



Draft National Electricity Amendment (Integrating price-responsive resources into the NEM) Rule 2024

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

Draft National Electricity Amendment (Integrating price-responsive resources into the NEM) Rule 2024

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Integrating price-responsive resources into the NEM) Rule 2024*.

2 Commencement

Schedule 1 of this Rule commences operation on [5 November 2026].

Schedule 2 of this Rule commences operation on [7 January 2027].

Schedule 3 of this Rule commences operation on [1 January 2026].

Schedule 4 of this Rule commences operation on [30 January 2025].

Schedule 5 of this Rule commences operation on [30 January 2025].

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 Savings and Transitional Amendment to the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.7.3 Short term PASA

In clause 3.7.3(h)(2), after "*scheduled generating units, scheduled bidirectional units,*" insert "*voluntarily scheduled resources, inactive voluntarily scheduled resources,*".

[2] Clause 3.7.3 Short term PASA

In clause 3.7.3(k)(3), after "*scheduled generating units, scheduled bidirectional units,*" insert "*inactive voluntarily scheduled resources, voluntarily scheduled resources,*".

[3] Rule 3.7D Demand side participation information

In rule 3.7D(a), omit the definition of "**contracted demand side participation**" and substitute the following:

contracted demand side participation means, in relation to a *Registered Participant*, a contractual arrangement under which a person and the *Registered Participant* agree to:

- (1) the adjustment of *non-scheduled load* or the provision of unscheduled generation in certain specified circumstances,
- (2) the provision of *wholesale demand response* by a *wholesale demand response unit*; or
- (3) the use of a *qualifying resource* as a *voluntarily scheduled resource*.

[4] Rule 3.7G Enhancing reserve information

Omit rule 3.7G(a) and substitute the following:

(a) In this rule:

battery means each of the following:

- (1) a *scheduled bidirectional unit*, excluding a *pumped hydro production unit*; and
- (2) a *voluntarily scheduled resource* to the extent the *qualifying resource* is a *market bidirectional unit* that is a *non-scheduled bidirectional unit*.

[5] Rule 3.7G Enhancing reserve information

Omit rule 3.7G(c) and substitute the following:

- (c) At the commencement of each *trading day*, *AEMO* must prepare and publish for that *trading day*, the combined total daily energy availability (in MWh) aggregated by *region* comprising:

- (1) all *scheduled generating units*;
- (2) all *scheduled bidirectional units* to the extent they comprise a *pumped hydro production unit*; and
- (3) all *voluntarily scheduled resources* to the extent the *qualifying resources* are *market bidirectional units* that are *non-scheduled bidirectional units*,

that are subject to *energy constraints*.

[6] Clause 3.8.2 Participation in central dispatch

Omit clause 3.8.2(a) (excluding the note) and substitute the following:

- (a) A *Generator, Integrated Resource Provider* or *Voluntarily Scheduled Resource Provider* must submit *dispatch bids* in respect of its *scheduled generating units, semi-scheduled generating units, scheduled bidirectional units* or *voluntarily scheduled resources* (as the case may be) for each *trading day* in accordance with clause 3.8.6.

[7] Clause 3.8.2B Voluntarily scheduled resource participation in central dispatch

After clause 3.8.2A, insert a new clause 3.8.2B as follows:

3.8.2B Voluntarily scheduled resource participation in central dispatch

- (a) A *Voluntarily Scheduled Resource Provider* must submit a *dispatch bid* in respect of its *voluntarily scheduled resource* (including an *inactive voluntarily scheduled resource*) for each *trading day* in accordance with clause 3.8.6 and its *VSR participation agreement*.
- (b) A *Voluntarily Scheduled Resource Provider* for an *inactive voluntarily scheduled resource* participates in *central dispatch* in accordance with the modifications in clauses 3.10A.2(e), (f) and (g).
- (c) A *Voluntarily Scheduled Resource Provider* for a *hibernated voluntarily scheduled resource* does not participate in *central dispatch* and is not required to submit *dispatch bids* in respect of its *hibernated voluntarily scheduled resource*.

[8] Clause 3.8.3 Central dispatch aggregation guidelines

After clause 3.8.3(a2), insert a new clause 3.8.3(a3) as follows:

- (a3) A *Voluntarily Scheduled Resource Provider* whose *qualifying resources* have been approved for nomination in accordance with clause 3.10A.1 and who wishes to aggregate two or more *voluntarily scheduled resources* so they are treated as one *voluntarily scheduled*

resource for the purposes of *central dispatch* must apply to *AEMO* to do so in accordance with this clause.

[9] Clause 3.8.3 Central dispatch aggregation guidelines

After clause 3.8.3(b4), insert a new clause 3.8.3(b5) as follows:

- (b5) *AEMO* must approve applications for aggregation made under paragraph (a3) if the following conditions are fulfilled:
 - (1) aggregated *voluntarily scheduled resources* must be *connected* within a single *region* and must be operated by a single person in its capacity as a *Voluntarily Scheduled Resource Provider*;
 - (2) *power system security* must not be materially affected by the proposed aggregation;
 - (3) each *voluntarily scheduled resource* forming part of the aggregated *voluntarily scheduled resource* must satisfy the requirements of clause 3.10A.1(f) after aggregation; and
 - (4) each other requirement for aggregation in the *voluntarily scheduled resource guidelines* must have been satisfied in respect of the proposed aggregation.

[10] Clause 3.8.3 Central dispatch aggregation guidelines

After clause 3.8.3(b5), insert new clauses 3.8.3(b6) and 3.8.3(b7) as follows:

- (b6) If *AEMO* approves an application for aggregation made under paragraph (a3), *AEMO* may impose on the relevant *Voluntarily Scheduled Resource Provider* such terms and conditions as *AEMO* determines, which may include the circumstances in which *AEMO* may require an aggregated *voluntarily scheduled resource* to be disaggregated.
- (b7) A *Voluntarily Scheduled Resource Provider* must comply with any conditions imposed by *AEMO* under paragraph (b6) in respect of its *voluntarily scheduled resource*.

[11] Clause 3.8.3 Central dispatch aggregation guidelines

Omit clause 3.8.3(e) and substitute the following:

- (d1) For the purposes of Chapter 3 and rule 4.9, a reference to *voluntarily scheduled resource* is always taken as a reference to the aggregated *voluntarily scheduled resource* where it has been aggregated in accordance with this clause 3.8.3.
- (e) Except to the extent paragraph (e1) applies, *AEMO* must evaluate applications for aggregation and reply within 20 *business days* of

receipt of the application setting out whether the application is to be approved and the conditions that apply to the proposed approval.

- (e1) *AEMO* must evaluate applications for aggregation of *voluntarily scheduled resources* in accordance with the process specified in the *voluntarily scheduled resource guidelines*.

[12] Clause 3.8.3 Central dispatch aggregation guidelines

After clause 3.8.3(f1), insert a new clause 3.8.3(f2) as follows:

- (f2) *Voluntarily Scheduled Resource Providers* that have been granted aggregated status with respect to *voluntarily scheduled resources* must, if required by *AEMO* in the circumstances specified in the *voluntarily scheduled resource guidelines*, declare individual *voluntarily scheduled resource* 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.

[13] Clause 3.8.3A Ramp rates

In clause 3.8.3A(a)(2)(ii), after "clause 3.8.6(g)" insert "and 3.8.3(g1)".

[14] Clause 3.8.3A Ramp rates

In clause 3.8.3A(b), after "*scheduled bidirectional unit*" insert "and *voluntarily scheduled resource*".

[15] Clause 3.8.3A Ramp rates

Omit clause 3.8.3A(b)(1)(iv) and substitute the following:

- (iv) in the case of a *scheduled resource* that is aggregated in accordance with clause 3.8.3, the *minimum ramp rate* is equal to the *minimum ramp rate requirement* for the aggregated *scheduled resource* (and for the avoidance of doubt clause 3.8.3 does not apply to this subparagraph (iv)); and

[16] Clause 3.8.3A Ramp rates

In clause 3.8.3A(c)(1), after "*scheduled bidirectional unit*," insert "*voluntarily scheduled resource*,".

[17] Clause 3.8.3A Ramp rates

In clause 3.8.3A(d), after "*scheduled bidirectional unit*," insert "*voluntarily scheduled resource*,".

[18] Clause 3.8.3A Ramp rates

In clause 3.8.3A(j), after "*scheduled bidirectional unit*," insert "*voluntarily scheduled resource*,".

[19] Clause 3.8.4 Notification of scheduled capacity

Omit clause 3.8.4(c) and substitute the following:

- (c) for *scheduled generating units*, *scheduled bidirectional units* and *voluntarily scheduled resources*, two days ahead of each trading day:
 - (1) for a *scheduled generating unit*, a MW capacity profile that specifies the MW available for each of the 288 *trading intervals* in the *trading day*;
 - (1A) for a *scheduled bidirectional unit* and a *voluntarily scheduled resource*, for each of *generation* and *consumption*, a MW capacity profile that specifies the MW available for each of the 288 *trading intervals* in the *trading day*;
 - (2) estimated *commitment* or *decommitment* times for *scheduled generating units*;
 - (3) daily *energy* availability for *energy constrained scheduled generating units*, *energy constrained scheduled bidirectional units* and *voluntarily scheduled resources* with *energy constraints*;
 - (4) for a *scheduled generating unit*, an up *ramp rate* and a down *ramp rate*; and

Note

This paragraph is classified as a tier 1 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (5) for a *scheduled bidirectional unit* and a *voluntarily scheduled resource*, an up *ramp rate* and a down *ramp rate* for *generation* and an up *ramp rate* and a down *ramp rate* for *consumption* by, the *bidirectional unit* or the *voluntarily scheduled resource*;

[20] Clause 3.8.6 Dispatch bids - generating units and bidirectional units

In clause 3.8.6, omit the heading and substitute "**Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources**".

[21] Clause 3.8.6 Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources

Omit clause 3.8.6(a0) and substitute the following:

- (a0) A *Scheduled Generator*, *Semi-Scheduled Generator* and, *Scheduled Integrated Resource Provider* and *Voluntarily Scheduled Resource Provider* must comply with the applicable requirements of this clause 3.8.6 when submitting a *dispatch bid*.

[22] Clause 3.8.6 Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources

In clause 3.8.6, omit the heading above clause 3.8.6(g1) and substitute "Scheduled bidirectional units and voluntarily scheduled resources".

