CHAPTER 2			

2. Registered Participants and Registration

2.1 Registered Participants

2.1.1 Purpose

This Chapter sets out and describes the various categories of *Registered Participants* and the registration procedures. It also sets out the fees payable by *Registered Participants*.

2.1.2 General

- (a) [Deleted]
- (b) [Deleted]
- (c) The different categories of *Registered Participants* have different obligations under the *Rules*.
- (d) Rules 2.2 to 2.7 set out the *Registered Participant* categories and requirements which a person must satisfy in order to be registered by *NEMMCO* in relation to each of those *Registered Participant* categories.
- (e) Each prospective *Registered Participant* must apply to *NEMMCO* for registration in accordance with rule 2.9.
- (f) Each *Registered Participant* must pay to *NEMMCO* the prescribed fees determined in accordance with the provisions of rule 2.11.

2.2 Generator

2.2.1 Registration as a Generator

- (a) Subject to clause 2.2.1(c), a person must not engage in the activity of owning, controlling or operating a *generating system* that is *connected* to a *transmission* or distribution system unless that person is registered by NEMMCO as a Generator.
- (b) A person who otherwise *supplies* electricity to a *transmission or distribution system* may, on application for registration by that person in accordance with rule 2.9, be registered by *NEMMCO* as a *Generator*.
- (c) NEMMCO may, in accordance with guidelines issued from time to time by NEMMCO, exempt a person or class of persons from the requirement to register as a Generator, subject to such conditions as NEMMCO deems appropriate, where (in NEMMCO's opinion) an exemption is not inconsistent with the national electricity objective.
- (d) Without limitation, an exemption may be given which only relieves a person or class of persons from the requirement to register as a *Generator* in relation to certain specified *generating systems* or classes of *generating systems*.
- (e) To be eligible for registration as a *Generator*, a person must:

- (1) obtain the approval of *NEMMCO* to classify each of the *generating units* that form part of the *generating system* that the person owns, operates or controls, or from which it otherwise sources electricity, as:
 - (i) a scheduled generating unit;
 - (ii) a semi-scheduled generating unit; or
 - (iii) a non-scheduled generating unit;
- (2) classify the *generating units* in accordance with *NEMMCO's* approval as referred to in subparagraph (1); and
- (3) satisfy *NEMMCO* that each *generating system* will be capable of meeting or exceeding its *performance standards*.
- (f) Except in relation to a proposed *generating unit*, a person must also classify each of those *generating units* as either a *market generating unit* or a *non-market generating unit*.
- (f1) A Generator may also classify one or more of its generating units as an ancillary service generating unit where it has obtained the approval of NEMMCO to do so.
- (g) Nothing in clause 2.2.1(e) or (f) requires the classification of any *generating* unit which forms part of a *generating system* in respect of which an exemption under clause 2.2.1(c) applies.

2.2.2 Scheduled Generator

- (a) A *generating unit* which has a *nameplate rating* of 30 MW or greater or is part of a group of *generating units connected* at a common *connection point* with a combined *nameplate rating* of 30 MW or greater must be classified as a *scheduled generating unit* unless *NEMMCO* approves its classification as:
 - (1) a semi-scheduled generating unit under clause 2.2.7(b); or
 - (2) a non-scheduled generating unit in accordance with clause 2.2.3(b).
- (b) A person must not classify a *generating unit* as a *scheduled generating unit* unless it has obtained the approval of *NEMMCO* to do so. *NEMMCO* must approve the classification if it is satisfied that the person:
 - (1) has submitted data in accordance with schedule 3.1; and
 - (2) has adequate communications and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses.
- (b1) In relation to an application under clause 2.2.2(b) to classify as a *scheduled* generating unit a generating unit with a nameplate rating of less than 30 MW, or a generating unit that is part of a group of generating units connected at a common connection point with a combined nameplate rating of less than 30 MW, NEMMCO may approve the classification on such terms and conditions as NEMMCO considers appropriate.

(c) A person must comply with any terms and conditions imposed by *NEMMCO* as part of an approval under clause 2.2.2(b1).

(d) [Deleted]

- (e) A *Generator* is taken to be a *Scheduled Generator* only in so far as its activities relate to any *scheduled generating unit*.
- (f) A Scheduled Generator must operate any scheduled generating unit in accordance with the co-ordinated central dispatch process operated by NEMMCO under the provisions of Chapter 3.
- (g) As described in Chapter 3, a *Scheduled Generator* must notify *NEMMCO* of the availability of each *scheduled generating unit* in respect of each *trading interval*.
- (h) A Scheduled Generator may submit to NEMMCO a schedule of dispatch offers for each scheduled generating unit in respect of each trading interval for dispatch by NEMMCO.

2.2.3 Non-Scheduled Generator

- (a) A generating unit with a nameplate rating of less than 30 MW (not being part of a group of generating units described in clause 2.2.2(a)) must be classified as a non-scheduled generating unit unless NEMMCO approves its classification as:
 - (1) a scheduled generating unit under clause 2.2.2(b); or
 - (2) a semi-scheduled generating unit under clause 2.2.7(b).
- (b) A person must not classify a *generating unit* as a *non-scheduled generating unit* unless the person has obtained the approval of *NEMMCO* to do so. *NEMMCO* must approve the classification if it is satisfied that:
 - (1) the primary purpose for which the relevant *generating unit* operates is local use and the aggregate *sent out generation* at its *connection point* rarely, if ever, exceeds 30 MW; or
 - (2) the physical and technical attributes of the relevant *generating unit* are such that it is not practicable for it to participate in *central dispatch*.
- (c) If, in relation to an application under paragraph (b), in *NEMMCO's* opinion it is necessary for any reason (including *power system security*) for the relevant *Generator* to comply with some of the obligations of a *Scheduled Generator* or *Semi-Scheduled Generator* for that *generating unit, NEMMCO* may approve the classification on such terms and conditions as *NEMMCO* considers reasonably necessary.
- (d) A person must comply with any terms and conditions imposed by *NEMMCO* under paragraph (c).

- (e) A Generator is taken to be a Non-Scheduled Generator only in so far as its activities relate to a non-scheduled generating unit.
- (f) Subject to clause 3.8.2(e), the *non-scheduled generating units* of a *Generator* do not participate in the co-ordinated *central dispatch* process operated by *NEMMCO*.

