

APPENDIX 1 – SMALL GENERATION AGGREGATOR DRAFT RULE

2.2A Small Generation Aggregator

- (a) A person who is exempt from registration under clause 2.2.1(c) may register with AEMO as a Small Generation Aggregator.
- (b) A Small Generation Aggregator is a person so registered by AEMO and who supplies electricity generated by one or more small generating units that is connected to a transmission system or distribution system.
- (c) To be eligible for registration as a Small Generation Aggregator, a person must satisfy AEMO that the person intends to classify within a reasonable period of time the electricity supplied from one or more small generating units and classify each as a market generating unit each with a separate connection point.
- (d) A person must not engage in the activity of selling electricity directly to the market at any connection point, unless that person is registered by AEMO as a Market Participant and that connection point is classified as one of that person's market connection points.
- (e) A person who supplies electricity at any connection point must satisfy the relevant participating jurisdiction's requirements for that connection point so that (subject to compliance with the Rules) the person is permitted to supply electricity in the spot market in relation to that connection point.
- (f) A Small Generation Aggregator's activities only relate to small generating units it has classified as market generating units and only while it is also registered with AEMO as a Small Generation Aggregator.
- (g) A Small Generation Aggregator must sell all sent out generation through the spot market and accept payments from AEMO for sent out generation at the spot price applicable at the connection point as determined for each trading interval in accordance with the provisions of Chapter 3.

Note

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

- (h) A Small Generation Aggregator must purchase all electricity supplied through the national grid to the Small Generation Aggregator at that connection point from the spot market and make payments to AEMO for such electricity supplied at

that connection point as determined for each trading interval in accordance with the provisions of Chapter 3.

Note

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

2.4 Market Participant

2.4.1 Registration as a category of Market Participant

- (a) A *Market Participant* is a person registered by *AEMO* as any one or more of the following categories:
- (1) *Market Customer*;
 - (2) *Market Generator*;
 - (3) *Market Network Service Provider*;
 - (4) *Small Generation Aggregator*.
- (b) A *Market Participant* may only participate in the *market* in the category in which it has been registered.
- (c) A *Market Participant* may only participate in any of the *markets* or trading activities conducted by *AEMO* if that *Market Participant* satisfies the relevant *prudential requirements* set out in Chapter 3 applicable to the relevant trading activity.

2.4.2 Eligibility

To be eligible to be registered as any category of *Market Participant*, a person must:

- (a) satisfy *AEMO* that it is and will be able to satisfy the *prudential requirements* as set out in rule 3.3 applicable to all *Market Participants* and those applicable to the relevant category of *Market Participant* in which that person wishes to participate in the *market*;
- (b) satisfy *AEMO* that it meets any relevant requirements imposed under relevant *jurisdictional electricity legislation*;
- (c) satisfy *AEMO* that it is also registered:
 - (1) as a *Generator*, for registration as a *Market Generator*;
 - (2) as a *Customer*, for registration as a *Market Customer*;
 - (3) as a *Network Service Provider*, for registration as a *Market Network Service Provider*; or
 - (4) as a *Small Generation Aggregator*.
- (d) satisfy *AEMO* that it is complying and will comply with other relevant obligations set out in the *Rules*; and
- (e) pay the prescribed fees determined in accordance with rule 2.11.

2.10 Ceasing to be a Registered Participant

2.10.1 Notification of intention

(d1) AEMO may reject a notice from a *Small Generation Aggregator* that it wishes to terminate its classification of a *connection point* as one of its *market generating units* or otherwise cease to be a *Small Generation Aggregator* in relation to any of its *market generating units* unless AEMO is satisfied that:

- (1) another person has classified the *connection point* as one of its *market generating units* and is registered as a *Small Generation Aggregator*;
- (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments to AEMO for electricity supplied to that *connection point*; or
- (3) the *small generating unit* at that *connection point* will be *disconnected* on and from the date specified and, taking into consideration any relevant *guidelines* and *procedures* specified by the relevant *participating jurisdiction* to AEMO, that *disconnection* is not inappropriate.

2.12 Interpretation of References to Various Registered Participants

(b) Notwithstanding anything else in the *Rules*, a reference to:

(2A) a "*Small Generation Aggregator*" applies to a person registered as a *Small Generation Aggregator* only in so far as it is applicable to matters connected with the person's *small generating units* it has classified as *market generating units*;

3.6.3 Distribution losses

(b)(2) will be either:

- (i) a site specific *distribution loss factor* derived in accordance with the methodology determined by the AER or the *Distribution Network Service Provider* pursuant to clause 3.6.3(h), for each *distribution network connection point* of the following types:
 - (A) a *connection point* for an *embedded generating unit* or *small generating unit* with actual *generation* of more than 10MW, based on the most recent data available for a consecutive 12 month period at the time of determining the *distribution loss factor*. Where relevant data is not available for a consecutive 12 month period as a *distribution network connection point* is newly established or has been modified, a *Network Service Provider* may determine whether an *embedded generating unit* or *small generating unit* has *generation* of more than 10MW, based on its best projection of *generation* in the *financial year* in which the *distribution loss factor* is to apply, taking into account the terms of the relevant *connection agreement*;

- (b1) Where a *Generator or Small Generation Aggregator* meets the reasonable cost of the *Distribution Network Service Provider* in performing the necessary calculation in respect of a *generating unit or small generating unit* of up to 10MW or 40GWh per annum capacity, the *Distribution Network Service Provider* must calculate a site specific *distribution loss factor* that, notwithstanding any other provision of the *Rules* to the contrary, for the purposes of the *Rules* is to apply in respect of that *generating unit or small generating unit* on the same basis as applies for a *generating unit or small generating unit* of more than 10MW or 40GWh per annum capacity as though the *generating unit or small generating unit* were a unit of more than 10MW or 40GWh per annum capacity.

Note

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

3.13.14 Carbon Dioxide Equivalent Intensity Index

Carbon dioxide equivalent intensity index procedures

- (a1) For the purposes of clause 3.13.14, references to *market generating units* do not include *small generating units*.
- (f) AEMO may make minor and administrative amendments to the methodology developed in accordance with clause 3.13.14(a).

Chapter 10 Definitions

Market Participant

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

Small Generation Aggregator

A person who is registered by AEMO as a *Small Generation Aggregator* under Chapter 2.

small generating unit

A *generating unit* with a *nameplate rating* of less than 30MW that meets the criteria referred to in the guidelines issued by AEMO under clause 2.2.1(c) in such a way that may entitle a person who owns, operates or controls that *generating unit* to be, or apply to be, exempt from the requirement to register as a *Generator*.

Savings and Transitional Amendments to the National Electricity Rules

11.[xx] Rules consequential on the making of the National Electricity Amendment (Small Generator) Rule 2011

11.[xx].1 Definitions

For the purposes of this rule 11.[xx]:

Amending Rule means the National Electricity Amendment (Participation of Small Generators) Rule 2011.

Participation of Small Generation commencement date means the date of the commencement of the Amending Rule.

11.[xx].2 Purpose

The purpose of this rule 11.[xx] is to provide transitional arrangements to facilitate *AEMO's* implementation of the procedural and system changes necessary to allow *Small Generation Aggregators* to participate in the *NEM* prior to the Participation of Small Generation Rule commencement date.

11.[xx].3 Amendments to Market Settlement and Transfer Solution Procedures

- (a) *AEMO* must amend the *Market Settlement and Transfer Solution Procedures* under clause 7.2.8(a) to take into account the Amending Rule with those amendments to take effect from the Participation of Small Generation Rule commencement date.
- (b) Any action taken by *AEMO* prior to the Participation of Small Generation Rule commencement date for the purpose of amending the *Market Settlement and Transfer Solution Procedures* as a result of the Amending Rule is taken to satisfy any equivalent actions required under the Rules.

11.[xx].4 Amendments to Carbon dioxide equivalent intensity index procedures

- (a) *AEMO* must amend and publish the *carbon dioxide equivalent intensity index procedures* under clause 3.13.14(a) to exclude *small generating units* from the calculation of a *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* to take into account the Amending Rule with those amendments to take effect from the Participation of Small Generation Rule commencement date.
- (b) The requirement in clause 3.13.14(a) that *AEMO* comply with the *Rules consultation procedures* when amending the *carbon dioxide equivalent intensity index procedures* does not apply to amendments made under clause 11.[xx].4.
- (c) Any action taken by *AEMO* prior to the Participation of Small Generation Rule commencement date for the purpose of amending the *Market Settlement and Transfer Solution Procedures* as a result of the Amending Rule is taken to satisfy any equivalent actions required under the Rules.

11.[xx].5 Amendments to Participant fees

Until *AEMO* determines a structure of *Participant fees* under rule 2.11 that provides for *Small Generation Aggregators*, references to *Market Customer* in *AEMO's* "Structure of Participant Fees under rule 2.11 of the National Electricity Rules" publication dated 21 March 2011, will be taken to include *Small Generation Aggregators*.

11.[xx].6 Decisions and actions taken prior to Amending Rule

All decisions and actions taken by AEMO prior to the Rule commencement date in anticipation of the commencement of the Amending Rule are taken to satisfy the equivalent actions required after the Participation of Small Generator Rule commencement date and continue to have effect for that purpose.

11.[xx].7 Ancillary service transaction

Until AEMO provides written notice, in clause 3.15.6A references to *Market Customer* will be taken to include *Small Generation Aggregator* and references to *customer energy* will be taken to include *generator energy*.