[23] Clause 3.8.6 Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources

Omit clause 3.8.6(g1) and substitute the following:

- (g1) A *dispatch bid* for a *scheduled bidirectional unit* or a *voluntarily scheduled resource* may contain up to 10 *price bands* for production from the *bidirectional unit* or a *voluntarily scheduled resource* and up to 10 *price bands* for consumption by the *bidirectional unit* or a *voluntarily scheduled resource* and must:
- (1) specify for each of the 288 *trading intervals* in the *trading day*:
 - (i) an incremental MW amount for each *price band* specified in the *dispatch bid*; and
 - (ii) an up *ramp rate* and a down *ramp rate* for *generation* and an up *ramp rate* and a down *ramp rate* for *consumption*; and
 - (2) specify a price for each *price band* specified in the *dispatch bid*, in dollars and whole cents per MWh, and this price is to apply to the *price band* throughout the *trading day*;

[24] Clause 3.8.6 Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources

After clause 3.8.6(g2), insert a new clause 3.8.6(g3) as follows:

- (g3) A *Voluntarily Scheduled Resource Provider's dispatch bid* must specify the daily energy available for *voluntarily scheduled resources* with *energy constraints*.

[25] Clause 3.8.6 Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources

In clause 3.8.6(h), omit "*semi-scheduled generating unit* or *scheduled bidirectional unit*" and substitute "*semi-scheduled generating unit, scheduled bidirectional unit* or *voluntarily scheduled resource*".

[26] Clause 3.8.6 Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources

Omit clause 3.8.6(h)(1) and substitute the following:

- (1) the MW quantities specified are to apply at the terminals of the *scheduled generating unit, semi-scheduled generating unit, scheduled bidirectional unit* or *voluntarily scheduled resource* or, with *AEMO's* agreement, at any other point in the relevant *Generator's, Scheduled Integrated Resource Provider's* or *Voluntarily Scheduled Resource Provider's* electrical installation or on the *network*;

[27] Clause 3.8.6 Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources

In clause 3.8.6(h)(3), omit "*semi-scheduled generating unit* or *scheduled bidirectional unit*" and substitute "*semi-scheduled generating unit, scheduled bidirectional unit* or *voluntarily scheduled resource*".

[28] Clause 3.8.6 Dispatch bids - generating units, bidirectional units and voluntarily scheduled resources

In clause 3.8.6(h)(3), omit the definition of "LF" and substitute the following:

LF where:

- (i) the *connection point* is a *transmission network connection point*, is the relevant *intra-regional loss factor* at that *connection point*;
- (ii) the *connection point* is a *distribution network connection point*, is the product of the *distribution loss factor* at that *connection point* and the relevant *intra-regional loss*

factor at the *transmission network connection point* to which it is assigned; or

- (iii) two or more *voluntarily scheduled resources* have been aggregated in accordance with clause 3.8.3, a *loss factor* determined in accordance with clause 3.10A.3(c)(1); and

[29] Clause 3.8.21 On-line dispatch process

Omit clause 3.8.21(m) and substitute the following:

- (m) Where the *central dispatch* process may have failed to *dispatch a scheduled resource* (other than a *wholesale demand response unit* or a *scheduled network service*) to maximise the joint value of *energy* and *ancillary services* due to the relevant *scheduled resource* operating outside its *enablement limit*, *AEMO* must notify the relevant *Market Participant* electronically on a confidential basis.

[30] Clause 3.8.22A Bids and rebids must not be false or misleading

Omit clause 3.8.22A(e)(2) and substitute the following:

- (2) the importance of *rebids* being made, where possible, in sufficient time to allow reasonable opportunity for other *Market Participants* to respond (including by making responsive *rebids*, by bringing one or more *generating units*, *bidirectional units* or *voluntarily scheduled resources* into operation, or adjusting the *loading level* of any *generating units*, *bidirectional units*, *load*, *wholesale demand response units* or *voluntarily scheduled resources*) prior to the commencement of the *trading interval* to which the *rebid* relates, and may have regard to any other relevant matter, including any of the matters referred to in subparagraphs (c)(1) to (5).

[31] Clause 3.8.23 Failure to conform to dispatch instructions excluding wholesale demand response units

In clause 3.8.23, omit the heading and substitute "**Failure to conform to dispatch instructions excluding wholesale demand response units and voluntarily scheduled resources**".

[32] Clause 3.8.23B Failure of voluntarily scheduled resources to conform to dispatch instructions

After clause 3.8.23A, insert a new clause 3.8.23B as follows:

3.8.23B Failure of voluntarily scheduled resources to conform to dispatch instructions

- (a) This clause does not apply to an *inactive voluntarily scheduled resource*.

Note

Inactive voluntarily scheduled resources are required to submit *dispatch bids* in accordance with clause 3.8.6 but are not required to follow *dispatch instructions*. See clauses 3.10A.2(c) and (g). *Hibernated voluntarily scheduled resources* do not participate in *central dispatch* at all. See clauses 3.10A.2(n) and (p).

- (b) If a *voluntarily scheduled resource* fails to respond to a *dispatch instruction* within a tolerable time and accuracy (as determined in *AEMO's* reasonable opinion), then the *voluntarily scheduled resource*:
- (1) is to be declared and identified as non-conforming; and
 - (2) cannot be used as the basis for setting *spot prices*.
- (c) If a *voluntarily scheduled resource* is declared as non-conforming under paragraph (b), then:
- (1) *AEMO* must advise the relevant *Market Participant* that the relevant *voluntarily scheduled resource* is identified as non-conforming, and request and log a reason for the non-compliance with the *dispatch instruction*;
 - (2) if, in *AEMO's* opinion, modification of *plant* parameters is necessary or desirable, *AEMO* must request the relevant *Market Participant* to submit modified *plant* parameters to satisfy *AEMO* that a realistic real time *dispatch* schedule can be carried out.
- (d) If a *voluntarily scheduled resource* is identified as non-conforming under paragraph (b), it continues to be non-conforming until:
- (1) the *Voluntarily Scheduled Resource Provider* responds to any requests under paragraph (c); and
 - (2) *AEMO* is satisfied that the *voluntarily scheduled resource* will respond to future *dispatch instructions* as required.
- (e) If a *voluntarily scheduled resource* is identified as non-conforming under paragraph (b), *AEMO* acting reasonably may, by notice to a *Voluntarily Scheduled Resource Provider*, require the *Voluntarily Scheduled Resource Provider* to limit the available capacity of the non-conforming *voluntarily scheduled resource* to a maximum figure determined by *AEMO* for so long as the *voluntarily scheduled resource* remains non-conforming.
- (f) A notice given under paragraph (e) remains in place until:

- (1) the *voluntarily scheduled resource* 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 *voluntarily scheduled resource* continues to be non-conforming after a reasonable period, *AEMO* must prepare a report setting out the details for the non-conformance and forward a copy to the *Voluntarily Scheduled Resource Provider* and the *AER*.

[33] Clause 3.9.1 Principles applicable to spot price determination

In clause 3.9.1(a)(3), after "*wholesale demand response unit*" insert ", *voluntarily scheduled resource*".

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

Omit clause 3.9.3(b1)(1) and substitute the following:

- (1) *energy* that is capable of being provided by any *generating unit*, *bidirectional unit* or *voluntarily scheduled resource* within a *region*;

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

In clause 3.9.3(b1)(2), omit "*generating unit* or *bidirectional unit*" and substitute "*generating unit*, *bidirectional unit* or *voluntarily scheduled resource*".

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

In clause 3.9.3(b2)(1), omit "*generating unit* or *bidirectional unit*" and substitute "*generating unit*, *bidirectional unit* or *voluntarily scheduled resource*".

[37] Rule 3.10A Voluntarily scheduled resources

After clause 3.9.7, insert a new rule 3.10A as follows:

3.10A Voluntarily scheduled resources

3.10A.1 Nominating voluntarily scheduled resources

Resources which may be nominated as a voluntarily scheduled resource

- (a) *Qualifying resource* means:

- (1) *a market generating unit that is a non-scheduled generating unit;*
 - (2) *a market bidirectional unit that is a non-scheduled bidirectional unit;*
 - (3) *a market -connection point that is non-scheduled load; or*
 - (4) *one or more small generating units or small bidirectional units (or any combination) at a small resource connection point classified as a market connection point in accordance with clause 2.2.8.*
- (b) Subject to paragraph (c), a person registered as a *Generator, Integrated Resource Provider* or *Market Customer*, in respect of one or more *qualifying resources*, may apply to *AEMO* to nominate its *qualifying resource* as a *voluntarily scheduled resource* under this clause, and may apply for two or more *voluntarily scheduled resources* to be aggregated as a single *voluntarily scheduled resource* under clause 3.8.3.

Application process to nominate a voluntarily scheduled resource

- (c) An application to nominate a *voluntarily scheduled resource* under paragraph (b) must be in the form prescribed by *AEMO* and must:
- (1) identify the *NMI* and *connection point* associated with the *qualifying resource*; and
 - (2) demonstrate how the *qualifying resource* meets the requirements specified in the *Voluntarily Scheduled Resource Guidelines*.
- (d) *AEMO* must, within 5 *business days* of receiving a nomination application under paragraph (b), 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.
- (e) If the further information or clarification required pursuant to paragraph (d) is not provided to *AEMO's* satisfaction within 15 *business days* of the request, *AEMO* may, on notice to the applicant at any time after expiry of that period, elect to treat the application as withdrawn and the applicant will be deemed to have withdrawn the application.
- (f) *AEMO* must, subject to paragraph (g), approve the application for nomination under paragraph (b), if *AEMO* is reasonably satisfied that:
- (1) the request is made in respect of a *qualifying resource*;

- (2) the applicant has submitted data in accordance with Schedule 3.1;
 - (3) the applicant has adequate communications and/or telemetry in place to support the exchange of required data for the *qualifying resource*; and
 - (4) the *qualifying resource* satisfies each other requirement in the *voluntarily scheduled resource guidelines* for nomination as a *voluntarily scheduled resource*.
- (g) *AEMO* must not give approval to a person under paragraph (f) in respect of a *qualifying resource* that is classified as a *voluntarily scheduled resource* by a different person.