2.2.4 Market Generator

- (a) A generating unit whose sent out generation is not purchased in its entirety by the Local Retailer or by a Customer located at the same connection point must be classified as a market generating unit.
- (b) A *Generator* is taken to be a *Market Generator* only in so far as its activities relate to any *market generating units*.
- (c) A Market Generator must sell all sent out generation through the spot market and accept payments from NEMMCO 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.
- (d) A *Market Generator* must purchase all electricity *supplied* through the *national* grid to the *Market Generator* at that *connection point* from the *spot market* and make payments to *NEMMCO* for such electricity supplied at the *connection* point as determined for each *trading interval* in accordance with the provisions of Chapter 3.

2.2.5 Non-Market Generator

- (a) A generating unit whose sent out generation is purchased in its entirety by the Local Retailer or by a Customer located at the same connection point must be classified as a non-market generating unit.
- (b) A Generator is taken to be a Non-Market Generator only in so far as its activities relate to any non-market generating unit.
- (c) A *Non-Market Generator* is not entitled to receive payment from *NEMMCO* for *sent out generation* except for any compensation that may be payable to it as a *Directed Participant* or *Affected Participant*.

2.2.6 Ancillary services generating unit

- (a) If the *Market Generator* in respect of a *generating unit* wishes to use that *generating unit* to provide *market ancillary services* in accordance with Chapter 3, then the *Market Generator* must apply to *NEMMCO* for approval to classify the *generating unit* as an *ancillary service generating unit*.
- (b) An application under clause 2.2.6(a) must be in the form prescribed by *NEMMCO* and specify the *market ancillary services* which the *Market Generator* wishes to provide using the relevant *generating unit*.
- (c) *NEMMCO* must, within 5 *business days* of receiving an application under clause 2.2.6(a), advise the applicant of any further information or clarification

which is required in support of its application if, in *NEMMCO's* reasonable opinion, the application:

- (1) is incomplete; or
- (2) contains information upon which *NEMMCO* requires clarification.
- (d) If the further information or clarification required pursuant to clause 2.2.6(c) is not provided to *NEMMCO's* satisfaction within 15 *business days* of the request, then the *Market Generator* will be deemed to have withdrawn the application.
- (e) If *NEMMCO* is reasonably satisfied that:
 - (1) the *generating unit* is able to be used to provide the *market ancillary services* referred to in the application in accordance with the *market ancillary service specification*; and
 - (2) the *Market Generator* has adequate communication and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses,

then *NEMMCO* must approve the classification in respect of the particular *market ancillary services*.

(f) If NEMMCO approves the classification of a generating unit as an ancillary service generating unit, then NEMMCO may impose on the relevant Market Generator such terms and conditions as NEMMCO considers necessary to ensure that the provisions of the Rules applying to market ancillary services can be met.

(g) A Market Generator:

- (1) must comply with any terms and conditions imposed by *NEMMCO* under clause 2.2.6(f);
- (2) must ensure that the *market ancillary services* provided using the relevant *ancillary services generating unit* are provided in accordance with the co-ordinated *central dispatch* process operated by *NEMMCO* under the provisions of Chapter 3 and in accordance with the *market ancillary service specification*;
- (3) may submit to *NEMMCO market ancillary service offers* in respect of the *ancillary service generating unit* in accordance with the provisions of Chapter 3; and
- (4) if the *Market Generator* submits a *market ancillary service offer* in respect of the relevant *ancillary service generating unit*, must comply with the *dispatch instructions* from *NEMMCO* in accordance with the *Rules*.
- (h) A Market Generator with an ancillary service generating unit must only sell the market ancillary services produced using that ancillary service generating unit through the spot market in accordance with the provisions of Chapter 3.

(i) A *Market Generator* is not entitled to receive payment from *NEMMCO* for *market ancillary services* except where those *market ancillary services* are produced using an *ancillary service generating unit* in accordance with Chapter 3 or pursuant to a *direction* or *clause 4.8.9 instruction*.

2.2.7 Semi-Scheduled Generator

- (a) A generating unit which has a nameplate rating of 30 MW or greater or is part of a group of generating units connected at a common connection point with a combined nameplate rating of 30 MW or greater, must be classified as a semi-scheduled generating unit where the output of the generating unit is intermittent unless NEMMCO approves its classification as:
 - (1) a scheduled generating unit under clause 2.2.2(b); or
 - (2) a non-scheduled generating unit under clause 2.2.3(b).
- (b) A person must not classify a *generating unit* as a *semi-scheduled generating unit* unless the person has obtained the approval of *NEMMCO* to do so.
- (c) *NEMMCO* must approve a request for classification as a *semi-scheduled* generating unit if it is satisfied that the output of the generating unit is intermittent and that the person:
 - (1) has submitted data in accordance with schedule 3.1;
 - (2) has submitted an *energy conversion model* which contains the information described in the guidelines referred to in paragraph (d); and
 - (3) has adequate communications and telemetry to support the issuing of *dispatch instructions* and the audit of responses.
- (d) NEMMCO must develop and publish guidelines in consultation with Semi-Scheduled Generators and such other person that NEMMCO, acting reasonably, considers appropriate setting out the information to be contained in energy conversion models. Any amendments to the guidelines are also to be made in consultation with Semi-Scheduled Generators and such other person that NEMMCO, acting reasonably, considers appropriate.
- (e) In relation to an application under paragraph (b) to classify a *generating unit* with a *nameplate rating* of less than 30 MW, or a *generating unit* that is part of a group of *generating units connected* at a common *connection point* with a combined *nameplate rating* of less than 30 MW, as a *semi-scheduled generating unit*, *NEMMCO* may approve the classification on such terms and conditions as *NEMMCO* considers appropriate.
- (f) A person must comply with any terms and conditions imposed by *NEMMCO* as part of an approval under paragraph (e).
- (g) A Generator is taken to be a Semi-Scheduled Generator only in so far as its activities relate to a semi-scheduled generating unit.

