribution network* forming part of the interconnected national electricity system.

[26] Clause 5.10.2 Definitions

In clause 5.10.2, omit the definitions of "demand side engagement document", "demand side engagement register", "demand side engagement strategy" and "non-network options report".

[27] Clause 5.10.2 Definitions

In clause 5.10.2, in the definition of "reliability corrective action", after "or in applicable regulatory instruments", insert "or *SAPS performance and supply standards*".

[28] Clause 5.11.2 Identification of network limitations

In clause 5.11.2(b), after "following the contingencies specified in schedule 5.1" insert "or *SAPS performance and supply standards*".

[29] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(d)(3)(ii), omit "demand side engagement obligations" and substitute "industry engagement obligations".

[30] Clause 5.13.1 Distribution annual planning review

In the subheading before clause 5.13.1(e), omit "Demand side engagement obligations" and substitute "Industry engagement obligations".

[31] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(e)(1), omit "and".

[32] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(e)(2), omit "." and substitute "; and".

[33] Clause 5.13.1 Distribution annual planning review

After clause 5.13.1(e)(2), insert:

- (3) in relation to a *SAPS enabled network*, considering *SAPS options*.

[34] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(f), after "*consider non-network options*", insert "*and SAPS options*".

[35] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(f), omit "*demand side engagement strategy*" and substitute "*industry engagement strategy*".

[36] Clause 5.13.1 Distribution annual planning review

Omit clause 5.13.1(g) and substitute:

- (g) A *Distribution Network Service Provider* must develop and publish an *industry engagement document* setting out its *industry engagement strategy*.

[37] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(h), omit "*demand side engagement document*" and substitute "*industry engagement document*".

[38] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(i), omit "*demand side engagement document*" and substitute "*industry engagement document*".

[39] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(j), omit "*demand side engagement document*" and substitute "*industry engagement document*".

[40] New Rule 5.13B Converting network to a regulated SAPS

After rule 5.13A, insert a new rule:

5.13B Converting network to a regulated SAPS

**5.13B.1 SAPS performance and supply standards and monitoring
Development and publication of SAPS performance and supply standards**

- (a) Before converting any part of its *network* to a *regulated SAPS*, a *Distribution Network Service Provider* must develop and publish on

its website performance and quality of *supply standards* (**SAPS performance and supply standards**) to apply to all *regulated SAPS* that it owns, operates or controls.

- (b) In developing or amending its *SAPS performance and supply standards*, a *Distribution Network Service Provider* must comply with:
 - (1) this clause and schedule 5.13; and
 - (2) the *Rules consultation procedures*.
- (c) If a *Distribution Network Service Provider* amends its *SAPS performance and supply standards*, it must promptly publish the amended version on its website.
- (d) In developing initial *SAPS performance and supply standards* or any amendment to its *SAPS performance and supply standards*, a *Distribution Network Service Provider* must have regard to:
 - (1) the *SAPS quality of supply principle*; and
 - (2) the principle that performance and quality of *supply standards* for a *regulated SAPS* should be established that:
 - (i) are necessary or desirable for the safe and reliable operation of a *regulated SAPS*;
 - (ii) are necessary or desirable for the safe and reliable operation of equipment forming part of, or taking a *supply* from, a *regulated SAPS*; and
 - (iii) seek to avoid the imposition of undue costs on *Distribution Network Service Providers* or *Network Users*.
- (e) A *Distribution Network Service Provider* must ensure that its *SAPS performance and supply standards* are in accordance with *good electricity industry practice*.

Compliance with SAPS performance and supply standards

- (f) A *Distribution Network Service Provider* must in respect of a *regulated SAPS* that it owns, operates or controls, comply with the performance and quality of *supply standards*:
 - (1) described in its *SAPS performance and supply standards*; and
 - (2) in accordance with any *connection agreement* with a *Network User* relating to the *Network User's connection point* in the *regulated SAPS*,

and if there is an inconsistency between the *SAPS performance and supply standards* and such a *connection agreement*:

- (3) if compliance with the relevant provision of the *connection agreement* would adversely affect the quality or security of *network service* to other *Network Users*, the *SAPS performance and supply standards* are to prevail; and
 - (4) otherwise, the *connection agreement* is to prevail.
- (g) A *Distribution Network Service Provider* that owns, operates or controls a *regulated SAPS* must establish and implement a program to monitor the performance of its *regulated SAPS*.
- (h) A program under paragraph (g) must:
 - (1) be in accordance with *good electricity industry practice*;
 - (2) enable the *Distribution Network Service Provider* to be reasonably satisfied that its *regulated SAPS* perform in accordance with the relevant *SAPS performance and supply standards*;
 - (3) include provision for testing of new or altered *facilities*; and
 - (4) provide for publication of information about its *regulated SAPS* performance monitoring on the *Distribution Network Service Provider's* website.
- (i) A *Distribution Network Service Provider* must maintain records for 7 years of its monitoring conducted in accordance with its program under paragraph (g) and make these records available to the *AER* on request.

Variation to SAPS performance and supply standards by negotiation

- (j) Except for standards of *frequency* and system stability and subject to paragraph (k), a *Distribution Network Service Provider* may negotiate with a *Network User* terms of a *connection agreement* regarding standards of performance and quality of *supply* in a *regulated SAPS* (including relevant charges).
- (k) The terms of a *connection agreement* regarding standards of performance or quality of *supply* in a *regulated SAPS* must provide for standards of performance or quality of *supply* at levels at or above the minimum standards set out in *SAPS performance and supply standards* and must have regard to the need for terms that:
 - (1) are necessary or desirable for the safe and reliable operation of a *regulated SAPS*;
 - (2) are necessary or desirable for the safe and reliable operation of equipment forming part of, or taking a *supply* from, a *regulated SAPS*.

5.13B.2 SAPS customer engagement strategy

- (a) A *Distribution Network Service Provider* with a *SAPS enabled network* must develop a strategy (*SAPS customer engagement strategy*) for engaging with *affected network users* in relation to *DNSP-led SAPS projects* being considered by the *Distribution Network Service Provider* in relation to the *network*.
- (b) A *Distribution Network Service Provider* must develop and *publish* a *SAPS customer engagement document* that sets out its *SAPS customer engagement strategy*.
- (c) In developing and amending its *SAPS customer engagement document*, a *Distribution Network Service Provider* must:
 - (1) have regard to any guidelines made by the *AER* under clause 5.13B.3 and the *SAPS customer engagement objectives*;
 - (2) take into account the obligations of the *Distribution Network Service Provider* under clause 5.13B.4; and
 - (3) take into account obligations under planning and environmental laws that may apply in respect of a *DNSP-led SAPS project*.
- (d) A *Distribution Network Service Provider* must review and *publish* a revised *SAPS customer engagement document* at least once every three years.
- (e) A *Distribution Network Service Provider* must engage with *affected network users* in relation to a *DNSP-led SAPS project* relating to its *network* in accordance with its *SAPS customer engagement document*.

