



## **National Electricity Amendment (Enhancing investment certainty in the R1 process) Rule 2024 No. 13**

The Australian Energy Market Commission makes the following Rule 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 *National Electricity (New South Wales) Act 1997* of New South Wales;
- (e) the *Electricity - National Scheme (Tasmania) Act 1999* of Tasmania;
- (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.

Anna Collyer  
Chairperson  
Australian Energy Market Commission

## **National Electricity Amendment (Enhancing investment certainty in the R1 process) Rule 2024 No. 13**

### **1 Title of Rule**

This Rule is the *National Electricity Amendment (Enhancing investment certainty in the R1 process) Rule 2024 No. 13*.

### **2 Commencement**

This Rule commences operation on 11 July 2024.

### **3 Amendment to the National Electricity Rules**

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

### **4 Savings and Transitional Amendment to the National Electricity Rules**

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

## **Schedule 1      Amendment to the National Electricity Rules**

(Clause 3)

### **[1] Clause 2.1.3      Registration information resource and guidelines**

In clause 2.1.3(a), after "Chapter 2", insert "and with *AEMO* and the *Network Service Provider* pursuant to clause 5.3.7A".

### **[2] Clause 2.1.3      Registration information resource and guidelines**

Omit clause 2.1.3(b)(4) and (5) and substitute:

- (4) the circumstances under which *AEMO* will impose terms and conditions of registration, classification or exemption (where it is permitted to do so under other provisions of this Chapter), and the nature of those terms and conditions;
- (5) the information to be contained in *energy conversion models*; and

### **[3] Clause 2.1.3      Registration information resource and guidelines**

In clause 2.1.3, following clause 2.1.3(b)(5) insert:

- (6) the process for the *capability assessment*, including:
  - (i) the data and information that the *Connection Applicant* must provide to *AEMO* and the *Network Service Provider* under clause 5.3.7A(c), being data and information:
    - (A) required under the *Rules* (including schedule 5.2, 5.3 or 5.3a);
    - (B) in connection with the *performance standards*; or
    - (C) otherwise required for *AEMO* to assess whether the *generating system, integrated resource system* or *performance standards* has an adverse effect on *power system security* or the quality of *supply* for other *Network Users*;
  - (ii) examples of the circumstances in which *AEMO* or the *Network Service Provider* may request additional data and information from the *Connection Applicant* under clause 5.3.7A(f), and if that request is made, examples of data and information the *Connection Applicant* may provide in response under clause 5.3.7A(h)(2) to satisfy *AEMO* and the *Network Service Provider*;

- (iii) how *AEMO* may assess, and the matters *AEMO* may take into account in assessing:
  - (A) the data and information provided by the *Connection Applicant* under clause 5.3.7A(c) or 5.3.7A(h)(2); and
  - (B) whether the *generating system, integrated resource system* or *performance standards* has an adverse effect on *power system security* or the quality of *supply* for other *Network Users*, with reference to the relevant *access standards*; and
- (iv) any other matters *AEMO* considers relevant in describing the process for the *capability assessment*.

#### **[4] Clause 2.1.3      Registration information resource and guidelines**

Omit clause 2.1.3(d) and substitute:

- (d) Subject to paragraph (e), *AEMO* must, in accordance with the *Rules consultation procedures*, consult on amendments to all materials in the *registration information resource and guidelines* that relate to:
  - (1) the process for applying for an exemption under clause 2.1A.2 from the requirement to register in accordance with clause 2.1A.1, and the matters *AEMO* will take into account when assessing such applications;
  - (2) the circumstances under which *AEMO* will impose terms and conditions in relation to classification under any of the following clauses, and the nature of those terms and conditions:
    - (i) clause 2.2.2(b1), (b3) or (b4);
    - (ii) clause 2.2.3(c);
    - (iii) clause 2.2.7(c1);
    - (iv) clause 2.3.6(g); and
    - (v) clause 2.3D.1(g);
  - (2A) the circumstances under which *AEMO* will agree to terms and conditions in relation to registration under any of the following clauses, and the nature of those terms and conditions:
    - (i) clause 2.1B.1(c); and
    - (ii) clause 2.1B.2(b)(4);
  - (3) the information to be contained in *energy conversion models*; and

- (4) the process for the *capability assessment*.

**[5] Clause 2.1B.1 Registration in relation to the sale or purchase of electricity and services**

Omit clause 2.1B.1(c) and substitute:

- (c) obtain a notice under clause 5.3.7A(k) that *AEMO* is, subject to such terms and conditions as *AEMO* may agree with the person in accordance with the *registration information resource and guidelines*, satisfied that the *generating system* will be capable of meeting or exceeding its *performance standards*; and

**[6] Clause 2.1B.2 Registration as an Integrated Resource Provider**

Omit clause 2.1B.2(b)(4) and substitute:

- (4) obtain a notice under clause 5.3.7A(k) that *AEMO* is, subject to such terms and conditions as *AEMO* may agree with the person in accordance with the *registration information resource and guidelines*, satisfied that the *integrated resource system* or *generating system* will be capable of meeting or exceeding its *performance standards*.