- (h) A Semi-Scheduled Generator must operate a semi-scheduled generating unit in accordance with the co-ordinated central dispatch process operated by NEMMCO under the provisions of Chapter 3.
- (i) At the time that a person makes a request for *NEMMCO* to classify a *semi-scheduled generating unit* under paragraph (c), that person may request to register two or more *generating units* as one *semi-scheduled generating unit* when the *generating units*:
 - (1) are connected at a single site with the same *intra-regional loss factor*;
 - (2) each have a capacity of not more than 6MW; and
 - (3) have similar energy conversion models,

and *NEMMCO* must approve the request unless, in *NEMMCO's* opinion, registering the relevant *generating units* as one *semi-scheduled generating unit* could adversely impact on *power system security*.

- (j) Notwithstanding that one or more of the conditions set out in paragraph (i) may not have been fulfilled by the *Semi-Scheduled Generator*, *NEMMCO* may approve a request received under paragraph (i) if registration as a single *semi-scheduled generating unit* would not materially distort *central dispatch* or adversely affect *power system security*.
- (k) Where *NEMMCO* approves a request to register two or more *generating units* as one *semi-scheduled generating unit* in accordance with paragraph (i) or (j), the *generating units* will be taken to be one *semi-scheduled generating unit* for the purposes of the *Rules*.
- (1) For the avoidance of doubt, a *Semi-Scheduled Generator* which operates two or more *semi-scheduled generating units* that could have been registered as a single *semi-scheduled generating unit* under paragraph (i) but were not so registered, may subsequently aggregate those *generating units* in accordance with clause 3.8.3.

2.3 Customer

2.3.1 Registration as a Customer

- (a) A Customer is a person so registered by NEMMCO and who engages in the activity of purchasing electricity supplied through a transmission or distribution system to a connection point.
- (b) To be eligible for registration as a *Customer*, a person must satisfy *NEMMCO* (acting reasonably) that:
 - (1) the person intends to classify within a reasonable period of time its electricity purchased at one or more *connection points* as a *first-tier load*, a *second-tier load* or a *market load* or an *intending load*; or
 - (2) registration is for the purpose of acting as a *retailer of last resort*.

- (c) A person must not engage in the activity of purchasing electricity directly from the *market* at any *connection point*, unless that person is registered by *NEMMCO* as a *Market Participant* and that *connection point* is classified as one of that person's *market connection points*.
- (d) A person who engages in the activity of purchasing electricity at any connection point otherwise than directly from the market may, but is not required to, apply for registration by NEMMCO as a First-Tier Customer, a Second-Tier Customer or an Intending Participant provided that person is entitled to classify its electricity purchased at that connection point based on the threshold criteria set out in clause 2.3.1(e).
- (e) A person may not classify its electricity purchased at any *connection point* unless the person satisfies the requirements of the *participating jurisdiction* in which the *connection point* is situated so that (subject to compliance with the *Rules*) the person is permitted to purchase electricity in the *spot market* in relation to that *connection point*.
- (f) A Market Customer may also classify one or more of its market loads as an ancillary service load.

2.3.2 First-Tier Customer

- (a) If any electricity *supplied* through the *national grid* is purchased by a person at a *connection point* directly and in its entirety from the *Local Retailer*, the *load* at that *connection point* may be classified by that person as a *first-tier load*.
- (b) A *Customer* is taken to be a *First-Tier Customer* only in so far as its activities relate to any *first-tier load*.
- (c) A First-Tier Customer must not participate in the spot market for any first-tier load.

2.3.3 Second-Tier Customer

- (a) Subject to clause 2.3.3(d), if any electricity *supplied* through the *national grid* is purchased by a person at a *connection point* other than directly from the *Local Retailer* or the *spot market* all electricity purchased by that person at that *connection point* may be classified by that person as a *second-tier load*.
- (b) A Customer is taken to be a Second-Tier Customer only in so far as its activities relate to any second-tier load.
- (c) A Second-Tier Customer must not participate in the spot market for any of its second-tier loads.
- (d) A person's purchase of electricity at a *connection point* may only be classified as a *second-tier load* while a *Market Customer*, from whom the person directly or indirectly purchases the electricity, classifies the *connection point* as one of its *market loads*.

2.3.4 Market Customer

- (a) If electricity, *supplied* through the *national grid* to any person *connected* at a *connection point*, is purchased other than from the *Local Retailer* that *load* at the *connection point* may be classified by that person or, with the consent of that person, by some other person as a *market load*.
- (b) A *Customer* is taken to be a *Market Customer* only in so far as its activities relate to any *market load* and only while it is also registered with *NEMMCO* as a *Market Customer*.
- (c) A *Market Customer* must purchase all electricity *supplied* at that *connection point* from the *spot market* and make payments to *NEMMCO* for electricity supplied at the *connection point* as determined for each *trading interval* in accordance with provisions of Chapter 3.
- (d) A Market Customer may request NEMMCO to classify any of its market loads as a scheduled load.
- (e) *NEMMCO* must classify a *market load* as a *scheduled load* if it is satisfied that the *Market Customer*:
 - (1) has submitted data in accordance with schedule 3.1;
 - (2) has adequate communications and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses; and
 - (3) has requested that the *load* be so classified and has not withdrawn that request.
- (f) A *Market Customer* may submit *dispatch bids* in respect of *scheduled loads* in accordance with the provisions of Chapter 3.
- (g) A Market Customer who submits dispatch bids for scheduled loads and makes its scheduled loads available for central dispatch must comply with the dispatch instructions from NEMMCO in accordance with the Rules.
- (h) A Customer who is also a Local Retailer must classify any connection point which connects its local area to another part of the power system as a market load.

2.3.5 Ancillary services load

- (a) If the *Market Customer* in respect of a *market load* wishes to use that *market load* to provide *market ancillary services* in accordance with Chapter 3, then the *Market Customer* must apply to *NEMMCO* for approval to classify the *market load* as an *ancillary service load*.
- (b) An application under clause 2.3.5(a) must be in the form prescribed by *NEMMCO* and specify the *market ancillary services* which the *Market Customer* wishes to provide using the relevant *market load*.
- (c) *NEMMCO* must, within 5 *business days* of receiving an application under clause 2.3.5(a), advise the applicant of any further information or clarification

which is required in support of its application if, in *NEMMCO's* reasonable opinion, the application:

- (1) is incomplete; or
- (2) contains information upon which *NEMMCO* requires classification.
- (d) If the further information or clarification required pursuant to clause 2.3.5(c) is not provided to *NEMMCO's* satisfaction within 15 *business days* of the request, then the *Market Customer* will be deemed to have withdrawn the application.
- (e) If *NEMMCO* is reasonably satisfied that:
 - (1) the *market load* is able to be used to provide the *market ancillary services* referred to in the application in accordance with the *market ancillary service specification*; and
 - (2) the *Market Customer* has adequate communications and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses,

then *NEMMCO* must approve the classification in respect of the particular *market ancillary services*.