Effect of approval for nomination as a voluntarily scheduled resource

- (h) If *AEMO* gives approval under paragraph (f) to nominate a *qualifying resource* as a *voluntarily scheduled resource*, then subject to subparagraph (i)(1):
- (1) the *voluntarily scheduled resource* is a *scheduled resource* (but does not become classified as a *scheduled generating unit* or *scheduled bidirectional unit*); and
 - (2) this approval substitutes the previous classification approved by *AEMO* under Chapter 2 of the *Rules* for that *qualifying resource* as a *non-scheduled generating unit*, *non-scheduled bidirectional unit* or *non-scheduled load* (as applicable).

Note

Approval of a *qualifying resource* as a *voluntarily scheduled resource* does not affect the classification of that resource as a *market generating unit*, *market bidirectional unit* or *market connection point* (as applicable).

- (i) During those periods where a *voluntarily scheduled resource* is:
- (1) a *hibernated voluntarily scheduled resource*, it will not be a *scheduled resource* and the requirements and exemptions in clause 3.10A.2(e) to (k) will apply; or
 - (2) an *inactive voluntarily scheduled resource*, the requirements and exemptions in clause 3.10A.2(p) to (v) will apply.
- (j) A person whose *qualifying resource* is approved for nomination as a *voluntarily scheduled resource* in accordance with paragraph (f), and if applicable, has been aggregated with other *voluntarily scheduled resources* as a single *voluntarily scheduled resource* under clause 3.8.3, is taken to be a *Voluntarily Scheduled Resource Provider* in so far as its activities relate to that *voluntarily scheduled resource*.
- (k) *AEMO* may approve the nomination of a *qualifying resource* as a *voluntarily scheduled resource* on such terms and conditions as

AEMO considers necessary to ensure the provisions of the *Rules* applying to *voluntarily scheduled resources* can be met.

- (l) A *Voluntarily Scheduled Resource Provider* must comply with any terms and conditions imposed by *AEMO* under paragraph (k) in respect of its *voluntarily scheduled resource*.

Note

The AEMC proposes to recommend that clause is classified as a Tier 1 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (m) A *Voluntarily Scheduled Resource Provider* must notify *AEMO*:
 - (1) immediately if the *Voluntarily Scheduled Resource Provider* ceases to be the *financially responsible Market Participant* for a *voluntarily scheduled resource*; or
 - (2) as soon as practicable, and in any event, no later than 10 *business days* after becoming aware that a *voluntarily scheduled resource* ceases to be a *qualifying resource*.

Note

The AEMC proposes to recommend that clause is classified as a Tier 1 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (n) If a *Voluntarily Scheduled Resource Provider* gives *AEMO* a notice under paragraph (m) in respect of a *voluntarily scheduled resource*, the *voluntarily scheduled resource* ceases to be a *voluntarily scheduled resource* from the time the relevant notice is given.
- (o) A *Voluntarily Scheduled Resource Provider* may (but is not required to) participate in the *VSR incentive mechanism* in accordance with clause 3.10A.4.
- (p) A *Market Participant* in respect of a *qualifying resource* may participate in the *VSR incentive mechanism* in accordance with clause 3.10A.4 prior to applying to *AEMO* to nominate its *qualifying resource* as a *voluntarily scheduled resource* under this clause.

Note

A successful *VSR incentive mechanism* participant is required to nominate its qualifying resource under this clause 3.10A.1 before it can receive participation payments. See clause 3.10A.4(k).

3.10A.2 Temporary deactivation and hibernation of voluntarily scheduled resources

- (a) In this clause:

approved deactivation period means the deactivation period approved by *AEMO* for an *inactive voluntarily scheduled resource* under sub-paragraph (e)(2).

approved hibernation period means the hibernation period approved by *AEMO* for a *hibernated voluntarily scheduled resource* under sub-paragraph (p)(2).

deactivation request means a request submitted to *AEMO* seeking approval for the temporary deactivation of a *voluntarily scheduled resource* under paragraph (b).

hibernation request means request submitted to *AEMO* seeking approval for the temporary hibernation of a *voluntarily scheduled resource* under paragraph (n).

reactivation request means a request submitted to *AEMO* under paragraph (h) seeking approval for the reactivation of an *inactive voluntarily scheduled resource* as a *voluntarily scheduled resource*.

resumption request means a request submitted to *AEMO* under sub-paragraph (q)(1) seeking approval for the resumption of a *hibernated voluntarily scheduled resource* as a *voluntarily scheduled resource*.

Deactivation and reactivation requests

- (b) A *Voluntarily Scheduled Resource Provider* may submit a deactivation request to *AEMO*.
- (c) A deactivation request submitted under paragraph (b) must:
 - (1) specify a period of at least one *trading interval* and of no more than 7 days during which the *voluntarily scheduled resource* will only partially participate in *central dispatch*;
 - (2) contain the information required by the *voluntarily scheduled resource guidelines*;
 - (3) be submitted to *AEMO* in accordance with the process specified in the *voluntarily scheduled resource guidelines*; and
 - (4) where the *voluntarily scheduled resource* has been aggregated in accordance with clause 3.8.3, apply to each individual *voluntarily scheduled resource* forming part of the aggregated *voluntarily scheduled resource*.
- (d) *AEMO* must approve or reject a deactivation request in accordance with the criteria specified in the *voluntarily scheduled resource guidelines*.
- (e) If *AEMO* approves a deactivation request under paragraph (d):
 - (1) *AEMO* must record the status of the *voluntarily scheduled resource* as an *inactive voluntarily scheduled resource* in accordance with the *voluntarily scheduled resource guidelines*;
 - (2) *AEMO* must record the approved deactivation period of the *inactive voluntarily scheduled resource*;

- (3) *AEMO* may impose conditions on the *inactive voluntarily scheduled resource* in accordance with the *voluntarily scheduled resource guidelines*; and
 - (4) the *Voluntarily Scheduled Resource Provider* remains a *Voluntarily Scheduled Resource Provider* in respect of the *voluntarily scheduled resource* and must continue to comply with the obligations for *voluntarily scheduled resources* under these *Rules*, except to the extent its *inactive voluntarily scheduled resource* is exempted from the application of a provision of the *Rules* in accordance with paragraph (g).
- (f) For the purposes of *central dispatch*, *AEMO*:
- (1) is not required to include *dispatch bids* submitted in respect of an *inactive voluntarily scheduled resource* in *central dispatch* or validate those *dispatch bids* in accordance with clause 3.8.8; and
 - (2) must specify, in the *voluntarily scheduled resource guidelines*, how an *inactive voluntarily scheduled resource* is to be treated by *AEMO*.
- (g) A *Voluntarily Scheduled Resource Provider* whose *voluntarily scheduled resource* is an *inactive voluntarily scheduled resource* is exempt from the application of:
- (1) the requirements in the *Rules* to conform to *dispatch instructions* including clause 3.8.23B;
 - (2) clause 3.8.22A; and
 - (3) clauses 4.8.9 and 4.9.2.
- (h) A *Voluntarily Scheduled Resource Provider* must, prior to the end of the approved deactivation period and in accordance with the *voluntarily scheduled resource guidelines*, submit a reactivation request.
- (i) *AEMO* must approve or reject a reactivation request in accordance with the criteria specified in the *voluntarily scheduled resource guidelines* and must provide reasons for any rejection.
- (j) If *AEMO* approves a reactivation request under paragraph (i):
- (1) *AEMO* must remove the status of the *voluntarily scheduled resource* as an *inactive voluntarily scheduled resource*; and
 - (2) the *Voluntarily Scheduled Resource Provider* is no longer exempt from the application of a provision of the *Rules* in accordance with paragraph (g).

- (k) If *Voluntarily Scheduled Resource Provider* fails to submit a reactivation request in accordance with paragraph (h), or if *AEMO* rejects a reactivation request in accordance with paragraph (i), then:
 - (1) the *inactive voluntarily scheduled resource* is automatically deemed to be a *hibernated voluntarily scheduled resource*; and
 - (2) the *Voluntarily Scheduled Resource Provider* must submit a hibernation request within 7 days that meets the requirements of paragraph (n) and, if applicable, addresses the reasons given by *AEMO* for rejecting the reactivation request.
- (l) If a *Voluntarily Scheduled Resource Provider* fails to submit a hibernation request in accordance with paragraph (k)(2), then:
 - (1) the *Voluntarily Scheduled Resource Provider* ceases to be a *Voluntarily Scheduled Resource Provider* in respect of that *voluntarily scheduled resource*; and
 - (2) each relevant *qualifying resource* ceases to be a *voluntarily scheduled resource*.

Hibernation requests

- (m) A *Voluntarily Scheduled Resource Provider* may submit a hibernation request to *AEMO*.
- (n) A hibernation request submitted under paragraph (m) must:
 - (1) specify a hibernation period of at least 7 days and of no more than 18 months;
 - (2) contain the information required by the *voluntarily scheduled resource guidelines*;
 - (3) be submitted to *AEMO* in accordance with the process specified in the *voluntarily scheduled resource guidelines*; and
 - (4) where the *voluntarily scheduled resource* has been aggregated in accordance with clause 3.8.3, apply to each individual *voluntarily scheduled resource* forming part of the aggregated *voluntarily scheduled resource*.
- (o) *AEMO* must approve or reject a hibernation request in accordance with the criteria specified in the *voluntarily scheduled resource guidelines*.
- (p) If *AEMO* approves a hibernation request under paragraph (o):
 - (1) *AEMO* must record the status of the *voluntarily scheduled resource* as a *hibernated voluntarily scheduled resource* in accordance with the *voluntarily scheduled resource guidelines*;

- (2) *AEMO* must record the approved hibernation period of the *hibernated voluntarily scheduled resource*; and
- (3) for the duration of the approved hibernation period:
 - (i) *AEMO* may impose conditions on the *hibernated voluntarily scheduled resource* in accordance with the *voluntarily scheduled resource guidelines*; and
 - (ii) the *hibernated voluntarily scheduled resource* is not a *scheduled resource*.
- (q) A *Voluntarily Scheduled Resource Provider* must, prior to the end of the approved hibernation period and in accordance with the *voluntarily scheduled resource guidelines*:
 - (1) submit a resumption request; or
 - (2) notify *AEMO* that each relevant *qualifying resource* is no longer nominated as a *voluntarily scheduled resource*.
- (r) If a *Voluntarily Scheduled Resource Provider* submits a notice under sub-paragraph (q)(2), the relevant *voluntarily scheduled resource* ceases to be a *voluntarily scheduled resource* in accordance with the timing and process specified in the *voluntarily scheduled resource guidelines*.
- (s) *AEMO* must approve or reject a resumption request in accordance with the criteria specified in the *voluntarily scheduled resource guidelines* and must provide reasons for any rejection.
- (t) If *AEMO* approves a resumption request under paragraph (s):
 - (1) *AEMO* must remove the status of the *voluntarily scheduled resource* as a *hibernated voluntarily scheduled resource*; and
 - (2) the *voluntarily scheduled resource* becomes a *scheduled resource* upon the completion of the approved hibernation period.
- (u) If *AEMO* rejects a resumption request under paragraph (s), the *Voluntarily Scheduled Resource Provider* must submit a new resumption request within 7 days that addresses the reasons given by *AEMO* for rejecting the resumption request.
- (v) If a *Voluntarily Scheduled Resource Provider* fails to submit a resumption request in accordance with paragraphs (q)(1) or (u), then, from the completion of the approved hibernation period:
 - (1) the *Voluntarily Scheduled Resource Provider* ceases to be a *Voluntarily Scheduled Resource Provider* in respect of that *voluntarily scheduled resource*; and

- (2) each relevant *qualifying resource* ceases to be a *voluntarily scheduled resource*.