**[7] Clause 5.3.4A Negotiated access standards**

Omit clause 5.3.4A(b)(1A) and substitute:

- (1A) with respect to a submission by a *Generator* or *Integrated Resource Provider* under clause 5.3.9(b)(3), a submission by a *Network User* or *Market Network Service Provider* under clause 5.3.12(b)(3), or a proposed amendment under clause 4.14(p), be, if the *performance standard* for that technical requirement is below the *minimum access standard*, no less onerous than the *performance standard* that corresponds to the technical requirement that is affected by the alteration to the *generating system* or *integrated resource system* or *plant* (as applicable), unless otherwise as agreed by *AEMO* and the *Network Service Provider*;

**[8] Clause 5.3.4A Negotiated access standards**

In clause 5.3.4A(4), before "in respect of", insert "subject to subparagraph (1A), ".

**[9] Clause 5.3.7A Satisfaction of capability to meet or exceed performance standards**

After clause 5.3.7 insert:

### 5.3.7A Capability assessment for registration eligibility

- (a) This clause sets out the process for *AEMO's* assessment of the capability of a *generation system* or *integrated resource system* to meet or exceed its *performance standards* for a *Connection Applicant* to be eligible to register as a *Generator* under clause 2.1B.1 or as an *Integrated Resource Provider* under clause 2.1B.2 (***capability assessment***).
- (b) Following execution of the *connection agreement*, the *Connection Applicant* must request that *AEMO* conduct the *capability assessment*.
- (c) The *Connection Applicant* must provide the following data and information to *AEMO* and the *Network Service Provider* in making a request under paragraph (b):
  - (1) “Registered Data (R1 pre-connection)” which is described in clause S5.5.2 and denoted by the data category “R1” in Schedule 5.5 as required by *AEMO* from time to time (unless otherwise specified in the *registration information resource and guidelines*); and
  - (2) any other data and information required to be provided under the *registration information resource and guidelines*.
- (d) Within 5 *business days* after receiving a request under paragraph (b), *AEMO* must provide the *Connection Applicant* with written acknowledgment of receipt of the request and if the data and information provided by the *Connection Application*:
  - (1) complies with the requirements of paragraph (c), provide written confirmation that it will commence the *capability assessment*; or
  - (2) does not comply with the requirements of paragraph (c), provide details of the non-compliance.
- (e) If subparagraph (d)(2) applies, then:
  - (1) the *Connection Applicant* must provide the required data and information within a reasonable period after receiving details of the non-compliance under subparagraph (d)(2); and
  - (2) within 5 *business days* after receiving from the *Connection Applicant* data and information that complies with the requirements of paragraph (c), *AEMO* must provide the *Connection Applicant* with written confirmation that it will commence the *capability assessment*.
- (f) In conducting the *capability assessment*, *AEMO* or the *Network Service Provider* may request that the *Connection Applicant* prepare and provide additional data and information in accordance with *registration information resource and guidelines*.

- (g) A request under paragraph (f) must be accompanied by written reasons for *AEMO* or the *Network Service Provider* requesting additional data and information from the *Connection Applicant* with reference to relevant requirements of the *registration information resource and guidelines*.
- (h) Following receipt of a request under paragraph (f):
  - (1) the *Connection Applicant* may request that *AEMO* or the *Network Service Provider* provide further clarification for its request under paragraph (f) pursuant to the guidance provided by *AEMO* in respect of the matter described in clause 2.1.3(b)(6)(iii), in which case *AEMO* or the *Network Service Provider* (as relevant) must provide the requested clarification within 5 *business days* after receiving the *Connection Applicant's* request for further clarification under this subparagraph (1); and
  - (2) the *Connection Applicant* must provide the requested data and information to *AEMO* and the *Network Service Provider* within a reasonable period after receiving the request under paragraph (f) or further clarification under subparagraph (1).
- (i) In conducting the *capability assessment*:
  - (1) *AEMO* must consult with the *Network Service Provider*; and
  - (2) subject to complying with applicable confidentiality obligations, *AEMO* and the *Network Service Provider* must use reasonable endeavours to share data and information with each other for the purposes of conducting the *capability assessment*.
- (j) Within 60 *business days* after the confirmation under subparagraph (d)(1) or (e)(2), *AEMO* must either:
  - (1) if *AEMO* is satisfied of the capability of the *generating system* or the *integrated resource system* (as applicable) to meet or exceed its *performance standards*, issue a notice to the *Connection Applicant* under subparagraph (k)(1);
  - (2) if *AEMO* would be satisfied of the capability of the *generating system* or the *integrated resource system* (as applicable) to meet or exceed its *performance standards* subject to terms and conditions to be agreed between *AEMO* and *Connection Applicant*, in accordance with the *registration information resource and guidelines*, issue a notice to the *Connection Applicant* under subparagraph (k)(2); or
  - (3) in all other cases, provide a written update on the status of the *capability assessment* and the next steps for the assessment, including details of any outstanding request for additional data and information under paragraph (f).