- (f) If *NEMMCO* approves the classification of a *market load* as an *ancillary service load*, then *NEMMCO* may impose on the relevant *Market Customer* such terms and conditions as *NEMMCO* considers necessary to ensure that the provisions of the *Rules* applying to *market ancillary services* can be met.
- (g) A Market Customer:
 - (1) must comply with any terms and conditions imposed by *NEMMCO* under clause 2.3.5(f);
 - (2) must ensure that the *market ancillary services* provided using the relevant *ancillary services load* are provided in accordance with the coordinated *central dispatch* process operated by *NEMMCO* under the provisions of Chapter 3 and in accordance with the *market ancillary service specification*;
 - (3) may submit to *NEMMCO market ancillary service offers* in respect of the *ancillary service load* in accordance with the provision of Chapter 3; and
 - (4) if the *Market Customer* submits a *market ancillary service offer* in respect of the relevant *ancillary service load*, must comply with the *dispatch instructions* from *NEMMCO* in accordance with the *Rules*.
- (h) A Market Customer with an ancillary service load must only sell the market ancillary services produced using that ancillary service load through the spot market in accordance with the provisions of Chapter 3.
- (i) A Market Customer is not entitled to receive payment from NEMMCO for market ancillary services except where those market ancillary services are

produced using an *ancillary service load* in accordance with Chapter 3 or pursuant to a *direction* or *clause 4.8.9 instruction*.

2.4 Market Participant

2.4.1 Registration as a category of Market Participant

- (a) A *Market Participant* is a person registered by *NEMMCO* as any one or more of the following categories:
 - (1) Market Customer;
 - (2) *Market Generator*;
 - (3) Market Network Service Provider.
- (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 *NEMMCO* 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 *NEMMCO* 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 *NEMMCO* that it meets any relevant requirements imposed under relevant *jurisdictional electricity legislation*;
- (c) satisfy *NEMMCO* 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*; or
 - (3) as a *Network Service Provider*, for registration as a *Market Network Service Provider*;
- (d) satisfy *NEMMCO* 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.

2.5 Network Service Provider

2.5.1 Registration as a Network Service Provider

- (a) Subject to clause 2.5.1(d), a person must not engage in the activity of owning, controlling or operating a *transmission or distribution system* unless that person is registered by *NEMMCO* as a *Network Service Provider*.
- (b) [Deleted]
- (c) [Deleted]
- (d) The AER may, in accordance with the guidelines issued from time to time by the AER, exempt any person or class of persons who is or are required to register as a Network Service Provider from:
 - (1) the requirement to register as a Network Service Provider; or
 - (2) the operation of Chapter 5,

subject to such conditions as the AER deems appropriate where (in the AER's opinion) an exemption is not inconsistent with the *national electricity objective*.

- (e) The AER must develop and issue guidelines for the exemptions described in clause 2.5.1(d) pursuant to the Rules consultation procedures and in accordance with those procedures consult with Registered Participants and authorities responsible for administering the jurisdictional electricity legislation.
- (e1) Without limitation, an exemption may be given which only relates to certain specified *transmission or distribution systems* or classes of *transmission or distribution systems*.
- (f) Prior to granting any exemption under clause 2.5.1(d), the *AER* must consult with the authorities responsible for administering the *jurisdictional electricity legislation* in the *participating jurisdictions* in which any *transmission systems* or *distribution systems* owned, operated or controlled by persons or class of persons under exemption consideration are located.
- (g) Without limitation, an exemption may be given which only relieves a person or class of persons from either or both of the matters described in clause 2.5.1(d)(1) or (2) in relation to certain specified *transmission or distribution* systems or classes of *transmission or distribution systems*.

2.5.2 Market Network Service

- (a) A Network Service Provider may classify a network service as a market network service if and only if the following conditions are satisfied and continue to be satisfied:
 - (1) the relevant *network service* is to be provided by *network elements* which comprise a *two-terminal link* and do not provide any *transmission service* which is subject to a *revenue determination* or any *direct control service*;

- (2) the *Network Service Provider* is registered under clause 2.5.1 in respect of the *network elements* which provide the relevant *market network service*:
- (3) the relevant *network service*:
 - (A) has not ever been a *transmission service* to which a *transmission determination* has applied or a *direct control service*; or
 - (B) is ineligible to be such a service;
- (4) the *connection points* of the relevant *two-terminal link* are assigned to different *regional reference nodes*; and
- (5) the relevant *two-terminal link* through which the *network service* is provided:
 - (A) does not form part of a *network loop*; or
 - (B) is an independently controllable two-terminal link,

and has a registered power transfer capability of at least 30 MW.

- (b) A market network service is not a prescribed transmission service or a direct control service and a Network Service Provider is not entitled to impose charges for a market network service under Chapter 6 or Chapter 6A.
- (c) If an existing *network service* ceases to be classified as a *market network service*, the *AER* may at is discretion determine the service to be a *prescribed transmission service* or a *direct control service*. In that case, the *AER* may make consequential changes to the relevant transmission determination or distribution determination (as the case requires) to accommodate the service.
- (d) A *Network Service Provider* is taken to be a *Market Network Service Provider* only in so far as its activities relate to the provision of *market network services*.
- (e) For the avoidance of doubt, a *Registered Participant* may apply to the *AEMC* for a *participant derogation* from the conditions specified in clause 2.5.2(a).