5.13B.3 SAPS customer engagement guidelines

- (a) The *AER* may develop and *publish* and may from time to time amend guidelines about engaging with *affected network users* in relation to *DNSP-led SAPS projects*.
- (b) In developing guidelines under paragraph (a), the *AER* may undertake such consultation as it considers appropriate.
- (c) The guidelines developed under paragraph (a) may provide guidance on:
 - (1) the form and content of a *SAPS customer engagement document*;
 - (2) the steps to be taken to identify *landowners* and other persons likely to be affected by a *DNSP-led SAPS project*;
 - (3) general information to be included in a *SAPS customer engagement document* about supply by means of a *regulated SAPS*;

- (4) information about a proposal to convert a part of a *network* to a *regulated SAPS* to be included in a notice under clause 5.13B.4(a);
- (5) addressing issues raised by *affected network users* relating to a *DNSP-led SAPS project*; and
- (6) other matters the *AER* considers appropriate to promote the *SAPS customer engagement objectives*.

5.13B.4 DNSP-led SAPS notice and consultation

- (a) Subject to paragraph (f), a *Distribution Network Service Provider* who is developing a proposal to convert any part of its *network* to a *regulated SAPS* must give notice in accordance with paragraphs (b) to (e) and its *SAPS customer engagement document*.
- (b) A notice under paragraph (a) must be given to:
 - (1) each person who at the time of giving the notice is supplied with a *distribution service* by means of the *network* that will form part of the *regulated SAPS*;
 - (2) each person who at the time of giving the notice is a *landowner* for land on which is situated premises supplied with a *distribution service* by means of the *network* that will form part of the *regulated SAPS*; and
 - (3) the public in the area in which the *regulated SAPS* will be located.
- (c) A notice under paragraph (a) must:
 - (1) provide reasonably detailed information about the proposal to which it relates and the *SAPS performance and supply standards* that would apply;
 - (2) specify a reasonable period in which to comment on the proposal and explain how comments may be submitted; and
 - (3) refer to the *Distribution Network Service Provider's SAPS customer engagement document* and identify where it can be found.
- (d) The notice to the public under paragraph (b)(3) must be given by way of a notice published on the *Distribution Network Service Provider's* website.
- (e) The *Distribution Network Service Provider* must have regard to any comments received in response to a notice given under paragraph (a).
- (f) Where a *Distribution Network Service Provider* is developing a proposal to convert any part of its *network* to a *regulated SAPS* in order to address an urgent and unforeseen *network* issue as described

in clause 5.17.3(a)(1), the *Distribution Network Service Provider* is not required to give notice under paragraph (a) but must use reasonable endeavours to meet the *SAPS customer engagement objectives* in relation to the proposal by other means appropriate in the circumstances.

**[41] Clause 5.14.1 Joint planning obligations of
Transmission Network Service Providers
and Distribution Network Service
Providers**

In clause 5.14.1(d)(4)(i), omit "*demand side engagement register*" and substitute "*industry engagement register*".

[42] Clause 5.15.2 Identification of a credible option

In clause 5.15.2(a), omit "paragraphs (b) or (d) (as relevant)" and substitute "this clause".

[43] Clause 5.15.2 Identification of a credible option

Omit clause 5.15.2(c)(4) and substitute:

- (4) whether it is a *network option*, a *non-network option* or a *SAPS option*.

[44] Clause 5.15.2 Identification of a credible option

In clause 5.15.2(c)(7), omit "*non-network options report*" and substitute "*options screening report*".

[45] Clause 5.15.2 Identification of a credible option

In the first paragraph of clause 5.15.2(d), omit "may" and substitute "must".

**[46] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(a)(2), omit "*demand side engagement register*" and substitute "*industry engagement register*".

**[47] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In the subheading before clause 5.17.4(b), omit "non-network".

**[48] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(b), omit "a *non network options report*" and substitute "an *options screening report*".

**[49] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(c), after "not be a *non-network option*", insert "or a *SAPS option*".

**[50] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In the subheading before clause 5.17.4(e), omit "Non-network options report" and substitute "Options screening report".

**[51] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(e), omit "A *non-network options report*" and substitute "An *options screening report*".

**[52] Clause 5.17.4 Regulatory investment test for
distribution procedures**

Omit the opening paragraph in clause 5.17.4(e)(4) and substitute:

- (4) the technical characteristics of the *identified need* that a *non-network option* or (in relation to a *SAPS enabled network*) a *SAPS option* would be required to deliver, such as:

**[53] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(e)(5), omit "including *network options* and *non-network options*." and substitute "including *network options*, *non-network options* and (in relation to a *SAPS enabled network*) *SAPS options*."

**[54] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(e)(7), omit "submit a *non-network proposal*" and substitute "submit a proposal".

**[55] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(f), omit "*non-network options report*" and substitute "*options screening report*".

**[56] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(g), omit "*non-network options report*" and substitute "*options screening report*".

**[57] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(g), omit "*demand side engagement register*" and substitute "*industry engagement register*".

**[58] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(h), omit "*demand side engagement register*" and substitute "*industry engagement register*".

**[59] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(h), omit "*non-network options report*" and substitute "*options screening report*".

**[60] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(i), omit all references to "*non-network options report*" and substitute "*options screening report*".

**[61] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(i)(1)(i), omit "*a non-network options report*" and substitute "*an options screening report*".

**[62] Clause 5.17.4 Regulatory investment test for
distribution procedures**

In clause 5.17.4(i)(1)(ii), omit "*a non-network options report*" and substitute "*an options screening report*".

[63] Clause 5.17.4 Regulatory investment test for distribution procedures

In clause 5.17.4(j)(3), omit "*non-network options report*" and substitute "*options screening report*".

[64] Clause 5.17.4 Regulatory investment test for distribution procedures

In clause 5.17.4(k)(2), omit "*demand side engagement register*" and substitute "*industry engagement register*".

[65] Clause 5.17.4 Regulatory investment test for distribution procedures

In clause 5.17.4(q), omit "*demand side engagement register*" and substitute "*industry engagement register*".

[66] Clause 5.18B.1 Definitions

In clause 5.18B.1(a), in the definition of "**completed embedded generation project**", omit "*Distributor Network Service Provider's network*" and substitute "*Distribution Network Service Provider's network* or form part of a *regulated SAPS* forming part of the *Distribution Network Service Provider's network*".