(k) Within 5 *business days* after completing the *capability assessment* and being satisfied of:

- (1) the capability of the *generating system* or the *integrated resource system* (as applicable) to meet or exceed its *performance standards*; or
- (2) the capability of the *generating system* or the *integrated resource system* (as applicable) to meet or exceed its *performance standards* subject to terms and conditions to be agreed between *AEMO* and the *Connection Applicant* in accordance with the *registration information resource and guidelines*,

*AEMO* must notify the *Connection Applicant* in writing that the assessment has been completed, and if applicable set out any terms and conditions referred to in subparagraph (2).

### **[10] Clause 5.3.8 Provision and use of information**

Omit clause 5.3.8(b)(2) and substitute:

- (2) either party to:
  - (i) assess the effect of a proposed *facility* or proposed alteration to *generating plant* (as the case may be) on:
    - (A) the performance of the *power system*; or
    - (B) another proposed *facility* or another proposed alteration;
  - (ii) assess proposed *negotiated access standards*;
  - (iii) determine the extent of any required *augmentation* or *extension* or *system strength connection works*;
  - (iv) assess *system strength remediation scheme* proposals; or
  - (v) conduct the *capability assessment*.

### **[11] Clause 5.3.8 Provision and use of information**

After clause 5.3.8(e), insert:

- (e1) If a *Connection Applicant* becomes aware of any material change to any data or information provided to *AEMO* and the *Network Service Provider* under clause 5.3.7A, that *Connection Applicant* must promptly notify *AEMO* and the *Network Service Provider* of that change.

### **[12] Chapter 10 Glossary**

In Chapter 10, insert the following new definition in alphabetical order:



***capability assessment***

Has the meaning given in clause 5.3.7A(a).

## **Schedule 2            Savings and Transitional Amendment to the National Electricity Rules**

(Clause 4)

### **[1] New Rule 11.171 Enhancing investment certainty in the R1 process**

In chapter 11, after rule 11.170, insert:

#### **11.171 Rules consequential on the making of the National Electricity Amendment (Enhancing investment certainty in the R1 process) Rule 2024**

##### **11.171.1 Definitions**

(a) For the purposes of this rule 11.171:

**Amending Rule** means the *National Electricity Amendment (Enhancing investment certainty in the R1 process) Rule 2024*.

**effective date** means 11 July 2024.

**new Chapter 5** means Chapter 5 as in force on and from the effective date.

**new clause 5.3.7A** means clause 5.3.7A of new Chapter 5.

(b) Italicised terms used in this rule 11.171 have the same meaning as in Chapter 10.

##### **11.171.2 Application of Amending Rule to registration information resource and guidelines**

By no later than 1 March 2025, *AEMO* must develop and publish the *registration and information resource guidelines* that relate to the process for the *capability assessment* under clause 5.3.7A in accordance with clause 2.1.3(b)(6).

##### **11.171.3 Current capability assessment**

New clause 5.3.7A does not apply where *AEMO* commenced its assessment of the capability of a *generating system* or *integrated resource system* to meet or exceed its *performance standards* before the effective date.

##### **11.171.4 Interim capability assessment**

If a *Connection Applicant* requests that *AEMO* conduct the *capability assessment* on or after the effective date, but before *AEMO* publishes the *registration and information resource guidelines* that relate to the process for the *capability assessment* under clause 5.3.7A in accordance with clause 2.1.3(b)(6), then:

(a) the reference to "the *registration information resource and guidelines*" in clause 5.3.7A(c) is to any relevant requirements under the

*registration information resource guidelines published by AEMO as at the date of the capability assessment (existing guidelines);*

- (b) *AEMO and the Network Service Provider may request additional data and information from the Connection Applicant under clause 5.3.7A(f) notwithstanding that the existing guidelines may not provide any guidance in respect of the matter described in clause 2.1.3(b)(6)(ii), provided that AEMO and the Network Service Provider (as relevant) comply with paragraph (c);*
- (c) *a request under clause 5.3.7A(f) must be accompanied by written reasons for AEMO or the Network Service Provider requesting additional data and information from the Connection Applicant with reference to relevant requirements:*
  - (1) *under the Rules (including schedule 5.2, 5.3 or 5.3a);*
  - (2) *in connection with the performance standards;*
  - (3) *otherwise required for AEMO to assess whether the generating system, integrated resource system or performance standards has an adverse effect on power system security or the quality of supply for other Network Users; or*
  - (4) *under the existing guidelines;*
- (d) *clause 5.3.7A(g) does not apply; and*
- (e) *the Connection Applicant may request further clarification under clause 5.3.7A(h)(1) notwithstanding that the existing guidelines may not provide any guidance in respect of the matter described in clause 2.1.3(b)(6)(iii).*

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[END OF RULE AS MADE]

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