2.5.3 Scheduled Network Service

- (a) All market network services must be classified as scheduled network services.
- (b) A *network service* must not be classified as a *scheduled network service* unless it is also a *market network service*.
- (c) A Network Service Provider is taken to be a Scheduled Network Service Provider only in so far as its activities relate to the provision of scheduled network services.
- (d) *NEMMCO* may impose on a *Scheduled Network Service Provider* such terms and conditions as *NEMMCO* considers necessary to ensure that the provisions of the *Rules* applying to *scheduled network services* can be met.

- (e) A Scheduled Network Service Provider:
 - (1) must comply with any terms and conditions imposed by *NEMMCO* under clause 2.5.3(d);
 - (2) must ensure that the *scheduled network services* are provided in accordance with the co-ordinated *central dispatch* process operated by *NEMMCO* under the provisions of Chapter 3;
 - (3) must ensure that *NEMMCO* is notified of the availability of the *scheduled network services* in accordance with the provisions of Chapter 3; and
 - (4) must submit to *NEMMCO* a schedule of *dispatch offers* for the *scheduled network services* in accordance with the provisions of Chapter 3.

2.5A Trader

- (a) A *Trader* is a person so registered by *NEMMCO* in order to participate in *auctions* under rule 3.18.
- (b) A person who is registered by *NEMMCO* as a *Trader* is:
 - (1) a *Registered Participant* for the purposes of the *National Electricity Law* and rules 2.9, 2.10, 2.11, 3.18, 8.2, 8.9 and subparagraph (3), and clause 3.13.5A;
 - (2) is to be treated as a *Market Participant* for the purposes of clause 3.3.1 and rule 3.15 (as applied and modified by clause 3.18.4) provided that a person who is registered by *NEMMCO* as a *Trader* is not to be regarded as a *Market Participant* for the purposes of clauses 3.3.1(a) and 3.15.1(b); and
 - (3) entitled to receive any information which *NEMMCO* is required to *publish* or otherwise make available to *Registered Participants* (other than *confidential information* in respect of one or more other *Registered Participants*),

but is not otherwise a *Registered Participant* for the purposes of the *Rules* unless they are also registered in another category of *Registered Participant*.

- (c) A person registered by *NEMMCO* as a *Trader* must:
 - (1) have an office in Australia to which all communications and notices may be addressed and at which a representative of the *Trader* is present at all times during business hours; and
 - (2) where the *Trader* is not resident in, or does not have a permanent establishment in, Australia, appoint a person ('an **agent**') who is:
 - (i) a natural person or company;
 - (ii) resident in Australia; and

(iii) authorised to accept service of process and notices on behalf of that *Trader*,

and provide *NEMMCO* with a certified copy of the instrument, executed by the agent, under which the agent is so appointed and which specifies the agent's address.

2.5B Reallocator

- (a) A *Reallocator* is a person so registered by *NEMMCO* in order to participate in *reallocation transactions* under clause 3.15.11.
- (b) A person who is registered with *NEMMCO* as a *Reallocator* is:
 - (1) a Registered Participant for the purposes of rules 2.5B(b)(3), 2.9, 2.10, 2.11, 8.2 and 8.9;
 - (2) taken to be a *Market Participant* for the purposes of rules 3.3 and 3.15 but is not regarded as a *Market Participant* for the purposes of clauses 3.3.2(a) and 3.15.1(b); and
 - (3) entitled to receive any information *NEMMCO* is required to *publish* or otherwise make available to *Registered Participants* (other than *confidential information* in respect of other *Registered Participants*),

but is not otherwise a *Registered Participant* or a *Market Participant* for the purposes of the *Rules* unless the person is also registered in another category of *Registered Participant* or *Market Participant*.

2.6 Special Participant

- (a) A Special Participant is a person who is either of the following:
 - (1) System Operator: an agent engaged, or a delegate appointed, by NEMMCO under clause 4.3.3 to carry out some or all of NEMMCO's rights, functions and obligations under Chapter 4.
 - (2) Distribution System Operator: a person who is responsible, under the Rules or otherwise, for controlling or operating any portion of a distribution system (including being responsible for directing its operations during power system emergencies).
- (b) A person must be registered by *NEMMCO* in this category to perform these functions.

2.7 Intention to Commence Activities or Functions

(a) Any person intending to act in any *Registered Participant* category may, on application for registration by that person in accordance with rule 2.9, be registered by *NEMMCO* as an *Intending Participant* if that person can reasonably satisfy *NEMMCO* that it intends to carry out an activity in respect of which it must or may be registered as a *Registered Participant*.

- (b) NEMMCO may from time to time require a person registered by NEMMCO as an Intending Participant to satisfy NEMMCO that it continues to meet the criteria for registration in rule 2.7(a). If the Intending Participant is unable to satisfy NEMMCO that it continues to meet those criteria then it will cease to be registered as an Intending Participant on the date specified by NEMMCO by written notice to the Intending Participant concerned.
- (c) An *Intending Participant* is taken to be an *Intending Participant* only in so far as its activities relate to its intention to commence an activity in respect of which it must or may be registered as a *Registered Participant*.
- (d) As a *Registered Participant*, an *Intending Participant* may exercise such rights and is bound by such obligations under the *Rules* as are specified by *NEMMCO* (on the basis of whether the *Intending Participant* intends to become a *Customer*, *Generator*, *Network Service Provider* or *Special Participant*) and approved by the *AEMC*.

2.8 Registered Participant Rights and Obligations

2.8.1 Rights and obligations

- (a) A *Registered Participant* must not act in any one of the categories listed in rules 2.2 to 2.7 unless the *Registered Participant* is registered by *NEMMCO* in that category in accordance with the requirements of the *Rules*.
- (a1) A Registered Participant must comply with the provisions of the Rules applicable to that Registered Participant.
- (b) A *Registered Participant* may act in more than one of the categories described in rules 2.2 to 2.7 provided that the *Registered Participant* is registered by *NEMMCO* in relation to each of the relevant *Registered Participant* categories.

2.9 Application to be Registered as a Registered Participant

2.9.1 Applications for Registration

- (a) Applications to be registered in any category of *Registered Participant* must be submitted to *NEMMCO* in the form prescribed by *NEMMCO*.
- (b) *NEMMCO* must, within 5 *business days* of receiving an application, advise the applicant of any further information or clarification which is required in support of its application if, in *NEMMCO's* reasonable opinion, the application:
 - (1) is incomplete; or
 - (2) contains information upon which *NEMMCO* requires clarification,
- (c) If the further information or clarification required pursuant to clause 2.9.1(b) is not provided to *NEMMCO's* satisfaction within 15 *business days* of the request, the person will be deemed to have withdrawn the application.