3.10A.3 Voluntarily scheduled resource guidelines

- (a) *AEMO* must develop and publish, and may amend, the *voluntarily scheduled resource guidelines* in accordance with the *Rules consultation procedures*.
- (b) The *voluntarily scheduled resource guidelines* must specify:
 - (1) requirements for nominating a *qualifying resource* as a *voluntarily scheduled resource* in accordance with clause 3.10A.1;
 - (2) the requirements and process for aggregation of *voluntarily scheduled resources* in accordance with clause 3.8.3, including the circumstances in which *AEMO* may request *Voluntarily Scheduled Resource Providers* that have aggregated *voluntarily scheduled resources* to declare individual *qualifying resource* availability and operating status to *AEMO* pursuant to clause 3.8.3(f2);
 - (3) a requirement that the *Voluntarily Scheduled Resource Provider* is the *financially responsible Market Participant* in respect of a *connection point* nominated as a *voluntarily scheduled resource*;
 - (4) a framework for testing the capabilities of *qualifying resources* prior to their request for nomination as a *voluntarily scheduled resource*;
 - (5) operational requirements for a *voluntarily scheduled resource* including:
 - (i) the types of data to be provided by a *Voluntarily Scheduled Resource Provider* to *AEMO* and by *AEMO* to a *Voluntarily Scheduled Resource Provider*;
 - (ii) information about the requirements for telemetry and communications equipment;
 - (iii) the minimum threshold for nameplate rating, or combined nameplate rating, of a *voluntarily scheduled resource*;
 - (iv) the *dispatch* conformance criteria;
 - (v) the acceptable types of *metering installation* for participating *connection points*; and
 - (vi) requirements for sharing data with *Distribution Network Service Providers*;
 - (6) the matters required by clause 3.10A.2; and

- (7) any other information that *AEMO* considers reasonably necessary.
- (c) The *voluntarily scheduled resource guidelines* must also specify zonal aggregation requirements including:
 - (1) a methodology for determining zones in which *voluntarily scheduled resources* participate in *central dispatch* as well as the *loss factor* that is to apply in each zone for the purpose of clause 3.8.6(h);
 - (2) requirements and conditions on *Voluntarily Scheduled Resource Providers* for aggregating *voluntarily scheduled resources* in accordance with clause 3.8.3 (including that aggregated *voluntarily scheduled resources* must all be within the same zone);
 - (3) guidance for *Voluntarily Scheduled Resource Providers* on processes for the aggregation of *voluntarily scheduled resources* into the zones determined under subparagraph (1); and
 - (4) validation processes for *AEMO*.
- (d) In developing the *voluntarily scheduled resource guidelines*, *AEMO* must have regard to:
 - (1) minimising the total cost of facilitating participation by *voluntarily scheduled resources* in *central dispatch*, and in doing so balance the costs of participation for *voluntarily scheduled resources* in *central dispatch*.
 - (2) balancing:
 - (i) the need for operational requirements on *voluntarily scheduled resources* in *central dispatch* to apply, but only to the extent reasonably necessary for *AEMO* to manage *power system security* and *reliability*; and
 - (ii) the expected level of participation in *central dispatch* by *voluntarily scheduled resources* due to these requirements; and
 - (3) any other matter determined by *AEMO*, acting reasonably, and which must be specified by *AEMO* in the *voluntarily scheduled resource guidelines*.
- (e) *AEMO* may from time to time review the *voluntarily scheduled resource guidelines* and, if at the conclusion of that review, *AEMO* considers that changes are necessary or desirable, *AEMO* must amend the *voluntarily scheduled resource guidelines* in accordance with the *Rules consultation procedures*.

[38] Clause 3.13.3 Standing data

In clause 3.13.3(b1)(3), omit "or".

[39] Clause 3.13.3 Standing data

In clause 3.13.3(b1)(4), omit "clause 3.8.3." and substitute "clause 3.8.3; or".

[40] Clause 3.13.3 Standing data

After clause 3.8.3(b1)(4), insert a new clause 3.8.3(b1)(5) as follows:

- (5) the number of individual *voluntarily scheduled resources* that have been aggregated as a single *voluntarily scheduled resource* in accordance with clause 3.8.3.

[41] Clause 3.13.4 Spot market

In clause 3.13.4(p)(7), omit "*trading interval*; and" and substitute "*trading interval*";".

[42] Clause 3.13.4 Spot market

In clause 3.13.4(p)(8), omit "*trading interval*." and substitute "*trading interval*";".

[43] Clause 3.13.4 Spot market

Omit clause 3.13.4(p)(9) and substitute the following:

- (9) in respect of a:
 - (i) *scheduled bidirectional unit*, excluding a *pumped hydro production unit*; and
 - (ii) a *voluntarily scheduled resource* to the extent the *qualifying resource* is a *market bidirectional unit* that is a *non-scheduled bidirectional unit*,

the actual state of charge in each *trading interval* in respect of each *dispatchable unit identifier*.

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

Omit clause 3.14.5A(a)(1) and substitute the following:

- (1) *Scheduled Generators, Scheduled Integrated Resource Providers and Voluntarily Scheduled Resource Providers* to supply *energy*;

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

In clause 3.14.5A(h)(1), after "*Scheduled Integrated Resource Provider*" insert "*, Voluntarily Scheduled Resource Provider*".

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

In clause 3.14.5A(h)(2), after "*Scheduled Integrated Resource Provider*" insert "*, Voluntarily Scheduled Resource Provider*".

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

In clause 3.14.5B(a)(3), omit "*generating unit or bidirectional unit supplying*" and substitute "*generating unit, or bidirectional unit or voluntarily scheduled resource supplying*".

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

In clause 3.14.5B(d), omit "*generating unit or bidirectional unit supplying*" and substitute "*generating unit, bidirectional unit or voluntarily scheduled resource supplying*".

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

In clause 3.14.5B(d)(1), omit "*generating unit or bidirectional unit;*" and substitute "*generating unit, bidirectional unit or voluntarily scheduled resource;*".

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

In clause 3.14.5B(d)(2), omit "*generating unit or bidirectional unit;*" and substitute "*generating unit, bidirectional unit or voluntarily scheduled resource;*".

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

In clause 3.14.5B(d)(3), omit "*generating unit or bidirectional unit; and*" and substitute "*generating unit, bidirectional unit or voluntarily scheduled resource; and*".

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

Omit clause 3.14.5B(d)(4) and substitute the following:

- (4) other direct costs reasonably incurred in connection with the relevant *generating unit, bidirectional unit or voluntarily scheduled resource*, where such costs are incurred to enable the *generating unit, bidirectional unit or voluntarily scheduled resource* to supply energy or market ancillary services during the *market suspension pricing schedule period*.

[53] Clause 3.15.3 Connection point and virtual transmission node responsibility

In clause 3.15.3(a)(3), omit "*network service; or*" and substitute "*network service;*".

[54] Clause 3.15.3 Connection point and virtual transmission node responsibility

In clause 3.15.3(a)(4), omit "*market bidirectional unit.*" and substitute "*market bidirectional unit; or*".

[55] Clause 3.15.3 Connection point and virtual transmission node responsibility

After clause 3.15.3(a)(4), insert a new clause 3.15.3(a)(5) as follows:

- (5) the *Market Participant* which has nominated the *qualifying resource* at that *connection point* as a *voluntarily scheduled resource*.

[56] Clause 3.15.6AA Frequency performance payments and cost recovery for regulation services

In clause 3.15.6AA(a), in the definition of "**eligible unit**" after "*a non-scheduled bidirectional unit*" insert ", *a voluntarily scheduled resource*".

[57] Clause 3.15.6AA Frequency performance payments and cost recovery for regulation services

In clause 3.15.6AA(g)(7)(i), after "*scheduled bidirectional unit*" insert ", *voluntarily scheduled resource*".

[58] Clause 3.15.7 Payment to Directed Participants

In clause 3.15.7(c), in the definition of "**AMP**", after "*Demand Response Service Providers*" insert ", *Voluntarily Scheduled Resource Providers*".

[59] Clause 3.15.9 Reserve settlements

In clause 3.15.9(b)(2)(ii), after "*wholesale demand response unit*" insert ", *voluntarily scheduled resource*".

[60] Clause 3.15.9 Reserve settlements

In clause 3.15.9(e), in the definition of "EUC", omit "*any scheduled loads or scheduled bidirectional units*" and substitute "*any scheduled loads, scheduled bidirectional units or voluntarily scheduled resources* (but excluding any periods in which that *voluntarily scheduled resource* has been recorded as an *inactive voluntarily scheduled resource* or as a *hibernated voluntarily scheduled resource*)".

[61] Clause 3.15.9 Reserve settlements

In clause 3.15.9(e), in the definition of "EOC", omit "*scheduled loads or scheduled bidirectional units*" and substitute "*scheduled loads, scheduled bidirectional units or voluntarily scheduled resources* (but excluding any periods in which that *voluntarily scheduled resource* has been recorded as an *inactive voluntarily scheduled resource* or as a *hibernated voluntarily scheduled resource*)".

[62] Clause 3.16.1 Establishment of Participant compensation fund

In clause 3.16.1(a), after "*Scheduled Integrated Resource Providers*" insert ", *Voluntarily Scheduled Resource Providers*".