[67] Clause S5.1a.1 Purpose

After the last sentence of clause S5.1a.1, insert:

This schedule does not apply to a *Distribution Network Service Provider* in relation to a *regulated SAPS*. The performance and quality of *supply* standards for a *regulated SAPS* are defined by the *Distribution Network Service Provider* in accordance with clause 5.13B.1 and schedule 5.13.

[68] Clause S5.1.1 Introduction

After the last paragraph of clause S5.1.1, insert:

This schedule does not apply to a *Distribution Network Service Provider* in relation to a *regulated SAPS*. The performance and quality of *supply* standards for a *regulated SAPS* are defined by the *Distribution Network Service Provider* in accordance with clause 5.13B.1 and schedule 5.13.

[69] Clause S5.3.1a Introduction to the schedule

After clause S5.3.1a(e), insert:

- (f) This schedule does not apply to a *Network Service Provider* or a *Network User* in relation to a *connection* to a *regulated SAPS*.

[70] Schedule 5.8 Distribution Annual Planning Report

In schedule 5.8, after paragraph (d1), insert:

- (d2) for a *SAPS enabled network*, information on *system limitations* in the *forward planning period* for which a potential solution is a *regulated SAPS*, including at least:
 - (1) estimates of the location and timing (month(s) and year) of the *system limitation*; and
 - (2) a brief discussion of the types of potential *stand-alone power systems* that may address the *system limitation*;

[71] Schedule 5.8 Distribution Annual Planning Report

Omit subparagraph (l)(1)(iii) in schedule 5.8 and substitute:

- (iii) actions taken to promote non-*network* proposals or (for a *SAPS enabled network*) *SAPS* proposals in the preceding year, including *generation* from *embedded generating units*; and

[72] Schedule 5.8 Distribution Annual Planning Report

In paragraph (n) of schedule 5.8, omit the last occurrence of "and".

[73] Schedule 5.8 Distribution Annual Planning Report

In subparagraph (o)(2) of schedule 5.8, omit "." and substitute "; and".

[74] Schedule 5.8 Distribution Annual Planning Report

After schedule 5.8 paragraph (o), insert:

- (p) for a *SAPS enabled network*, information on the *Distribution Network Service Provider's* activities in relation to *DNSP-led SAPS projects* including:
 - (1) opportunities to develop *DNSP-led SAPS projects* that have been considered in the past year;
 - (2) committed projects to implement a *regulated SAPS* over the *forward planning period*; and
 - (3) a quantitative summary of:
 - (i) the total number of *regulated SAPS* in the *network*; and
 - (ii) the total number of premises of *retail customers* supplied by means of those *regulated SAPS*.

**[75] Schedule 5.9 Demand side engagement document
(clause 5.13.1(h))**

Omit the heading of schedule 5.9 and substitute:

**Schedule 5.9 Industry engagement document (clause
5.13.1(h))**

**[76] Schedule 5.9 Industry engagement document (clause
5.13.1(h))**

In the first paragraph of schedule 5.9, omit "*demand side engagement document*" and substitute "*industry engagement document*".

**[77] Schedule 5.9 Industry engagement document (clause
5.13.1(h))**

In schedule 5.9 paragraph (a), after "*non-network options*", insert "and (in relation to a *SAPS enabled network*) potential *SAPS options*".

**[78] Schedule 5.9 Industry engagement document (clause
5.13.1(h))**

In schedule 5.9 paragraph (b), after "potential *non-network options*", insert "or where applicable, potential *SAPS options*".

**[79] Schedule 5.9 Industry engagement document (clause
5.13.1(h))**

In schedule 5.9 paragraph (c), after "potential *non-network option*", insert "or *SAPS option*".

**[80] Schedule 5.9 Industry engagement document (clause
5.13.1(h))**

In schedule 5.9 paragraph (d), after "in a *non-network*", insert "or *DNSP-led SAPS project*".

**[81] Schedule 5.9 Industry engagement document (clause
5.13.1(h))**

In schedule 5.9 paragraph (d), omit the second occurrence of "*non-network proposal*" and substitute "proposal".

[82] Schedule 5.9 Industry engagement document (clause 5.13.1(h))

In schedule 5.9 paragraph (e), after "in evaluating non-*network*", insert "or *DNSP-led SAPS project*".

[83] Schedule 5.9 Industry engagement document (clause 5.13.1(h))

In schedule 5.9 paragraph (f), after "for non-*network options*", insert "or (where applicable) *SAPS options*".

[84] Schedule 5.9 Industry engagement document (clause 5.13.1(h))

In schedule 5.9 paragraph (g), after "of non-*network options*", insert "or *SAPS options*".

[85] Schedule 5.9 Industry engagement document (clause 5.13.1(h))

In schedule 5.9 paragraph (h), omit "and;" and substitute ";".

[86] Schedule 5.9 Industry engagement document (clause 5.13.1(h))

In schedule 5.9 paragraph (i), after "*non-network options*", insert "or *SAPS options*".

[87] Schedule 5.9 Industry engagement document (clause 5.13.1(h))

In schedule 5.9 paragraph (n), omit "*demand side engagement register*" and substitute "*industry engagement register*".

[88] New Schedule 5.13 SAPS Performance Requirements to be defined by Distribution Network Service Providers

After schedule 5.12, insert a new schedule:

Schedule 5.13 SAPS Performance Requirements to be defined by Distribution Network Service Providers

- (a) The *SAPS performance and supply standards* of a *Distribution Network Service Provider* must specify:

- (1) the standards for the performance of its *regulated SAPS* covering each of the parameters in table S5.13.1 and including at a minimum the information specified in that table;
 - (2) the planning, design and operating standards and requirements for coordination with *Network Users* that the *Distribution Network Service Provider* will apply in relation to its *regulated SAPS* to:
 - (i) achieve adequate levels of *network power transfer capability* and quality of *supply* in its *regulated SAPS*;
 - (ii) achieve a specific level of *network service* at an individual *connection point* in a *regulated SAPS*; and
 - (iii) observe and apply the relevant provisions of the quality of *supply* and system standards specified in accordance with subparagraph (1); and
 - (3) the contingencies taken into account by the *Distribution Network Service Provider* in the planning and design of a *regulated SAPS*.
- (b) The standards, approaches and other matters in schedule 5.1a and schedule 5.1 must where relevant be considered in the development of *SAPS performance and supply standards*.

