



## **Draft National Electricity Amendment (Bidding in good faith) Rule 2015**

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 Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria; and
- (g) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce  
Chairman  
Australian Energy Market Commission

## **Draft National Electricity Amendment (Bidding in good faith) Rule 2015**

### **1 Title of Rule**

This Rule is the *Draft National Electricity Amendment (Bidding in good faith) Rule 2015*.

### **2 Commencement**

This Rule commences operation on [COMMENCEMENT\_DATE].

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

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

## Schedule 1      Amendment to the National Electricity Rules

(Clause 3)

### [1] Clause 3.1.4      Market Design Principles

Omit clause 3.1.4(a)(2), and substitute:

- (2) maximum level of *market* transparency in the interests of achieving a very high degree of *market* efficiency, including by providing accurate, reliable and timely forecast information to *Market Participants*, in order to allow for responses that reflect underlying conditions of supply and demand;

### [2] Clause 3.8.22      Rebidding

Omit clause 3.8.22 in its entirety, and substitute:

#### 3.8.22      Rebidding

- (a) Prices for each *price band* that are specified in *dispatch bids*, *dispatch offers* and *market ancillary service offers* are firm and no changes to the price for any *price band* are to be accepted under any circumstances.
- (b) Subject to clauses 3.8.3A, 3.8.7A, 3.8.19(a) and 3.8.22A, a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may submit a *rebid* to vary:
  - (1) its *available capacity*, *daily energy constraints*, *dispatch inflexibilities* and *ramp rates of generating units*, *scheduled network services* and *scheduled loads*; and
  - (2) the *response breakpoints*, *enablement limits* and response limits of *market ancillary services*,  
  
previously notified in a *dispatch offer*, a *dispatch bid* or a previous *rebid*.
- (c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must provide:
  - (1) all *rebids* to *AEMO* electronically unless otherwise approved by *AEMO*;

#### 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) to *AEMO*, at the same time as the *rebid* is made:

- (i) a brief, verifiable and specific reason for the *rebid*; and
- (ii) the time at which the event(s) or other occurrence(s) adduced by the relevant *Generator* or *Market Participant* as the reason for the *rebid*, occurred;

**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.)

Clause 3.8.22(c)(2) applies in respect of any *rebid* submitted during the *late rebidding period*.

- (3) to the *AER*, upon written request, in accordance with guidelines published by the *AER*, such additional information to substantiate and verify the reason for a *rebid* (including any record made under paragraph (ca)) as the *AER* may require from time to time.

**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.)

- (ca) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* who makes a *rebid* during the *late rebidding period* must make a contemporaneous record in relation to the *rebid*, which must include a record of:
  - (i) the material conditions and circumstances giving rise to the *rebid*;
  - (ii) the *Generator's* or *Market Participant's* reasons for making the *rebid*;
  - (iii) the time at which the relevant event(s) or other occurrence(s) occurred; and
  - (iv) the time at which the *Generator* or *Market Participant* first became aware of the relevant event(s) or other occurrence(s).

**Notes**

Clause 1.9 applies to records made under paragraph (ca).

This AEMC will be recommending to the COAG Energy Council that this clause be classified as a civil penalty provision under the National Electricity (South Australia) Regulations.

- (d) The *AER* must provide information provided to it in accordance with paragraph (c)(3) to any *Scheduled Generator*, *Semi-Scheduled*

*Generator* or *Market Participant* that requests such information, except to the extent that the information can be reasonably claimed to be *confidential information*.

- (e) The guidelines referred to in paragraphs (c)(3) must be developed in accordance with the *Rules consultation procedures* and must include:
  - (1) the amount of detail to be included in the information provided to *AEMO* under paragraph (c)(2); and
  - (2) procedures for handling claims by *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* in accordance with paragraph (d) or clause 3.8.19(b)(2) that the information provided to the *AER* by such *Generators* or *Market Participants* under those clauses is *confidential information*.
- (f) The *AER* must *publish* the guidelines developed under this clause 3.8.22 and may amend such guidelines from time to time.
- (g) *AEMO* must:
  - (1) subject to the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* complying with paragraphs (c)(1) and (c)(2)(i) and (ii), accept the *rebid*; and
  - (2) *publish*, in accordance with clause 3.13.4(p), the time the *rebid* was made and the reason provided by the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* under paragraph (c)(2)(i).