[63] Clause 3.16.1 Establishment of Participant compensation fund

In clause 3.16.1(g), after "*Scheduled Integrated Resource Provider*" insert ", *Voluntarily Scheduled Resource Providers*".

[64] Clause 3.16.2 Dispute resolution panel to determine compensation

Omit clause 3.16.2(d) and substitute the following:

- (d) A *Scheduled Generator, Semi-Scheduled Generator, Scheduled Integrated Resource Provider or Voluntarily Scheduled Resource Provider* who receives an instruction in respect of a *scheduled generating unit, semi-scheduled generating unit, scheduled bidirectional unit or voluntarily scheduled resource* (as the case may be) to operate at a *loading level* different to the *loading level* at which it would have been instructed to operate had the *scheduling error* not occurred, will be entitled to receive in compensation an amount determined by the *dispute resolution panel*.

[65] Clause 3.16.2 Dispute resolution panel to determine compensation

Omit clause 3.16.2(f) and substitute the following:

- (f) *A Scheduled Generator, Semi-Scheduled Generator, Scheduled Integrated Resource Provider or Voluntarily Scheduled Resource Provider who receives a dispatch instruction in respect of a generating unit, bidirectional unit or voluntarily scheduled resource to operate at a level consistent with a dispatch bid price (with reference to the relevant regional reference node) which is higher than the spot price, due to the operation of clause 3.9.2B, is entitled to receive in compensation an amount determined by the dispute resolution panel.*

[66] Clause 3.16.2 Dispute resolution panel to determine compensation

In clause 3.16.2(h)(1), omit "*semi-scheduled generating unit or scheduled bidirectional unit*" and substitute "*semi-scheduled generating unit, scheduled bidirectional unit or voluntarily scheduled resource*".

[67] Clause 3.20.3 Reserve contracts

In clause 3.20.3(a)(1), after "*wholesale demand response units,*" insert "*voluntarily scheduled resources,*".

[68] Clause 3.20.3 Reserve contracts

In clause 3.20.3(g), after "*wholesale demand response units,*" insert "*voluntarily scheduled resources,*".

[69] Clause 4.9.2 Instructions to Scheduled Generators, Semi-Scheduled Generators and Scheduled Integrated Resource Providers

In clause 4.9.2, omit the heading and substitute "**Instructions to Scheduled Generators, Semi-Scheduled Generators, Scheduled Integrated Resource Providers and Voluntarily Scheduled Resource Providers**".

[70] Clause 4.9.2 Instructions to Scheduled Generators, Semi-Scheduled Generators, Scheduled Integrated Resource Providers and Voluntarily Scheduled Resource Providers

Omit clause 4.9.2(a) and substitute the following:

- (a) To implement *central dispatch* or, where *AEMO* has the power to direct or to instruct a *Scheduled Generator*, *Semi-Scheduled Generator*, *Scheduled Integrated Resource Provider* or *Voluntarily Scheduled Resource Provider* either under Chapter 3 or this Chapter, then for the purpose of giving effect to that direction or instruction, *AEMO* may at any time give an instruction to the *Generator*, *Integrated Resource Provider* or *Voluntarily Scheduled Resource Provider* in relation to any of its *generating units*, *bidirectional units* or *voluntarily scheduled resources* (a *dispatch instruction*), in accordance with clause 4.9.5(b), nominating:
- (1) whether the facilities for *generation* remote control by *AEMO*, if available, must be in service; and
 - (2) in the case of a:
 - (i) *scheduled generating unit*, *scheduled bidirectional unit* or *voluntarily scheduled resources*, the level or schedule of power; and
 - (ii) *semi-scheduled generating unit*, the *dispatch level*, applicable over the specified period.

[71] Clause 4.9.2 Instructions to Scheduled Generators, Semi-Scheduled Generators, Scheduled Integrated Resource Providers and Voluntarily Scheduled Resource Providers

Omit clause 4.9.2(d) and substitute the following:

- (d) A *Scheduled Generator*, *Semi-Scheduled Generator*, *Scheduled Integrated Resource Provider* or *Voluntarily Scheduled Resource Provider* must, with respect to its *generating units*, *bidirectional units* or *voluntarily scheduled resources* that have an availability offer of greater than 0 MW (whether *synchronised* or not), ensure that appropriate personnel are available at all times to receive and immediately act upon *dispatch instructions* issued by *AEMO* to the relevant *Generator*, *Integrated Resource Provider* or *Voluntarily Scheduled Resource Provider*.

[72] Clause 4.9.4 Dispatch related limitations on Scheduled Generators, Semi-Scheduled Generators and Scheduled Integrated Resource Providers

In clause 4.9.4, omit the opening paragraph and substitute the following:

A Scheduled Generator, Semi-Scheduled Generator, Scheduled Integrated Resource Provider or Voluntarily Scheduled Resource Provider (as the case may be) must not, unless in that person's reasonable opinion, public safety would otherwise be threatened or there would be a material risk of damaging equipment or the environment:

[73] Clause 4.9.4 Dispatch related limitations on Scheduled Generators, Semi-Scheduled Generators and Scheduled Integrated Resource Providers

In clause 4.9.4(a), omit "*generating unit or bidirectional unit*" and substitute "*generating unit, bidirectional unit or voluntarily scheduled resource*".

[74] Clause 4.9.4 Dispatch related limitations on Scheduled Generators, Semi-Scheduled Generators and Scheduled Integrated Resource Providers

In clause 4.9.4(b), omit "*scheduled bidirectional unit or semi-scheduled generating unit*" and substitute "*scheduled bidirectional unit, semi-scheduled generating unit or voluntarily scheduled resource (if applicable)*".

[75] Clause 4.9.4 Dispatch related limitations on Scheduled Generators, Semi-Scheduled Generators and Scheduled Integrated Resource Providers

Omit clause 4.9.4(b)(3) and substitute the following:

- (3) if, in the *Generator's, Integrated Resource Provider's or Voluntarily Scheduled Resource Provider's* reasonable opinion, the adjustment is urgently required to prevent material damage to that person's *plant* or associated equipment, or in the interests of safety; or

[76] Clause 4.9.4 Dispatch related limitations on Scheduled Generators, Semi-Scheduled Generators and Scheduled Integrated Resource Providers

In clause 4.9.4(c), omit "*generating unit or bidirectional unit*" and substitute "*generating unit, bidirectional unit or voluntarily scheduled resource*".

[77] Clause 4.11.1 Remote control and monitoring devices

In clause 4.11.1(d), omit "an *Integrated Resource Provider* or a *Market Network Service Provider*" and substitute "an *Integrated Resource Provider, Voluntarily Scheduled Resource Provider* or a *Market Network Service Provider*".

[78] Clause 4.11.1 Remote control and monitoring devices

In clause 4.11.1(d)(1), omit "*generating unit or bidirectional unit* (including its *dynamic performance*)" and substitute "*generating unit, bidirectional unit or voluntarily scheduled resource* (including its *dynamic performance*)".

[79] Clause 4.11.1 Remote control and monitoring devices

In clause 4.11.1(e), after "*Integrated Resource Provider*" insert ", *Voluntarily Scheduled Resource Provider*".

[80] Clause 4.11.1 Remote control and monitoring devices

In clause 4.11.1(g), after "*Integrated Resource Provider*" insert ", *Voluntarily Scheduled Resource Provider*".

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

Omit clause 4A.E.1(c) and substitute the following:

- (c) A demand side participation contract or other arrangement, under which a person provides:
 - (1) demand response (including *wholesale demand response*) by curtailing *non-scheduled load* or the provision of *unscheduled generation* in certain specified circumstances; or
 - (2) the use of a *qualifying resource* as a *voluntarily scheduled resource*,

will only be a qualifying contract if it meets the requirements of section 14O(1)(a) of the *NEL* and is registered in *AEMO's* Demand Side Participation Information Portal.

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

In clause 4A.E.1(e), delete "or the provision by a liable entity of *wholesale demand response*" and substitute ", the provision by a liable entity of *wholesale demand response*, or a liable entity's use of its *qualifying resource* as a *voluntarily scheduled resource*".

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

In clause 4A.F.3(b)(3)(i), omit "(other than *wholesale demand response*)" and substitute "(including from the *dispatch* of a *voluntarily scheduled resource* but excluding *wholesale demand response*)".

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

In clause 4A.F.3(b)(3)(i), omit "*connection point*; and" and substitute "*connection point*;".

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

In clause 4A.F.3(d)(1), omit "(other than *wholesale demand response*)" and substitute "(including from the *dispatch* of a *voluntarily scheduled resources* but excluding *wholesale demand response*)".

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 3.10A.4 Voluntarily scheduled resource incentive mechanism

After clause 3.10A.3, insert a new clause 3.10A.4 as follows:

3.10A.4 Voluntarily scheduled resource incentive mechanism

Definitions

(a) In this clause:

incentive MW price cap is the price (in \$/MW) that equals half of the VSR Benefits (calculated in \$/MW) that *AEMO* expects will accrue from successful VSR incentive mechanism participants participating in *central dispatch*, in relation to a particular VSR tender process.

incentive period means the period between 1 January 2027 until 31 December 2031.

Intending VSRP means a *Market Participant* with one or more *qualifying resources* that it intends to nominate as a *voluntarily scheduled resource* in accordance with clause 3.10A.1 if it is successful in a VSR tender process.

participation payment means the amount (in \$) payable under a *VSR participation agreement*.

participation price means the amount (in \$/MW) payable under a *VSR participation agreement*, which is to be determined in accordance with paragraph (g)(1).

VSR Benefits means the expected benefits to consumers of *voluntarily scheduled resources* participating in *central dispatch*, including where the participation results in reduced *system security services* costs, avoided *generation*, avoided greenhouse gas emissions and reduced *RERT* costs.

VSR incentive mechanism participant means either:

- (1) a *Voluntarily Scheduled Resource Provider*; or
- (2) an Intending VSRP,

who satisfies the criteria for participating in the *VSR incentive mechanism* specified in the *VSR incentive procedures* and submits an offer in a VSR tender process.

VSR incentive objective is to maximise VSR Benefits by incentivising *Market Participants* with *qualifying resources* to nominate those resources as *voluntarily scheduled resources*, while minimising the cost of facilitating participation through participant payments.

VSR incentive principles means the principles for the *VSR incentive mechanism* listed in paragraph (f).

VSR tender process means a process, run by *AEMO* under this clause, for receiving and considering offers from VSR incentive mechanism participants.