Table S5.13.1

Parameter	Minimum content of standards
Frequency	Frequency band in normal operation Frequency band following a contingency and the maximum permitted time for excursions outside this band
System stability	Transient, oscillatory or voltage stability requirements to ensure stable <i>supply</i> in a <i>regulated SAPS</i>
Power frequency voltage	Normal voltage of <i>supply</i> at <i>connection points</i> Acceptable limits of <i>supply voltage</i> variation from <i>normal voltage</i> in normal operation and following a contingency Maximum time for which <i>voltage</i> may vary from <i>normal voltage</i> for any given variation from <i>normal voltage</i> These are to be set to achieve distortion free <i>voltage</i> supply for the efficient and safe operation of equipment in customer installations
Voltage fluctuations (flicker)	Maximum <i>voltage</i> fluctuation level of <i>supply</i>
	Permitted <i>voltage</i> distortion (harmonics)

Parameter	Minimum content of standards
Voltage waveform distortion	
Voltage unbalance (if applicable)	<p><i>Voltage</i> unbalance is to be measured as negative sequence <i>voltage</i></p> <p>Maximum average <i>voltage</i> unbalance in normal operation, measured at a <i>connection point</i>, over a specified averaging period</p> <p>Maximum average <i>voltage</i> unbalance following a contingency</p>
Fault clearance times	<p>Maximum allowed fault clearance times at nominal <i>voltage</i> levels</p> <p>Fault ride through requirements as necessary to meet stability requirements</p> <p>These must be reasonable and sufficiently fast that they ensure stability and safety with respect to a <i>regulated SAPS</i></p>
Reliability	<p>Performance targets for frequency and duration of <i>supply</i> interruptions in a <i>regulated SAPS</i></p> <p>Performance targets for expected <i>load</i> not served in a <i>regulated SAPS</i></p>

[89] Clause 5A.A.1 Definitions

In the definition of **connection alteration**, omit "existing *connection*" and substitute "*existing connection*".

[90] Clause 5A.A.1 Definitions

Insert new definition in alphabetical order:

existing connection

includes a *connection* in a part of a *distribution system* that has been temporarily isolated from the interconnected national electricity system due to an event or circumstance beyond the control of the *Distribution Network Service Provider* such as bushfire or flood.

[91] Clause 5A.A.1 Definitions

In the definition of "**new connection**", omit "existing *connection*" and substitute "*existing connection*".

[92] Clause 5A.A.2 Application of this Chapter

In clause 5A.A.2(a), after "unless", insert ":",

[93] Clause 5A.A.2 Application of this Chapter

In clause 5A.A.2(a), omit "the *Registered Participant* or *Intending Participant* is acting as the agent of a *retail customer*." and substitute:

- (1) the *Registered Participant* or *Intending Participant* is acting as the agent of a *retail customer*; or
- (2) the *connection applicant* is seeking *connection* or *connection services* in relation to a *regulated SAPS*.

[94] Clause 5A.A.2 Application of this Chapter

In clause 5A.A.2(c), after "instead of this Chapter.", insert "A *non-registered embedded generator* seeking to *connect* to a *regulated SAPS* is not entitled to elect to seek *connection* under rule 5.3A."

[95] New Clause 5A.A.4 SAPS Resource Provider deemed to be agent of a retail customer

After clause 5A.A.3, insert a new clause:

5A.A.4 SAPS Resource Provider deemed to be agent of a retail customer

A Market SAPS Resource Provider is deemed to be the agent of a retail customer whose premises are connected to a stand-alone distribution system in a regulated SAPS, where there is an agreement between the Market SAPS Resource Provider and the retail customer relating to the retail customer's small generating unit under which the Market SAPS Resource Provider is financially responsible for the market connection point at which the relevant generating unit is connected to the stand-alone distribution system.

[96] New Clause 5A.A.5 Connection to or by means of a regulated SAPS

After clause 5A.A.4, insert a new clause:

5A.A.5 Connection to or by means of a regulated SAPS

A Distribution Network Service Provider must not establish a new connection by converting a part of its network to a regulated SAPS or establishing a new regulated SAPS.

[97] Clause 5A.D.1 Publication of information

In clause 5A.D.1(a)(7), omit "." and substitute "; and".

[98] Clause 5A.D.1 Publication of information

After clause 5A.D.1(a)(7), insert:

- (8) if the *Distribution Network Service Provider* has a *SAPS enabled network*, its *SAPS performance and supply standards*.

[99] Clause 5A.E.1 Connection charge principles

In clause 5A.E.1(b), omit "(other than a *non-registered embedded generator* or a *real estate developer*)" and substitute "(other than a *non-registered embedded generator*, a *real estate developer*, a *Registered Participant* or an *Intending Participant*)".

[100] Clause 5A.E.1 Connection charge principles

In clause 5A.E.1(c)(5), after "application of a *real estate developer*", insert ", *Registered Participant* or *Intending Participant*".

[101] Clause 5A.E.3 Connection charge guidelines

In clause 5A.E.3(c)(4), omit "(not being a *non-registered embedded generator* or a *real estate developer*)" and substitute "(not being a *non-registered embedded generator*, a *real estate developer*, a *Registered Participant* or an *Intending Participant*)".

[102] Clause 5A.E.4 Payment of connection charges

In clause 5A.E.4(c), after "invoice to the *retailer* or *Market Small Generation Aggregator*", insert "or other person."

[103] New Clause 6.2.1A Classification of distribution services, and treatment of inputs, involving a SAPS

After clause 6.2.1, insert a new clause:

6.2.1A Classification of distribution services, and treatment of inputs, involving a SAPS

- (a) The *AER* must give effect to the principles in this clause when classifying *distribution services* provided by means of, or in connection with, a *stand-alone distribution system* in a *regulated SAPS* and when determining the regulatory treatment of inputs used to provide those *distribution services*.
- (b) A *distribution service* provided by a *Distribution Network Service Provider* by means of, or in connection with, a *stand-alone distribution system* in a *regulated SAPS* must be given the same classification that it would have been given if the *distribution service* were provided by means of, or in connection with, a part of the *Distribution Network Service Provider's distribution system* not in a *regulated SAPS*.

- (c) If activity or expenditure of a *Distribution Network Service Provider* in establishing and maintaining a *regulated SAPS* is not classified in accordance with paragraph (b) and is:
 - (1) a *distribution service*, it must be classified as a *standard control service*; or
 - (2) an input used to provide a *distribution service*, it must be treated as an input used to provide a *standard control service*.
- (d) For the purposes of paragraph (c):
 - (1) providing, or arranging for the provision of, services or *facilities* (including a *generating system*) required for *supply* to a *Distribution Customer* by means of a *stand-alone distribution system* is to be treated as an input used to provide a *distribution service*; and
 - (2) despite anything else in this clause, the production of electricity for *supply* to a *stand-alone distribution system* is not a *distribution service* or an input used to provide a *distribution service*.

Note

As the production of electricity by means of the *generating system* is not a *distribution service*, a *Distribution Network Service Provider* who proposes to own, operate or control a *generating system* in a *regulated SAPS* (instead of using a related entity or a third party to provide a *generation service*) must have regard to the *Distribution Ring-Fencing Guidelines*.