2.9.2 Registration as a Registered Participant

(a) In this clause 2.9.2:

receiving date means the later date of *NEMMCO* receiving:

- (1) an application for registration referred to in clause 2.9.1;
- (2) further information or clarification referred to in clause 2.9.1(b); or
- (3) in relation to an application for registration as a *Generator*, the information requested under clause S5.2.4(b).
- (b) *NEMMCO* must, within 15 *business days* of the receiving date, determine that an applicant is to be registered in the category of *Registered Participant* applied for if *NEMMCO* is reasonably satisfied that:
 - (1) the applicant meets the eligibility requirements specified for the category of *Registered Participant* to which the application relates;
 - (2) if the application relates to registration in one of the categories of *Market Participant*, the applicant is and will be able to fulfil the applicable financial obligations under Chapter 3 of the *Rules*; and
 - (3) the applicant has demonstrated an ability to comply with the *Rules*.
- (c) If *NEMMCO* determines that an applicant does not satisfy the requirements referred to in paragraph (b), *NEMMCO* must determine that the applicant is not qualified to be registered as a *Registered Participant* in the relevant category and provide reasons for that determination.

2.9.3 Registration as an Intermediary

- (a) A person (the "applicant") who is required to be registered under the National Electricity Law or under the Rules as a Generator or a Network Service Provider may apply to NEMMCO or the AER respectively for an exemption from that requirement to register.
- (b) NEMMCO or the AER (as the case may be) must allow that exemption if:
 - (1) the *applicant* notifies *NEMMCO* or the *AER* (as the case may be) of the identity of a person (an "*intermediary*") to be registered instead of the *applicant*;
 - (2) the *applicant* provides *NEMMCO* or the *AER* (as the case may be) with the written consent of the *intermediary* to act as *intermediary* in a form reasonably acceptable to *NEMMCO* or the *AER*; and
 - (3) [Deleted]
 - (4) *NEMMCO* or the *AER* (as the case may be) notifies the *applicant* that it approves of the *intermediary*.

- (c) NEMMCO or the AER (as the case may be) must approve an *intermediary* if the *applicant* establishes to NEMMCO's reasonable satisfaction that, from a technical perspective, the *intermediary* can be treated for the purpose of the Rules as the *applicant* with respect to the relevant *generating system*, distribution system or transmission system with which the applicant is associated
- (d) If the exemption is granted by *NEMMCO* or the *AER* (as the case may be) then:
 - (1) provided the *intermediary* satisfies all relevant registration requirements that the *applicant* would have been required to satisfy, *NEMMCO* must register the *intermediary* as a *Registered Participant* as if it were the *applicant*;
 - (2) the *intermediary* will be considered for the purposes of the *Rules* to be the *applicant*;
 - (3) all references in the *Rules* to the *applicant* will be deemed to be references to the *intermediary* (unless the context requires otherwise);
 - (4) all acts, omissions, statements, representations and notices of the *intermediary* in its capacity as a *Registered Participant* under the *Rules* will be deemed to be the acts, omissions, statements, representations and notices of the *applicant*;
 - (5) the *intermediary* and the *applicant* will be jointly and severally liable for the acts, omissions, statements, representations and notices of the *intermediary* in its capacity as a *Registered Participant* under the *Rules*; and
 - (6) *NEMMCO* or any other *Registered Participant* may fulfil any obligations to the *applicant* under the *Rules* by performing them in favour of the *intermediary*.
- (e) The *applicant* may revoke the appointment of the *intermediary* by giving notice of such revocation to *NEMMCO*, whereupon *NEMMCO* must advise the *AER* that such notice has been given.
- (f) At 4.30 am, 2 business days after NEMMCO receives notice of such revocation, the intermediary will cease to be considered the applicant's intermediary for the purposes of the Rules and the applicant will not be liable under clause 2.9.3(d)(5) for any acts, omissions, statements, representations or notices of the intermediary occurring after that time.
- (g) If the *applicant* revokes the appointment of an *intermediary*, the exemption granted by *NEMMCO* or the *AER* (as the case may be) to the *applicant* as contemplated by clause 2.9.3(b) ceases at the time the *intermediary* ceases to be the *applicant's intermediary* in accordance with clause 2.9.3(f).
- (h) The *applicant* may notify *NEMMCO* or the *AER* (as the case may be) that the *intermediary* is the *applicant's intermediary* for part only of the *applicant's* business (provided that that part represents one or more discrete *generating systems*, *distribution systems* or *transmission systems*).

(i) Nothing in the *Rules* requires the *intermediary* to be the agent of the *applicant*.

2.10 Ceasing to be a Registered Participant

2.10.1 Notification of intention

- (a) A person may notify *NEMMCO* in writing that it wishes to cease to be registered in any category of *Registered Participant* or that it wishes to terminate any of its classifications of *loads*, *generating units* or *network services*.
- (b) A person is not entitled to notify *NEMMCO* that it wishes to cease to be registered in relation to any category for which that person is required to be registered under the *National Electricity Law* or under the *Rules*.
- (c) In any notice given under clause 2.10.1(a), the *Registered Participant* must specify a date upon which it wishes to cease to be so registered or for an existing classification to be terminated and, in the case of a *Market Participant*, the date upon which it will cease to *supply* or acquire electricity or trade directly in the *market* and whether entirely or in relation to one or more *connection points* or *market network services*.
- (d) NEMMCO may reject a notice from a Market Customer that it wishes to terminate its classification of a connection point as one of its market loads or otherwise cease to be a Market Customer in relation to any of its market loads unless NEMMCO is satisfied that:
 - (1) another person has classified the *connection point* as one of its *market loads* and is registered as a *Market Customer*;
 - (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments to *NEMMCO* for electricity supplied to that *connection point*; or
 - (3) the *load* 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 *NEMMCO*, that *disconnection* is not inappropriate.
- (e) Upon receiving a notice which complies with clause 2.10.1 from a person who wishes to cease to be registered in any category of *Market Participant*, or to terminate the classification of any of its *market loads*, *market generating units*, or *market network services*, *NEMMCO* must deliver a notice to the *AER* and the *AEMC* and notify all *Registered Participants* stating that:
 - (1) NEMMCO has received a notice under clause 2.10.1(a); and
 - (2) the person who gave the notice has stated that, from the date specified in the notice, the person intends to cease *supplying* or acquiring electricity or trading directly in the *market* and whether entirely or in relation to certain *connection points* or *market network services*.