Design and conduct of VSR incentive mechanism

- (b) During the incentive period, *AEMO* must conduct at least two VSR tender processes to determine which VSR incentive mechanism participants will receive participation payments.
- (c) The *VSR incentive mechanism* must be conducted in accordance with this clause, the VSR incentive objective and the *VSR incentive procedures*.
- (d) *AEMO* must develop, publish and maintain, and may amend, *VSR incentive procedures* in accordance with the *Rules consultation procedures* and paragraphs (e) and (g).
- (e) The *VSR incentive procedures* must give effect to the VSR incentive principles and must specify:
 - (1) the criteria which a VSR incentive mechanism participant must satisfy to be eligible to participate in the *VSR incentive mechanism*, which must include a prohibition on participation by a *Voluntarily Scheduled Resource Provider* in respect of a *voluntarily scheduled resource* where that person is, or has been, a party to a *VSR participation agreement* in respect of that *voluntarily scheduled resource*;
 - (2) the procedures for conducting the *VSR incentive mechanism*;
 - (3) the timing of each VSR tender process;
 - (4) the requirements for offers submitted by VSR incentive mechanism participants into a VSR tender process, which must include that offers:
 - (i) are in \$/MW;
 - (ii) are specified to apply for a *region*;
 - (iii) are specified to apply for particular types of *qualifying resources* or *voluntarily scheduled resources*;
 - (iv) specify the proposed term of a *VSR participation agreement* that would apply if the VSR incentive mechanism participant were successful in the VSR tender process, subject to paragraph (k)(2); and
 - (v) specify the proposed availability of the *qualifying resource* or *voluntarily scheduled resource* (as applicable) during the term identified pursuant to subparagraph (iv);

- (5) the assessment criteria and methodology for selecting successful VSR incentive mechanism participants from each VSR tender process;
 - (6) the procedures and timetable for settling participation payments; and
 - (7) the requirements for *VSR participation agreements* and any standard form *VSR participation agreement*.
- (f) The VSR incentive principles are that the *VSR incentive mechanism* should be structured and run in a way that achieves the VSR incentive objective, taking into consideration:
- (1) the relative availability of *voluntarily scheduled resources* in regards to expected capacity factors and any planned hibernation requests under clause 3.10A.2;
 - (2) the extent to which each *voluntarily scheduled resource* is expected to vary its *generation* or consumption in response to expected *spot prices*; and
 - (3) the benefits of building capability across a number of *Voluntarily Scheduled Resource Providers* with a variety of *voluntarily scheduled resources* (including in relation to aggregation) in order to have multiple *Voluntarily Scheduled Resource Providers* with a diversity of resources participating in *central dispatch*.

Participation price, incentive MW price cap and participation payments

- (g) The *VSR incentive procedures* must also give effect to the following requirements:
- (1) a participation price must not exceed the incentive MW price cap; and
 - (2) the aggregate of all participation payments payable under all *VSR participation agreements* must not exceed \$50 million.
- (h) Before commencing each VSR tender process, *AEMO* must determine the incentive MW price cap for each *region* and notify this to the *AER* and *AEMC*.
- (i) Except to the extent that paragraph (h) applies, *AEMO*, the *AER* and *AEMC* must keep confidential the incentive MW price cap during the incentive period.

Requirement for VSR participation agreement for successful participants

- (j) Following the completion of a VSR tender process, each successful VSR incentive mechanism participant must enter into a *VSR participation agreement* with *AEMO* under which:

- (1) *AEMO* pays the *Voluntarily Scheduled Resource Provider* the participation payment; and
 - (2) the *Voluntarily Scheduled Resource Provider* participates in central dispatch,
- in accordance with the *VSR incentive procedures* and the terms of the *VSR participation agreement*.

Note:

Voluntarily Scheduled Resource Providers may participate in *central dispatch* with a *voluntarily scheduled resource* without a *VSR participation agreement*.

- (k) A *VSR participation agreement* must:
 - (1) if it is with an Intending VSRP, require, as a condition precedent, the Intending VSRP to nominate its *qualifying resource* as a *voluntarily scheduled resource* in accordance with clause 3.10A.1;
 - (2) have a term of at least one year and no more than three years;
 - (3) not have a participation price that exceeds the relevant incentive MW price cap; and
 - (4) not provide for a participation payment to be made until subparagraph (k)(1) is complied with.
- (l) *AEMO* must not enter into a *VSR participation agreement* with an Intending VSRP or a *Voluntarily Scheduled Resource Provider* that does not satisfy the criteria specified in the *VSR incentive procedures*.
- (m) A *Voluntarily Scheduled Resource Provider* must comply with the *VSR participation agreement*.

Reporting of participation payments after VSR tender processes

- (n) Following the completion of the first VSR tender process, and annually thereafter, *AEMO* must publish the aggregate amount of all participation payments payable in each *financial year* under *VSR participation agreements*. This obligation continues for every *financial year* in which there is an amount payable under a *VSR participation agreement*.

Cost recovery for expenses administering the VSR incentive mechanism and participation payments

- (o) *AEMO* must recover its costs and expenses incurred in establishing, administering and conducting the *VSR incentive mechanism* from all *Registered Participants* as part of the fees imposed in accordance with rule 2.11.
- (p) Within 40 *business days* of the completion of each *financial year* in which *AEMO* made participation payments, *AEMO* must determine

the amount of all participation payments paid in that *financial year* for each *region*.

- (q) The amounts determined under paragraph (p) must be recovered from *Cost Recovery Market Participants* in accordance with paragraph (r).
- (r) Within 40 *business days* of the completion of a relevant *financial year*, *AEMO* must calculate a figure for each *Cost Recovery Market Participant* in each *region* by applying the following formula in respect of that *financial year*:

$$CRP = \frac{(E_{AC} \times AC)}{\sum E_{AC}}$$

where:

CRP = the amount payable by a *Cost Recovery Market Participant* for a *region* in respect of the *financial year*.

E_{AC} = the sum of the *Cost Recovery Market Participant's* adjusted consumed energy amounts at its *market connection points* in the *region* in the *financial year*, but excluding any energy consumed by that *Cost Recovery Market Participant's* voluntarily scheduled resources that are the subject of a current *VSR participation agreement*.

$\sum E_{AC}$ = the sum of all amounts determined as “ E_{AC} ” in respect of that *region* for the relevant *financial year*.

AC = the amount determined by *AEMO* for the *region* under paragraph (p).

- (s) *AEMO* must include the amount determined under paragraph (r) for each *Cost Recovery Market Participant* in the next preliminary statement to be provided to each *Cost Recovery Market Participant* under clause 3.15.4 (and in the subsequent *final statement* to be provided under clause 3.15.5).

Reporting after completion of incentive period

- (t) Within 12 months of the completion of the incentive period, *AEMO* must publish a report which includes:
 - (1) a summary of the outcomes from the *VSR incentive mechanism*, including *AEMO's* opinion of whether the *VSR* incentive objective was satisfied;
 - (2) a description of *AEMO's* learnings and insights from the *VSR incentive mechanism*;

- (3) an analysis of the participation prices payable under *VSR participation agreements*;
- (4) an analysis of the types of *voluntarily scheduled resources* contracted under *VSR participation agreements*;
- (5) any other information *AEMO* considers relevant or useful to include.

Schedule 3 Amendment to the National Electricity Rules

(Clause 5)

[1] Rule 3.10B Monitoring and reporting of unscheduled price responsive resources

After clause 3.10A.4, insert a new rule 3.10B as follows:

3.10B Monitoring and reporting of unscheduled price responsive resources

3.10B.1 Definitions

(a) In this rule 3.10B:

forecast deviation means the difference between forecast *load* for a particular *trading interval*, developed for *pre-dispatch* and for *dispatch*, and the actual *load* during that *trading interval*.

unscheduled price responsive resource is a resource that:

- (1) is not a *scheduled resource*;
- (2) is capable of changing output or consumption depending on changes in forecast or actual *spot prices*; and
- (3) includes a *hibernated voluntarily scheduled resource* but not an *inactive voluntarily scheduled resource* or a *voluntarily scheduled resource*.

3.10B.2 AEMO reporting on unscheduled price responsive resources

(a) The objective of the monitoring and reporting framework established by this clause is for *AEMO* to:

- (1) monitor and report on the impacts of unscheduled price responsive resources on forecast deviations; and
- (2) identify *market* outcomes as a result of the use of unscheduled price responsive resources.

Annual reporting

(b) By 30 September each year, *AEMO* must prepare and publish, in accordance with the *AEMO price responsive reporting guidelines*, a report which includes the following information in respect of the previous *financial year*:

- (1) an analysis of the statistics and trends of:
 - (i) the volumes and types of unscheduled price responsive resources reported by *Registered Participants*, using the

DER register information and demand side participation information;

Note

AEMO must report on *demand side participation information*, no less than annually, under clause 3.7D(c).

AEMO may use *DER register information* for the purpose of the exercise of its statutory functions under the *NEL* or *Rules* under clause 3.7E(e).

- (ii) patterns in the use of unscheduled price responsive resources, to the extent identifiable, in response to forecast and actual *spot prices*; and
 - (iii) the approximate contribution of unscheduled price responsive resources to forecast deviations;
- (2) *AEMO's* best estimate of the impact of unscheduled price responsive resources on forecast deviations in relation to additional amounts paid to:
 - (i) *Ancillary Service Providers* for additional *ancillary services* that are *enabled*; and
 - (ii) *Cost Recovery Market Participants* for *ancillary service transaction payments* under clause 3.15.6AA;
 - (3) an assessment of the degree of forecast deviations in *regional demand* across a range of *market* conditions, as well as the factors contributing to the size of forecast deviations;
 - (4) analysis of impacts of unscheduled price responsive resources on the *load* forecast used by *AEMO* for *pre-dispatch* and *dispatch*, including in comparison with outcomes published in previous reports prepared in accordance with this clause (as applicable);
 - (5) identification of additional information or inputs required to improve or account for unscheduled price responsive resources in *load* forecasts;
 - (6) a description of any actions taken by *AEMO* to reduce forecast deviations by accounting for unscheduled price responsive resources that have resulted in improved *market* outcomes;
 - (7) a description of:
 - (i) the methodologies used by *AEMO* to consider and manage the impacts of unscheduled price responsive resources on *load* forecasts for *pre-dispatch* and *dispatch*; and
 - (ii) any barriers to *AEMO* using those methodologies to improve forecasting; and

- (8) any other relevant information *AEMO* considers necessary or convenient to include in the report.