[104] Clause 6.2.3A Distribution Service Classification Guidelines

In clause 6.2.3A(b)(3), omit "." and substitute "; and".

[105] Clause 6.2.3A Distribution Service Classification Guidelines

After clause 6.2.3A(b)(3), insert:

- (4) applying the principles in clause 6.2.1A, when classifying services provided by means of, or in relation to, a *stand-alone distribution system* in a *regulated SAPS*.

[106] Clause 6.4.4 Shared assets

In clause 6.4.4(c)(3), after "*standard control services* is material", insert "or is for the production of electricity for *supply* in a *regulated SAPS* that is sold through a *market*".

[107] Clause 6.4.4 Shared assets

After clause 6.4.4(e), insert:

(f) For the purposes of this clause:

- (1) the production of electricity for *supply* to a *stand-alone distribution system* in a *regulated SAPS* is taken to be a service referred to in subparagraph (a)(2); and
- (2) the sale of the electricity to the *market* under Chapter 3 is taken to be a charge for the provision of the service.

[108] Clause 6.5.6 Forecast operating expenditure

In clause 6.5.6(e)(10), after "*non-network options*", insert "*or SAPS options*".

[109] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(10), after "*non-network options*", insert "*or SAPS options*".

[110] Clause 6.5.8 Efficiency benefit sharing scheme

In clause 6.5.8(c)(5), after "*non-network options*", insert "*or SAPS options*".

[111] Clause 6.6.2 Service target performance incentive scheme

In clause 6.6.2(b)(3)(vii), after "*non-network options*", insert "*or SAPS options*".

[112] Clause 6.6.3 Demand management incentive scheme

In clause 6.6.3(b), after "*non-network options*", insert ", or *SAPS options*".

[113] Clause 6.6.3 Demand management incentive scheme

In clause 6.6.3(c)(2), after "*non-network options*", insert ", or *SAPS options*".

[114] Clause 6.6.3 Demand management incentive scheme

In clause 6.6.3(c)(3), after "*non-network options*", insert ", or *SAPS options*".

[115] Clause 6.6.3 Demand management incentive scheme

In clause 6.6.3(c)(7)(i), after "*non-network options*", insert ", or *SAPS options*, relating to demand management".

[116] Clause 6.6.3A Demand management innovation allowance mechanism

In clause 6.6.3A(c)(2)(ii), after "*non-network options*", insert ", or *SAPS options*, relating to demand management".

[117] Clause 6.7A.1 Preparation of, and requirements for, connection policy

In clause 6.7A.1(b)(2)(v), omit "(not being a *non-registered embedded generator* or a *real estate developer*)" and substitute "(not being a *non-registered embedded generator*, a *real estate developer*, a *Registered Participant* or an *Intending Participant*)".

[118] Clause 6.18.4 Principles governing assignment or re-assignment of retail customers to tariff classes and assessment and review of basis of charging

In clause 6.18.4(a)(2), after "an equal basis", insert ", subject to subparagraph (3A)".

[119] Clause 6.18.4 Principles governing assignment or re-assignment of retail customers to tariff classes and assessment and review of basis of charging

After clause 6.18.4(a)(3), insert:

(3A) *retail customers connected to a regulated SAPS* should be treated no less favourably than *retail customers connected to the interconnected national electricity system*; and

[120] Clause 7.10.1 Metering Data Services

After clause 7.10.1(a)(4), insert:

(4A) the calculation, validation, estimation and substitution of *metering data* for a *metering installation* in a *regulated SAPS*;

[121] Clause 7.10.2 Data management and storage

In clause 7.10.2(a)(3), omit "clauses 7.15.5(c)(1) to 7.15.5(c)(5a)" and substitute "clause 7.15.5(c)".

[122] Clause 7.10.2 Data management and storage

In clause 7.10.2(a)(4), omit "clauses 7.15.5(c)(1) to 7.15.5(c)(5a)" and substitute "clause 7.15.5(c)".

[123] Clause 7.10.2 Data management and storage

After clause 7.10.2(b), insert:

(b1) *Metering Data Providers* accredited for *metering installations* in a *regulated SAPS* must maintain techniques for determining *calculated metering data* for *metering installations* for *market generating units*

that supply electrical *energy* to a *stand-alone distribution system* in a *regulated SAPS* in accordance with the *metrology procedure*.

[124] Clause 7.10.2 Data management and storage

In clause 7.10.2(e), omit "clauses 7.15.5(c)(1) to 7.15.5(c)(5a)" and substitute "clause 7.15.5(c)".

[125] Clause 7.10.3 Provision of metering data to certain persons

In clause 7.10.3(a), omit "clauses 7.15.5(c)(1) to 7.15.5(c)(5a)" and substitute "clause 7.15.5(c)".

[126] Clause 7.10.5 Periodic energy metering

In clause 7.10.5(a)(1), omit second use of "and".

[127] Clause 7.10.5 Periodic energy metering

In clause 7.10.5(a)(2), omit "*data*," and substitute "*data*; and"

[128] Clause 7.10.5 Periodic energy metering

After clause 7.10.5(a)(2), insert:

(2A) *metering installations* for *market generating units* that *supply* electrical energy to a *stand-alone distribution system* in a *regulated SAPS*.

[129] Clause 7.11.1 Metering database

In clause 7.11.1(d)(1), omit "clauses 7.15.5(c)(1) to 7.15.5(c)(5a)" and substitute "clause 7.15.5(c)".

[130] Clause 7.15.5 Access to data

In clause 7.15.5(c), after "specified in paragraphs", insert "(c1)".

[131] Clause 7.15.5 Access to data

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

(4A) in relation to a *metering installation* at a *connection point* in a *regulated SAPS*, in addition to the *Metering Data Provider* referred to in subparagraph (4), a *Metering Data Provider* appointed with respect to a *metering installation* at a *market connection point* for a *market generating unit* in the *regulated SAPS*, or who was previously appointed with respect to such a

metering installation as required in accordance with the *Rules* and procedures authorised under the *Rules*;

[132] Clause 7.15.5 Access to data

Omit clause 7.15.5(c)(5a).

[133] Clause 7.15.5 Access to data

Omit clause 7.15.5(c)(6) and substitute:

- (6) in relation to a *metering installation* at a *child connection point*, an *Embedded Network Manager*:

[134] Clause 7.15.5 Access to data

After clause 7.15.5(c), insert:

- (c1) The *AER* or *Jurisdictional Regulators* upon request to *AEMO* may access or receive *metering data*, *settlements ready data*, *NMI Standing Data*, and data from the *metering register* for a *metering installation*.