### **[3] Clause 3.8.22A Variation of offer, bid or rebid**

Omit clause 3.8.22A in its entirety and the heading, and substitute:

#### **3.8.22A Offers, bids and rebids must not be false or misleading**

- (a) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must not make a *dispatch offer*, *dispatch bid* or *rebid* that is false, misleading or likely to mislead.
- (a1) For the purposes of paragraph (a), the making of a *dispatch offer*, *dispatch bid* or *rebid* is deemed to represent to other *Generators* or *Market Participants* through the *pre-dispatch schedules published* by *AEMO* that the offer, bid or *rebid* will not be changed, unless the *Generator* or *Market Participant* becomes aware of a change in the material conditions and circumstances upon which the offer, bid or *rebid* are based.

- (b) Without limiting paragraph (a), a *dispatch offer*, *dispatch bid* or *rebid* is deemed to be false or misleading if, at the time of making such an offer, bid or *rebid*, a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*:
- (1) does not have a genuine intention to honour; or
  - (2) does not have a reasonable basis to make;
- the representations made by reason of paragraph (a1).
- (b1) In any proceeding in which a contravention of paragraph (a) is alleged, in determining whether a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* made a *dispatch offer*, *dispatch bid* or *rebid* that was false, misleading or likely to mislead, a court must have regard to the market design principle set out in clause 3.1.4(a)(2).
- (c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may be taken to have contravened paragraph (a) notwithstanding that, after all the evidence has been considered, the false or misleading character of the *dispatch offer*, *dispatch bid* or *rebid* (including either of the matters referred to in subparagraphs (b)(1) and (2)) is ascertainable only by inference from:
- (1) other *dispatch offers*, *dispatch bids* or *rebids* made by the *Generator* or *Market Participant*, or in relation to which the *Generator* or *Market Participant* had substantial control or influence;
  - (2) other conduct (including any pattern of conduct), knowledge, belief or intention of the relevant *Generator* or *Market Participant*;
  - (3) the conduct (including any pattern of conduct), knowledge, belief or intention of any other person;
  - (4) information published by *AEMO* to the relevant *Generator* or *Market Participant*; or
  - (5) any other relevant circumstances.
- (d) A *rebid* must be made as soon as practicable after the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* becomes aware of the change in material conditions and circumstances on the basis of which it decides to vary its *dispatch offer* or *dispatch bid*.
- (e) In any proceeding in which a contravention of paragraph (d) is alleged, in determining whether the *Generator* or *Market*

*Participant* made a *rebid* as soon as reasonably practicable, a court must have regard to:

- (1) the market design principle set out in clause 3.1.4(a)(2); and
- (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* into operation or increasing or decreasing the *loading level* of any *generating units*, or by adjusting the *loading level* of any *load*) prior to;
  - (i) the commencement of the *trading interval* to which the *rebid* relates; or
  - (ii) the commencement of any *dispatch interval* within that *trading interval*.

and may have regard to any other relevant matter, including any of the matters referred to in sub-paragraphs (c)(1) to (5).

**Note**

The AEMC will be recommending to the COAG Energy Council that clause 3.8.22A continue to be classified as a rebidding civil penalty provision for the purposes of the National Electricity Law. (See clause 6(2) of the National Electricity (South Australia) Regulations.)

## **[4] Chapter 10            New Definitions**

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

***late rebidding period***

In respect of a *trading interval*, the period beginning 15 minutes before the commencement of the *trading interval*.

## **[5] Chapter 10            Substituted definitions**

In chapter 10, substitute the following definition:

***rebid***

A variation to a bid or offer made in accordance with clause 3.8.22(b).