Quarterly data

- (c) *AEMO* must develop, publish and maintain a single source of information for unscheduled price responsive resources that presents the information and metrics specified by the *AEMO price responsive reporting guidelines*.
- (d) *AEMO* must update the information published under paragraph (c) when new information becomes available and at least once each calendar quarter.

AEMO price responsive reporting guidelines

- (e) *AEMO* must develop and publish, and may amend, the *AEMO price responsive reporting guidelines* in accordance with the *Rules consultation procedures*.
- (f) The *AEMO price responsive reporting guidelines* must specify:
 - (1) how *AEMO* will meet its reporting obligations under paragraph (b); and
 - (2) the information and metrics that *AEMO* will include in the reporting required pursuant to paragraph (c).
- (g) In satisfying its obligations under paragraphs (b) and (c), *AEMO* may:
 - (1) utilise existing *AEMO* monitoring and reporting frameworks under the *Rules*;
 - (2) utilise data, reports and systems otherwise available to *AEMO*; and
 - (3) take into account or include any other information that *AEMO* reasonably considers relevant to meet the objective set out in paragraph (a).

3.10B.3 AER analysis of impacts of unscheduled price responsive resources

Introduction

- (a) The objective of the monitoring and reporting framework established by this clause is for the *AER*, as part of the *AER* wholesale market and monitoring and reporting functions under section 18C of the *NEL*, to provide transparency on the impacts of unscheduled price responsive resources on efficient *market* outcomes to inform future *market* reform.

Annual reporting

- (b) By 31 December each year, the *AER* must prepare and *publish* an annual report in respect of the previous *financial year* in accordance with the *AER price responsive reporting guidelines*.
- (c) The report prepared under paragraph (b) must analyse the impact of unscheduled price responsive resources on forecast deviations, and the consequential impacts on the efficiency of the *market*, including in relation to:
 - (1) additional amounts paid to *Generators, Integrated Resource Providers* and *Demand Response Service Providers* for different quantities and prices of electricity and *wholesale demand response* that are *dispatched*;
 - (2) estimates of the costs incurred by *Generators, Integrated Resource Providers* and *Demand Response Service Providers* for different quantities and prices of electricity and *wholesale demand response* that are *dispatched*;
 - (3) additional amounts paid to:
 - (i) *Ancillary Service Providers* for additional *market ancillary services* that are *enabled*; and
 - (ii) *Cost Recovery Market Participants* for *ancillary service transaction* payments under clause 3.15.6AA;
 - (4) additional amounts paid under the *RERT* for *scheduled reserves* that are *dispatched* and *unscheduled reserves* that are *activated*; and
 - (5) additional greenhouse gas emissions resulting from the relative increases referred to in subparagraphs (1) to (4),and must also include:
 - (6) identification of trends and outcomes on the efficiency of the *market* as a result of the matters set out in this paragraph (c) when compared to previous *financial years* (as applicable);
 - (7) the *AER's* recommendations for how to improve the efficiency of the *market* in respect to the matters set out in this paragraph (c); and
 - (8) any other relevant information the *AER* considers necessary or convenient to include in the report.
- (d) In satisfying its obligations under paragraph (b), the *AER* may utilise existing frameworks under the *Rules* and *NEL* in respect of *AER* wholesale market monitoring functions, *AER* wholesale market reporting functions and any other reporting frameworks used by the *AER*.

AEMO to provide the AER with information

- (e) To the extent the *AER* considers it reasonably necessary to satisfy its obligations under paragraph (b), the *AER* may request *AEMO* to provide:
 - (1) *confidential information* received by *AEMO* from *Registered Participants* relating to unscheduled price responsive resources;
 - (2) information about forecast deviations and the contribution of unscheduled price responsive resources to those forecast deviations; and
 - (3) any other information, data or analysis from *AEMO* that the *AER* considers relevant.
- (f) *AEMO* must comply with a request from the *AER* under paragraph (e).

AER price responsive reporting guidelines

- (g) Subject to paragraph (i), the *AER* must develop and *publish*, and may amend, the *AER price responsive reporting guidelines* in accordance with the *Rules consultation procedures*.
- (h) The *AER price responsive reporting guidelines* must specify how the *AER* will meet its monitoring and reporting obligations under paragraph (b).
- (i) The *AER* may include the *AER price responsive reporting guidelines* as part of the *wholesale market monitoring guidelines*, in which case, the *AER* must consult on the amendment of the *wholesale market monitoring guidelines* in accordance with clause 8.7.2 (and the *Rules consultation procedures* do not apply).

Schedule 4 Amendment to the National Electricity Rules

(Clause 6)

[1] Chapter 10 Glossary

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

AEMO price responsive reporting guidelines

The guidelines made by *AEMO* under clause 3.10B.2(e).

AER price responsive reporting guidelines

The guidelines made by the *AER* under clause 3.10B.3(g).

hibernated voluntarily scheduled resource

A *voluntarily scheduled resource* that has its status recorded as hibernated in accordance with clause 3.10A.2(o)(1).

inactive voluntarily scheduled resource

A *voluntarily scheduled resource* that has its status recorded as inactive in accordance with clause 3.10A.2(e)(1).

qualifying resource

Has the meaning given in clause 3.10A.1(a).

voluntarily scheduled resource

Includes each of the following:

- (a) an individual *qualifying resource* associated with a *NMI* that has been approved by *AEMO* for nomination as a *voluntarily scheduled resource* in accordance with clause 3.10A.1 and has not been aggregated under clause 3.8.3;
- (b) two or more *qualifying resources* associated with *NMIs* that have been approved by *AEMO* for nomination as a *voluntarily scheduled resource* in accordance with clause 3.10A.1 and have been aggregated under clause 3.8.3.

voluntarily scheduled resource guidelines

The guidelines made by *AEMO* under clause 3.10A.3.

Voluntarily Scheduled Resource Provider

A *Market Participant* in respect of which any *voluntarily scheduled resource* is nominated in accordance with clause 3.10A.1.

VSR incentive mechanism

The mechanism constituting two or more VSR tender processes run by *AEMO* under clause 3.10A.4, to incentivise *Market Participants* with *qualifying resources* to participate in *central dispatch*.

VSR incentive procedures

The procedures made by *AEMO* under clause 3.10A.4(d) for the *VSR incentive mechanism*.

VSR participation agreement

A contract between *AEMO* and a successful VSR incentive mechanism participant described in clause 3.10A.4(j).

[2] Chapter 10 Glossary

In Chapter 10, omit the definition of "*activate*" and substitute the following:

activate

Other than for *scheduled resources*, the operation of a *generating unit* or a *bidirectional unit* at an increased *loading level* or a reduction in demand undertaken in response to a request by *AEMO* in accordance with an *unscheduled reserve contract*.

[3] Chapter 10 Glossary

In Chapter 10, in the definition of "*AEMO intervention event*", after "*scheduled network services*" insert ", *voluntarily scheduled resources*".

[4] Chapter 10 Glossary

In Chapter 10, omit the definition of "*affected load*" and substitute the following:

affected load

A scheduled load, scheduled bidirectional unit or voluntarily scheduled resource in respect of which a Market Customer, Integrated Resource Provider or Voluntarily Scheduled Resource Provider is an Affected Load Participant.

[5] Chapter 10 Glossary

In Chapter 10, omit the definition of "***affected load participant***" and substitute the following:

affected load participant

A person who satisfies paragraph (a) or (b), to the extent provided for in the paragraph:

(a) In respect of a particular *direction* in an *intervention price trading interval*, a *Market Customer* in respect of its *scheduled load*, an *Integrated Resource Provider* in respect of its *scheduled bidirectional unit* or *scheduled load* or a *Voluntarily Scheduled Resource Provider* in respect of its *voluntarily scheduled resource* (that is not an *inactive voluntarily scheduled resource* or a *suspended voluntarily scheduled resource*), where:

- (1) the *scheduled load, scheduled bidirectional unit* or *voluntarily scheduled resource* was not the subject of that *direction*; and
- (2) the *dispatched load* quantity of the *scheduled load, scheduled bidirectional unit* or *voluntarily scheduled resource* was affected by that *direction*,

but to avoid doubt, if the *Market Customer, Integrated Resource Provider* or *Voluntarily Scheduled Resource Provider* was given the *direction*, it is only an *Affected Load Participant* in respect of those *scheduled loads, scheduled bidirectional units* or *voluntarily scheduled resources* that satisfy subparagraphs (a)(1) and (a)(2).

(b) In relation to the exercise of the *RERT* under rule 3.20, a *Market Customer* in respect of its *scheduled load*, an *Integrated Resource Provider* in respect of its *scheduled bidirectional unit* or *scheduled load* or a *Voluntarily Scheduled Resource Provider* in respect of its *voluntarily scheduled resource* (that is not an *inactive voluntarily scheduled resource* or a *suspended voluntarily scheduled resource*), where:

- (1) the *scheduled load, scheduled bidirectional unit* or *voluntarily scheduled resource* was not *dispatched* under a *scheduled reserve contract* and the *dispatched load* quantity of the *scheduled load, scheduled bidirectional unit* or *voluntarily*

scheduled resource was affected by the *dispatch* of other *scheduled reserve* under a *scheduled reserve contract*; or

- (2) the *dispatched load* quantity of the *scheduled load*, *scheduled bidirectional unit* or *voluntarily scheduled resource* was affected by the *activation* of *unscheduled reserves* available under an *unscheduled reserve contract*.

[6] Chapter 10 Glossary

In Chapter 10, omit the definition of "*Affected Participant*" and substitute the following:

Affected Participant

A person who satisfies any of paragraphs (a) to (d), to the extent provided for in the paragraph:

- (a) In respect of a particular *direction* in an *intervention price trading interval*, a *Scheduled Generator* in respect of its *scheduled generating unit*, a *Scheduled Integrated Resource Provider* in respect of its *scheduled bidirectional unit*, a *Voluntarily Scheduled Resource Provider* in respect of its *voluntarily scheduled resource* (that is not an *inactive voluntarily scheduled resource* or a *hibernated voluntarily scheduled resource*) or a *Scheduled Network Service Provider* in respect of its *scheduled network service*, where:
 - (1) the *scheduled generating unit*, *scheduled bidirectional unit*, *voluntarily scheduled resource* or *scheduled network service* was not the subject of the *direction*; and
 - (2) the *dispatched generation* quantity of the *scheduled generating unit*, *scheduled bidirectional unit*, *voluntarily scheduled resource* or the *dispatched network service* quantity of the *scheduled network service* (as applicable) was affected by that *direction*,

but to avoid doubt, if the *Scheduled Generator*, *Scheduled Integrated Resource Provider*, *Voluntarily Scheduled Resource Provider* or *Scheduled Network Service Provider* was given the *direction*, it is only an *Affected Participant* in respect of those *scheduled generating units*, *scheduled bidirectional units*, *voluntarily scheduled resources* or *scheduled network services* that satisfy subparagraphs (a)(1) and (a)(2).