[135] Clause 7.16.3 Requirements of the metrology procedure

After clause 7.16.3(c)(6)(iii), insert:

- (iv) the method to be used by a *Metering Data Provider* to determine the *calculated metering data* for a *market connection point* for a *market generating unit* in a *regulated SAPS*, that will result in the allocation of *electrical energy losses* and unaccounted for energy in the *regulated SAPS* to the *market generating units* in the *regulated SAPS* on a reasonable basis; and

[136] Clause S7.3.2 Categories of registration

In table S7.3.2.1 row 1 column 2, after "*data for connection points*", insert a new paragraph "Category 1SAPD, 2SAPD, 3SAPD and/or 4SAPD (for remote acquisition, calculation, processing and delivery of *calculated metering data* for *market connection points* for *market generating units* in a *regulated SAPS*)".

[137] Clause S7.3.2 Categories of registration

In table S7.3.2.1 row 3 merged columns 2 and 3, after "*calculated metering data*", insert "for a type 7 *metering installation*".

[138] Chapter 10 Substituted definition

Omit the definition of "*calculated metering data*" in chapter 10 and substitute:

The *trading interval* data corresponding to the calculation of consumed energy for a type 7 *metering installation* in accordance with the *metrology procedure*.

For a *market connection point* for a *market generating unit* in a regulated *SAPS*, the *trading interval* data calculated by the *Metering Data Provider* in accordance with a method specified by *AEMO* in the *metrology procedure* in accordance with clause 7.16.3(c)(6)(iv).

Calculated metering data is held in the *metering data services database* and the *metering database*.

[139] Chapter 10 Substituted definition

Omit the definition of "*distribution system*" in chapter 10 and substitute:

Each of the following:

- (a) a *distribution network*, together with the *connection assets* associated with the *distribution network*, which is *connected* to another *transmission system* or *distribution system*; and
- (b) a *stand-alone distribution system* in a regulated *SAPS*.

[140] Chapter 10 Amended definition

In the definition of "*good electricity industry practice*" in chapter 10, omit "forming part of the power system" and substitute "forming part of the national electricity system".

[141] Chapter 10 Amended definition

In the definition of "*Market Participant*" in chapter 10, before "or *Market Network Service Provider*", insert ", *Market SAPS Resource Provider*".

[142] Chapter 10 Amended definition

In the definition of "*national grid*" in chapter 10, after "*distribution systems*", insert "and *regulated SAPS*".

[143] Chapter 10 Amended definition

In the definition of "*network option*" in chapter 10, after "a *Network Service Provider*", insert ", but excluding a *SAPS option*".

[144] Chapter 10 Amended definition

In the definition of "*non-network option*" in chapter 10, after "a *network option*", insert "or a *SAPS option*".

[145] Chapter 10 Amended definition

In the definition of "*power system*" in chapter 10, after "*supply of electricity*", insert "*but excluding regulated SAPS*".

[146] Chapter 10 Amended definition

In the definition of "*retail customer*" in chapter 10, after paragraph (d), insert as a new paragraph "For the purposes of Chapter 5A and clause 6.7A.1, *retail customer* includes, in relation to a *regulated SAPS*, a *Registered Participant* or *Intending Participant*".

[147] Chapter 10 Amended definition

In the definition of "*transmission or distribution system*" in chapter 10, in paragraph (b), after "such system", insert "or is a *regulated SAPS*".

[148] Chapter 10 New definitions

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

affected network user

Has the meaning given to it in clause 5.10.2.

DNSP-led SAPS project

A project undertaken by a *Distribution Network Service Provider* to address an *identified need* and that involves the planning, development, construction and commissioning of a *stand-alone power system*.

industry engagement document

Has the meaning given to it in clause 5.10.2.

industry engagement register

Has the meaning given to it in clause 5.10.2.

industry engagement strategy

Has the meaning given to it in clause 5.10.2.

landowner

Has the meaning given to it in clause 5.10.2.

Market SAPS Resource Provider

A person who:

- (a) has classified one or more *generating units* connected to a *regulated SAPS* as a *market generating unit*; and
- (b) is registered by *AEMO* as a *Market SAPS Resource Provider* under Chapter 2.

options screening report

Has the meaning given to it in clause 5.10.2.

regulated SAPS

A *stand-alone power system* that is a regulated stand-alone power system within the meaning of the *NEL*.

Note

Section 6B of the *NEL* provides for a *participating jurisdiction* to make regulations under which certain stand-alone power systems form part of the national electricity system. Such a stand-alone power system is a regulated stand-alone power system under the *NEL*.

SAPS customer engagement document

Has the meaning given to it in clause 5.10.2.

SAPS customer engagement objectives

Has the meaning given to it in clause 5.10.2.

SAPS customer engagement strategy

Has the meaning given to it in clause 5.10.2.

SAPS enabled network

A *distribution network* in respect of which a *stand-alone power system* implemented as a *DNSP-led SAPS project* may form part of the national electricity system in accordance with a regulation made under the application Act of a *participating jurisdiction* pursuant to section 6B of the *NEL* (and so be a *regulated SAPS*).

SAPS facility

A *facility* comprised in or *connected*, directly or indirectly, to a *regulated SAPS*.

SAPS option

A means by which an *identified need* can be fully or partly addressed by converting a part of a *distribution network* forming part of the interconnected national electricity system to a *regulated SAPS*.

SAPS Participant

A *Registered Participant* in its capacity as:

- (a) the owner, operator or controller of a *SAPS facility*; or
- (b) the *financially responsible Market Participant* in respect of a *connection point* in a *regulated SAPS*.

SAPS performance and supply standards

The standards for performance and quality of *supply* applicable to a *regulated SAPS* of a *Distribution Network Service Provider* developed and published by the *Distribution Network Service Provider* in accordance with clause 5.13B.1.

SAPS quality of supply principle

Has the meaning given to it in clause 5.10.2.

SAPS Resource Provider

A person who:

- (a) intends to supply, or supplies, electricity from one or more *generating units* that are *connected* to a *regulated SAPS*; and
- (b) is registered by *AEMO* as a *SAPS Resource Provider* under Chapter 2.

stand-alone distribution system

A *distribution network*, together with the *connection assets* associated with the *distribution network*, that does not form part of the interconnected national electricity system.

stand-alone power system

Has the meaning in section 6B of the *NEL*.

[149] Chapter 10 Deleted definitions

In chapter 10, delete the definitions of "*demand side engagement document*", "*demand side engagement register*", "*demand side engagement strategy*" and "*non-network options report*".

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] New clause 2.3C.2 Market SAPS Resource Provider

After clause 2.3C.1, insert a new clause:

2.3C.2 Market SAPS Resource Provider

- (a) *A Market SAPS Resource Provider must sell all sent out generation through the market and accept payments from AEMO for all sent out generation at the price applicable at the connection point for which it is financially responsible as determined for each trading interval in accordance with the provisions of Chapter 3.*
- (b) *A Market SAPS Resource Provider must purchase all electricity supplied through the national grid to the Market SAPS Resource Provider at a connection point for which it is financially responsible from the market and must make payments to AEMO for such electricity supplied at the connection point as determined for each trading interval in accordance with the provisions of Chapter 3.*

[2] Clause 3.15.1 Settlements management by AEMO

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

[3] Clause 3.15.1 Settlements management by AEMO

In clause 3.15.1(a)(5), omit "." and substitute "; and".