2.10.2 Ceasing Participation

- (a) A *Market Participant* must cease all trading in the *market* as specified in a notice that is properly given under clause 2.10.1(a) and is not rejected under clause 2.10.1(d).
- (b) A person ceases to be a *Registered Participant* for the purposes of the *Rules* when all payments due to be paid to or by it under the *Rules* have been made.
- (c) The fact that a person has ceased to be registered in any category of *Registered Participant* or has terminated any classifications contemplated under this Chapter does not affect any obligation or liability of that person under the *Rules* which arose prior to the cessation of its registration or the termination of the classification.

2.10.3 Liability after cessation

A *Registered Participant* which is subject to a liability under the *Rules* remains subject to that liability after and despite ceasing to be a *Registered Participant* regardless of when the claim is made.

2.11 Participant Fees

2.11.1 Development of Participant fee structure

- (a) *NEMMCO* must develop, review and publish, in consultation with *Registered Participants* and *interested parties* and such other persons as *NEMMCO* thinks appropriate, in accordance with the *Rules consultation procedures*, the structure (including the introduction and determination) of *Participant fees* for such periods as *NEMMCO* considers appropriate.
- (b) The structure of *Participant fees* must, to the extent practicable, be consistent with the following principles:
 - (1) the structure of *Participant fees* should be simple;
 - (2) Participant fees should recover the budgeted revenue requirements for NEMMCO determined under clause 2.11.3 on a basis where:
 - (i) recurring expenditure requirements and payments are recovered in the year of expenditure or payment (or the following year, should there be a revenue shortfall):
 - (ii)capital expenditures (incurred after *market commencement*) are recovered through the depreciation or amortisation of the assets acquired by the capital expenditure in a manner that is consistent with generally accepted accounting principles;
 - (iii) establishment costs in the nature of:
 - (A) all expenditure (that is not in the nature of capital expenditure) incurred by, and depreciation and amortisation charged to, *NEMMCO* prior to *market commencement*, to the

extent that the expenditures have not been funded by the *participating jurisdictions*, are recovered over a period of 10 years from *market commencement*; and

(B)[Deleted]

- (C) capital expenditure incurred by *NEMMCO* before *market commencement*, to the extent that the expenditure has not been funded by *participating jurisdictions* or recovered under clause 2.11.1(b)(2)(iii)(A) as depreciation or amortisation, is recovered through the depreciation or amortisation of the assets acquired by the capital expenditure in a manner that is consistent with generally accepted accounting principles; and
- (iv) notwithstanding clauses 2.11.1(b)(2)(i), (ii) and (iii), expenditure incurred by, and depreciation and amortisation charged to, *NEMMCO* associated with a *declared NEM project* are recovered from the start date and over the period determined for that *declared NEM project* under clauses 2.11.1(bb) or 2.11.1(bd). Amounts associated with a *declared NEM project* determined in accordance with this clause are to be recovered through an additional *Participant fee* determined in accordance with clauses 2.11.1(bb) or 2.11.1(bd) until the next general determination of all *Participant fees* is made under clause 2.11.1(a);
- (3) the components of *Participant fees* charged to each *Registered Participant* should be reflective of the extent to which the budgeted revenue requirements for *NEMMCO* involve that *Registered Participant*;
- (4) Participant fees should not unreasonably discriminate against a category or categories of Registered Participants; and
- (5) the fixed component of *Participant fees* for a *Market Customer* who:
 - (i) is registered with *NEMMCO* solely for the purpose of providing *market ancillary services*; and
 - (ii) does not classify any of its *market loads* as a *scheduled load*, may be zero.
- (ba) *NEMMCO* may determine any of the following projects to be a *declared NEM project*:
 - (1) a major development to the *market*;
 - (2) a major change to a function, responsibility, obligation or power of *NEMMCO* under the *Rules*; or
 - (3) a major change to any of the computer software or systems which *NEMMCO* uses in the performance of any of its functions, responsibilities, obligations or powers under the *Rules*.

- (bb) When *NEMMCO* determines a project to be a *declared NEM project* under clause 2.11.1(ba), it must also determine the start date for recovery and the period or periods over which recovery will occur for the *declared NEM project*. *NEMMCO* must also determine the structure of an additional *Participant fee* to be used in the recovery of costs associated with a *declared NEM project* until the next general determination of all *Participant fees* is made under clause 2.11.1(a).
- (bc) In making determinations under clauses 2.11.1(ba) and (bb), *NEMMCO* must comply with the *Rules consultation procedures*.
- (bd) The introduction and facilitation of full retail competition is taken to have been determined to be a *declared NEM project* under clause 2.11.1(ba) and *NEMMCO* will be entitled to recover through *Participant fees* expenditure incurred by, and depreciation and amortisation charged to, *NEMMCO* in respect of full retail competition. The period or periods over which recovery will occur for this *declared NEM project* will be determined by *NEMMCO* using the *Rules consultation procedures*. If any amounts associated with the introduction and facilitation of full retail competition are to be recovered prior to the next general determination of all *Participant fees* under clause 2.11.1(a), such recovery must be through an additional *Participant fee* determined using the *Rules consultation procedures*.
- (c) The components of the *Participant fees* may include, but are not limited to:
 - (1) registration fees, comprising an annual fee payable by each person for each *Registered Participant* category in which they are registered;
 - (2) ancillary service fees, to recover NEMMCO's budgeted revenue requirements in relation to its procurement of non-market ancillary services;
 - (3) *power system* operations fees, to recover *NEMMCO*'s budgeted revenue requirements in relation to its *power system* operation activities described in clause 2.11.3(b)(2);
 - (4) *metering* fees to recover *NEMMCO*'s budgeted revenue requirements for the collection, storage and processing of *metering data*;
 - (5) billing and *settlements* fees, to recover *NEMMCO's* budgeted revenue requirements as described in clause 2.11.3(b)(4); and
 - (6) administration fees, to recover the remainder of *NEMMCO's* budgeted revenue requirements;
 - and each component of the *Participant fees* may take into account adjustments which may be appropriate in light of the matters described in clauses 2.11.3(b)(7) or (8).
- (d) In undertaking the process described in clause 2.11.1(a) *NEMMCO* must consider other fee structures in existence which it thinks appropriate for comparison purposes.