- (b) In respect of a particular *direction* in an *intervention price trading interval*, an *eligible person* entitled to receive an amount from *AEMO* pursuant to clause 3.18.1(b)(1) where there has been a change in flow of a *directional interconnector*, for which the *eligible person* holds units for the *intervention price trading interval*, as a result of the *direction*.

- (c) In relation to the exercise of the *RERT* under rule 3.20, a *Scheduled Generator* in respect of its *scheduled generating unit*, a *Scheduled Integrated Resource Provider* in respect of its *scheduled bidirectional unit*, a *Voluntarily Scheduled Resource Provider* in respect of its *voluntarily scheduled resource* (that is not an *inactive voluntarily scheduled resource* or a *hibernated voluntarily scheduled resource*) or a *Scheduled Network Service Provider* in respect of its *scheduled network service*, where:
- (1) the *scheduled generating unit*, *scheduled bidirectional unit*, *voluntarily scheduled resource* or *scheduled network service* was not *dispatched* under a *scheduled reserve contract* and the *dispatched generation* quantity of the *scheduled generating unit*, *scheduled bidirectional unit*, *voluntarily scheduled resource* or the *dispatched network service* quantity of the *scheduled network service* (as applicable) was affected by the *dispatch* of other *scheduled reserves* under a *scheduled reserve contract*; or
 - (2) the *dispatched generation* quantity of the *scheduled generating unit*, *scheduled bidirectional unit*, *voluntarily scheduled resource* or the *dispatched network service* quantity of the *scheduled network service* (as applicable) was affected by the *activation of unscheduled reserves* available under an *unscheduled reserve contract*.
- (d) In relation to the exercise of the *RERT* under rule 3.20, an *eligible person* entitled to receive an amount from *AEMO* pursuant to clause 3.18.1(b)(1) where there has been a change in flow of a *directional interconnector*, for which the *eligible person* holds units for the *intervention price trading interval*, as a result of the *dispatch* of *scheduled reserves* under a *scheduled reserve contract* or the *activation of unscheduled reserves* available under an *unscheduled reserve contract*.

[7] Chapter 10 Glossary

In Chapter 10, omit the definition of "*affected production unit*" and substitute the following:

affected production unit

A *scheduled generating unit*, *scheduled bidirectional unit* or *voluntarily scheduled resource* in respect of which a *Scheduled Generator*, a *Scheduled Integrated Resource Provider* or *Voluntarily Scheduled Resource Provider* is an *Affected Participant*.

[8] Chapter 10 Glossary

In Chapter 10, in the definition of "*AGC (automatic generation control system)*", omit "*scheduled bidirectional units*" and substitute "*bidirectional units*".

[9] Chapter 10 Glossary

In Chapter 10, in the definition of "*Ancillary Service Provider*", after "*bidirectional unit*" insert ", *voluntarily scheduled resource*".

[10] Chapter 10 Glossary

In Chapter 10, in the definition of "*ancillary service unit*", after "*bidirectional unit*" insert ", *voluntarily scheduled resource*".

[11] Chapter 10 Glossary

In Chapter 10, in the definition of "*available capacity*", after "*scheduled bidirectional unit*" insert ", *voluntarily scheduled resource*".

[12] Chapter 10 Glossary

In Chapter 10, in the definition of "*available capacity*", after "*scheduled bidirectional unit*" insert ", *voluntarily scheduled resource*".

[13] Chapter 10 Glossary

In Chapter 10, in the definition of "*energy constraint*", after "*scheduled bidirectional unit*" insert ", *voluntarily scheduled resource*".

[14] Chapter 10 Glossary

In Chapter 10, in the definition of "*Market Participant*", omit "*Demand Response Service Provider* or *Market Network Service Provider*" and insert "*Demand Response Service Provider, Market Network Service Provider* or *Voluntarily Scheduled Resource Provider*".

[15] Chapter 10 Glossary

In Chapter 10, in the definition of "*Market Suspension Compensation Claimant*", omit "*Scheduled Integrated Resource Provider* or a *Demand Response Service Provider*" and substitute "*Scheduled Integrated Resource Provider, a Demand Response Service Provider* or *Voluntarily Scheduled Resource Provider*".

[16] Chapter 10 Glossary

In Chapter 10, in the definition of "*PASA availability*", after "*scheduled load*" insert ", *voluntarily scheduled resource*".

[17] Chapter 10 Glossary

In Chapter 10, in the definition of "*scheduled reserve*", after paragraph (a1), insert a new paragraph (a2) as follows:

- (a2) of *voluntarily scheduled resources*;

[18] Chapter 10 Glossary

In chapter 10, omit the definition of "*scheduled resource*" and substitute the following:

scheduled resource

According to context:

- (a) a *scheduled generating unit*, a *semi-scheduled generating unit*, a *scheduled bidirectional unit*, a *wholesale demand response unit*, a *scheduled network service*, a *scheduled load* or a *voluntarily scheduled resource*; or
- (b) in respect of a *Registered Participant*, a *scheduled generating unit*, a *semi-scheduled generating unit*, a *scheduled bidirectional unit*, a *wholesale demand response unit*, a *scheduled network service*, a *scheduled load* or a *voluntarily scheduled resource* classified by or in respect to that *Registered Participant* in accordance with Chapter 2.

[19] Chapter 10 Glossary

In chapter 10, omit the definition of "*unscheduled reserve*" and substitute the following:

unscheduled reserve

Excluding *scheduled resources*, the amount of surplus or unused capacity:

- (a) of *generating units*;
- (b) of *bidirectional units*; or
- (c) arising out of the ability to reduce demand.

Schedule 5 Savings and Transitional Amendment to the National Electricity Rules

(Clause 7)

[1] 11.[XXX] Rules consequential on the making of the draft National Electricity Amendment (Integrating price-responsive resources into the NEM) Rule 2024

11.[XXX].1 Definitions

- (a) In this rule 11.17[X]:

Amending Rule means the draft *National Electricity Amendment (Integrating price-responsive resources into the NEM) Rule 2024*.

Contracts and Firmness Guidelines has the meaning given in clause 4A.A.1.

Demand Side Participation Information Portal is the portal established by *AEMO* for the purposes of rule 3.7D.

new clause 3.10B.2(b) means clause 3.10B.2(b) of the *Rules* as in force on the reporting rules commencement date.

new clause 3.10B.2(c) means clause 3.10B.2(c) of the *Rules* as in force on the reporting rules commencement date.

new clause 3.10B.3(b) means clause 3.10B.3(b) of the *Rules* as in force on the reporting rules commencement date.

reporting rules commencement date means 1 January 2026.

schedule of benchmark values has the meaning given in clause 3.14.5A(j).

- (b) In this rule, an italicised term that is not defined in Chapter 10 of the *Rules* has the meaning given to that term in the Amending Rule.

11.[XXX].2 Amendments to guidelines and other instruments

- (a) By 1 June 2026, the *AER* must review and, where it considers it necessary or desirable, amend and *publish* guidelines and other documents published by the *AER*, including the following guidelines, to take into account the Amending Rule:

- (1) the Contracts and Firmness Guidelines; and
- (2) the guidelines developed under clause 3.8.22.

- (b) By 1 June 2026, *AEMO* must must review and, where it considers it necessary or desirable, amend and publish procedures, guidelines and

other documents published by *AEMO*, including the following, to take into account the Amending Rule:

- (1) the *market suspension compensation methodology* and schedule of benchmark values;
 - (2) the Demand Side Participation Information Portal and associated demand side participation information guidelines; and
 - (3) the *DER Register* and associated *DER register information guidelines*.
- (c) In amending the documents referred to in paragraphs (a) and (b), the *AER* and *AEMO* must follow the process for amending those documents specified in the *Rules*, or if no process is specified, the *Rules consultation procedures*.

11.[XXX].3 New guidelines and procedures

- (a) *AEMO* must, in accordance with the *Rules consultation procedures*, develop and publish:
- (1) the *AEMO price responsive reporting guidelines* by 31 December 2025;
 - (2) the *voluntarily scheduled resource guidelines* by 31 December 2025; and
 - (3) the *VSR incentive procedures* by 5 November 2026.
- (b) By 31 December 2025, the *AER* must develop and *publish* the *AER price responsive reporting guidelines*, in accordance with the *Rules consultation procedures* or, if the *AER* includes those guidelines in the *wholesale market monitoring guidelines*, in accordance with clause 8.7.2.
- (c) By 5 November 2029, *AEMO* must review the *voluntarily scheduled resource guidelines* and, if at the conclusion of that review, *AEMO* considers that changes are necessary or desirable, *AEMO* must amend the *voluntarily scheduled resource guidelines* in accordance with the *Rules consultation procedures*.

11.[XXX].4 First price responsive resource reports by AEMO and AER

- (a) For the purposes of new clause 3.10B.2(c), *AEMO* is not required to publish the single source of information until 1 April 2026, in respect of information for the preceding calendar quarter.
- (b) By 30 September 2026, *AEMO* must publish the first report required by new clause 3.10B.2(b).

- (c) The first annual report published by *AEMO* pursuant to paragraph (b) is not required to cover the entire *financial year* ending 30 June 2026, but instead, must:
 - (1) cover the period from 1 January 2026 to 30 June 2026; and
 - (2) also include an analysis of trends in the use and impact of unscheduled price responsive resources over the preceding three years, where such analysis is based on information reasonably available to *AEMO* at the time.
- (d) By 31 December 2026, the *AER* must *publish* the first annual report required by new clause 3.10B.3(b).
- (e) The first annual report *published* by the *AER* pursuant to paragraph (d) is not required to cover the entire *financial year* ending 30 June 2026, but instead, must:
 - (1) cover the period from 1 January 2026 to 30 June 2026; and
 - (2) also include commentary on the trends identified by *AEMO* pursuant to paragraph (c)(2).