[4] Clause 3.15.1 Settlements management by AEMO

After clause 3.15.1(a)(5), insert:

- (6) under clause 3.21.3.

[5] Clause 3.15.22 Maximum total payment in respect of a billing period

In clause 3.15.22(a)(1), after "clause 3.15.6", insert ", trading amounts in respect of SAPS energy in accordance with clause 3.21.3".

[6] Clause 3.15.22 Maximum total payment in respect of a billing period

In clause 3.15.22(a)(4), after "clauses 3.15.6", insert ", 3.21.3".

[7] Clause 3.15.22 Maximum total payment in respect of a billing period

In clause 3.15.22(b), after "*spot market transactions*", insert ", *SAPS energy transactions*".

[8] Clause 3.15.22 Maximum total payment in respect of a billing period

In clause 3.15.22(c), after each instance of "*spot market transactions*", insert ", *SAPS energy transactions*".

[9] New rule 3.21 Regulated stand-alone power systems

After rule 3.20, insert a new rule:

3.21 Regulated stand-alone power systems

3.21.1 Application of this Chapter to a regulated SAPS

- (a) This Chapter applies in respect of *regulated SAPS, SAPS energy, SAPS Participants, SAPS facilities and connection points* in a *regulated SAPS* in the manner provided for in this rule.
- (b) In addition to this rule, the following provisions apply in respect of *regulated SAPS, SAPS energy, SAPS energy transactions, SAPS Participants, SAPS facilities and connection points* in a *regulated SAPS*:
 - (1) rule 3.3 including the calculation of *outstandings* of each *Market Participant* that is also a *SAPS Participant* taking into account *trading amounts* for *SAPS energy transactions* and other transactions (if any);
 - (2) rule 3.15.3 for the purposes of determining the *Market Participant* that is *financially responsible* for a *connection point* in a *regulated SAPS*;
 - (3) the arrangements in clauses 3.15.12 to 3.15.25, so that for *settlements* and related matters *trading amounts* for *SAPS energy transactions* are taken into account with other *trading amounts*; and
 - (4) the arrangements in rule 3.19 for access to the *market management systems*.
- (c) Except as provided for in this rule, this Chapter does not apply in respect of a *regulated SAPS, SAPS energy, SAPS energy transactions, SAPS Participants, SAPS facilities or connection points* in a *regulated SAPS*.

3.21.2 Determination of the SAPS settlement price

- (a) The *SAPS settlement price* for a *regional reference node* for a *financial year* is equal to 80% of the average *regional reference price* for the *regional reference node* for the prior *financial year*.
- (b) For the purposes of paragraph (a), the average is calculated by adding the *regional reference prices* for the node for all *trading intervals* in the prior *financial year* and dividing the result by the number of *trading intervals* in the *financial year*.
- (c) AEMO must as soon as practicable after the start of a *financial year* determine and *publish* the *SAPS settlement price* for each *regional reference node* for the *financial year*.

3.21.3 SAPS trading amount

- (a) In each *trading interval*, in relation to each *connection point* in a *regulated SAPS* for which a *Market Participant* is *financially responsible*, a transaction occurs, which results in a *trading amount* for that *Market Participant* determined in accordance with the formula:

$$TA = ME \times SAPSSP$$

where:

TA = the *trading amount* to be determined (which will be a positive or negative dollar amount for each *trading interval*);

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 *stand-alone distribution system* in the *regulated SAPS* and a negative value where the flow is in the other direction); and

SAPSSP = the *SAPS settlement price* for the *financial year* in which the *trading interval* falls and the *regional reference node* for the *region* in which the *regulated SAPS* is located expressed in dollars per MWh.

- (b) For the purposes of calculating ME under paragraph (a), for a *market connection point* for a *market generating unit*, *calculated metering data* must be used.

- (c) A *trading amount* calculated under paragraph (a) for a *trading interval* must be included in the calculation of the *settlement amount* under clause 3.15.12.

[10] Chapter 10 New definitions

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

SAPS energy

Electrical *energy* flowing at a *connection point* (including a *child connection point*) in a *regulated SAPS*.

SAPS energy transaction

A transaction as defined pursuant to clause 3.21.3 which occurs in relation to *SAPS energy*.

SAPS settlement price

For a *trading interval*, the price determined in accordance with clause 3.21.2 to be the *SAPS settlement price* for the *financial year* in which the *trading interval* falls.

[11] Chapter 10 Amended definition

In the definition of "*aggregate payment due*", omit " or reallocation transactions" and substitute ", reallocation transactions or *SAPS energy transactions*".

[12] Chapter 10 Amended definition

At the end of the definition of "*market*", insert as a second paragraph "A *market* includes the arrangements in rule 3.21 for the sale and purchase of *SAPS energy*."

[13] Chapter 10 Amended definition

In the definition of "*potential value*", after the first occurrence of "*Market Participant*", insert "(other than a *SAPS energy transaction*)".

[14] Chapter 10 Amended definition

At the end of the definition of "*potential value*", insert as a second paragraph "In relation to a *SAPS energy transaction* for a *Market Participant*, the dollar amount determined by the procedure in clause 3.3.14 but using the applicable *SAPS settlement price* in place of the *scheduled high price* and *scheduled low price*."

[15] Chapter 10 Amended definition

In the definition of "*trading amount*", omit " or 3.15.11" and substitute ", 3.15.11 or 3.21.3".

[16] Chapter 10 Amended definition

In the definition of "*transaction*", after "reallocation transaction", insert ", *SAPS energy transaction*".

Schedule 3 Savings and Transitional Amendment to the National Electricity Rules

(Clause 5)

[1] New Part ZZZZR Distributor-led SAPS

In chapter 11, after Part ZZZZQ, insert:

Part ZZZZR Distributor-led SAPS

11.142 Rules consequential on the making of the National Electricity Amendment (Regulated stand-alone power systems) Rule 2022

11.142.1 Definitions

(a) In this rule 11.142:

Amending Rule means the *National Electricity Amendment (Regulated stand-alone power systems) Rule 2022*.

first effective date means the date of commencement of Schedule 1 of the Amending Rule.

net generation revenue for a SAPS generating system for a period is the total of the *trading amounts* received under Chapter 3 for electricity from the SAPS generating system in that period less the total of the *trading amounts* paid under Chapter 3 for electricity consumed by the SAPS generating system in that period.