(e) *NEMMCO* must publish to *Registered Participants* and to such other persons as *NEMMCO* thinks appropriate, the structure of *Participant fees* determined, the methods used in determining the structure and an assessment of the extent to which the structure complies with the principles set out in clause 2.11.1(b) at least 3 months prior to the implementation of the structure.

2.11.2 Payment of Participant fees

- (a) NEMMCO may charge a Registered Participant the relevant components of Participant fees in accordance with the structure of Participant fees by giving the Registered Participant a statement setting out the amount payable by that Registered Participant and the date for payment.
- (b) In the case of a *Market Participant*, *NEMMCO* may, alternatively, include the relevant amount in the statements described in clause 3.15.15.
- (c) A *Registered Participant* must pay to *NEMMCO* the net amount stated to be payable by that *Registered Participant* in a statement issued under clause 2.11.2(a) or in accordance with clause 2.11.2(b) to meet *NEMMCO's* budgeted revenue requirements by the date specified for payment, whether or not the *Registered Participant* disputes the net amount payable.

2.11.3 Budgeted revenue requirements

- (a) *NEMMCO* must prepare and *publish* before the beginning of each *financial* year a budget of the revenue requirements for *NEMMCO* for that *financial* year.
- (b) The budget prepared by *NEMMCO* under clause 2.11.3(a) must take into account and separately identify projected revenue requirements in respect of:
 - (1) *NEMMCO's* procurement of *non-market ancillary services*;
 - (2) NEMMCO's expenditures in relation to its *power system* operation activities, including meeting its obligations in terms of *power system security* and the facilitation and operation of the central bidding and dispatch processes in accordance with the *Rules*;
 - (2A) *NEMMCO's* expenditures in relation to *inter-network tests*;
 - (3) *NEMMCO's* expenditures in the collection, storage and processing of *metering data;*
 - (4) *NEMMCO's* expenditures in the facilitation of the billing and *settlement* of *market transactions*;
 - (5) *NEMMCO*'s other expenditure requirements, operating costs and margin;
 - (6) *NEMMCO's* consumer advocacy funding obligation under rule 8.10;
 - (7) any revenue shortfall or excess from each of the requirements specified under clause 2.11.3(b)(1)-(5) from the previous *financial year*; and

(8) the funding requirements of the *Participant compensation fund* in accordance with rule 3.16 (which requirements must only be recovered from *Scheduled Generators*, *Semi-Scheduled Generators* and *Scheduled Network Service Providers*).

2.12 Interpretation of References to Various Registered Participants

- (a) A person may register in more than one of the categories of *Registered Participant*.
- (b) Notwithstanding anything else in the *Rules*, a reference to:
 - (1) a "Generator" applies to a person registered as a Generator only in so far as it is applicable to matters connected with the person's scheduled generating units, semi-scheduled generating units, non-scheduled generating units, market generating units or non-market generating units;
 - (2) a "Scheduled Generator", "Semi-Scheduled Generator", "Non-Scheduled Generator", "Market Generator" or "Non-Market Generator" applies to a person only in so far as it is applicable to matters connected with the person's scheduled generating units, semi-scheduled generating units, non-scheduled generating units, market generating units or non-market generating units respectively;
 - (3) a "Customer" applies to a person registered as a Customer only in so far as it is applicable to matters connected with the person's first-tier loads, second-tier loads or market loads;
 - (4) a "First Tier Customer", "Second Tier Customer" or "Market Customer" applies to a person only in so far as it is applicable to matters connected with the person's first-tier loads, second-tier loads or market loads respectively;
 - (4A) a "*Trader*" applies to a person only in so far as it is applicable to matters connected with the person's activities as a *Trader*;
 - (4B) a "*Reallocator*" applies to a person only in so far as it is applicable to matters connected with the person's activities as a *Reallocator*;
 - (5) a "Network Service Provider" applies to a person registered as a Network Service Provider only in so far as it is applicable to matters connected with the person's network services, including market network services and scheduled network services;
 - (6) a "Market Network Service Provider" or "Scheduled Network Service Provider" applies to a person only in so far as it is applicable to matters connected with the person's market network services or scheduled network services respectively;
 - (7) a "Market Participant" applies to a person who is a Market Participant and:

- (i) where that person is registered as a *Market Generator*, in so far as it is applicable to matters connected with the person's *market generating units* or *ancillary services generating units*; and
- (ii) where that person is registered as a *Market Customer*, in so far as it is applicable to matters connected with the person's *market loads* or *market ancillary service loads*; and
- (iii) where that person is registered as a *Market Network Service Provider*, in so far as it is applicable to matters connected with the person's *market network services*; and
- (iv) where that person is registered in any category of *Market Participant* additional to a *Market Generator* and/or a *Market Customer* and/or a *Market Network Service Provider*, to the extent to which the reference would otherwise apply to the person if it were not taken to be a *Market Generator*, *Market Customer* or *Market Network Service Provider*; and
- (8) a "Registered Participant" applies to a person who is registered under Chapter 2 and:
 - (i) where that person is registered as a *Generator*, in so far as it is applicable to matters connected with any of the *Generator's scheduled generating units, semi-scheduled generating units, non-scheduled generating units, market generating units* and non-market generating units;
 - (ii) where that person is registered as a *Customer*, in so far as it is applicable to matters connected with any of the *Customer's first-tier loads*, second-tier loads or market loads; and
 - (iii) where that person is registered in any other *Registered Participant* category, to the extent to which the reference would apply to the person if it were not registered in another *Registered Participant* category.
- (c) In rule 2.12, "matter" includes any assets, liabilities, acts, omissions or operations (whether past, present or future).