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

new clause 5.13B.2 means clause 5.13B.2 as in force immediately after the first effective date.

SAPS application date means the date from which a network becomes a *SAPS enabled network*.

SAPS generating system means a *generating system connected to a stand-alone distribution system in a regulated SAPS*.

second effective date means the date of commencement of Schedule 2 of the Amending Rule.

transitional SAPS settlement period means the period commencing on the first effective date and ending immediately before the second effective date.

(b) Italicised terms used in this rule 11.142 have the same meaning as in new Chapter 10.

11.142.2 Amendments to AEMO documents for the first effective date

- (a) By the first effective date, *AEMO* must review and where necessary amend and *publish* the following documents to take into account the Amending Rule:
 - (1) the *metrology procedure*; and
 - (2) the *service level procedures*.
- (b) Amendments made in accordance with paragraph (a) must take effect on and from the first effective date.
- (c) By the first effective date, *AEMO* must review guidelines made for the purposes of clause 7.16.8 and if necessary consult with the National Measurement Institute about amendments to the guidelines to take into account the Amending Rule.

11.142.3 Amendments to AEMO documents for the second effective date

- (a) By the second effective date, *AEMO* must review and where necessary amend and *publish* the following documents to take into account the Amending Rule:
 - (1) the generator registration exemption guidelines made by *AEMO* under clause 2.2.1(c);
 - (2) the credit limit procedures made by *AEMO* under clause 3.3.8(c);
 - (3) the *Market Management Systems Access Procedures*;
 - (4) the *PoLR costs procedures*; and
 - (5) the *Reliability Forecast Guidelines*.
- (b) Amendments made in accordance with paragraph (a) must take effect on and from the second effective date.

11.142.4 Amendments to AER documents for the first effective date

- (a) By the first effective date, the *AER* must review and where necessary amend and *publish* the following documents to take into account the Amending Rule:
 - (1) the regulatory investment test for distribution application guidelines made by the *AER* under clause 5.17.2;
 - (2) the *connection charge guidelines* made by the *AER* under clause 5A.E.3;
 - (3) the *Distribution Service Classification Guidelines*;
 - (4) the *Asset Exemption Guidelines*;

- (5) the *Cost Allocation Guidelines*;
 - (6) the *Distribution Ring-Fencing Guidelines*;
 - (7) the *Distribution Reliability Measures Guidelines*;
 - (8) the Forecasting Best Practice Guidelines made by the AER under clause 4A.B.5;
 - (9) the Contracts and Firmness Guidelines made by the AER in accordance with clause 4A.E.8;
 - (10) the Reliability Compliance Procedures and Guidelines (as defined in the *NEL*); and
 - (11) the MLO Guidelines made by the AER under clause 4A.G.25.
- (b) Amendments made in accordance with paragraph (a) must take effect on and from the first effective date.

11.142.5 Amendments to the Shared Asset Guidelines

- (a) By 1 July 2025, the AER must review and where necessary amend and *publish* the *Shared Asset Guidelines* to take into account the Amending Rule.
- (b) Amendments made in accordance with paragraph (a):
- (1) must take effect on and from the date specified in that paragraph or any earlier time specified by the AER when it makes the *Shared Asset Guidelines*; and
 - (2) may take effect at different times in relation to different *Distribution Network Service Providers* to take into account the timing of distribution determinations.
- (c) Paragraph (d):
- (1) applies in relation to a *Distribution Network Service Provider* if at any time after the first effective date the *regulatory asset base* of the *Distribution Network Service Provider* includes a SAPS generating system; and
 - (2) ceases to apply in relation to a *Distribution Network Service Provider* referred to in subparagraph (1) when the amendments made in accordance with paragraph (a) take effect in relation to the *Distribution Network Service Provider*.
- (d) If this paragraph applies in relation to a *Distribution Network Service Provider*, the AER must, in each distribution determination for the *Distribution Network Service Provider* made after the first effective date:
- (1) determine the net generation revenue for the previous *regulatory control period* for the SAPS generating systems included in the

Distribution Network Service Provider's regulatory asset base;
and

- (2) if that amount is positive, deduct the amount from the *annual revenue requirement* for the *Distribution Network Service Provider* for the first *regulatory year* in the relevant *regulatory control period*.
- (e) The deduction under paragraph (d) applies in addition to any other reduction to the *annual revenue requirement* for a *Distribution Network Service Provider* made in accordance with clause 6.4.4 and the *Shared Asset Guidelines*.

11.142.6 Industry engagement obligations

- (a) A *Distribution Network Service Provider* for a *SAPS enabled network* must, by the date determined under paragraph (c), review and where necessary amend and *publish* its *industry engagement strategy* and *industry engagement document* to take into account the Amending Rule.
- (b) A *Distribution Network Service Provider* for a *SAPS enabled network* must, in accordance with new clause 5.13B.2 and by the date determined under paragraph (c):
 - (1) develop its initial *SAPS customer engagement strategy*; and
 - (2) develop and *publish* its initial *SAPS customer engagement document*.
- (c) The date for completion of the activities required under paragraph (a) and (b) is the later of:
 - (1) the *SAPS application date* for the *SAPS enabled network*; and
 - (2) the date falling 6 months after the making of jurisdictional legislation or other instrument by reason of which the *Distribution Network Service Provider's network* became a *SAPS enabled network*.

11.142.7 Registrations after the first effective date

In performing its functions and powers under Chapter 2 as in force immediately after the first effective date, *AEMO* must also have regard to the provisions in the Amending Rule that commence on the second effective date.

11.142.8 Settlement between first and second effective dates

- (a) For each *trading interval* in the transitional *SAPS settlement period*:
 - (1) *AEMO* must exclude from *settlements* each *connection point* in a *regulated SAPS* for which a *SAPS Resource Provider* is *financially responsible*; and

- (2) for a *connection point* in a *regulated SAPS* for which a *Market Participant* other than a *SAPS Resource Provider* is *financially responsible*, the *trading amount* for the *trading interval* must be calculated in accordance with clause 3.15.5.
- (b) Despite paragraph (a)(1), in relation to any *regulated SAPS* commissioned during the transitional *SAPS* settlement period, the relevant *Distribution Network Service Provider* must ensure that the *financially responsible Market Participant* for each *connection point* in the *regulated SAPS* complies with clause 7.2.1 with respect to the *connection point* before any *connection point* in the *regulated SAPS* participates in the *market* after the date of commissioning.
- (c) For each *regulated SAPS* commissioned during the transitional *SAPS* settlement period, the relevant *Distribution Network Service Provider* must provide to *AEMO* no later than two *business days* after the end of the transitional *SAPS* settlement period a list of the *NMIs* for each *connection point* in the *regulated SAPS*.