

National Electricity Rules Version 68

Historical Information

This version of the National Electricity Rules was current from 19 February 2015 to 28 February 2015.

National Electricity Rules Version 68

Status Information

This is the latest electronically available version of the National Electricity Rules as at 19 February 2015.

This consolidated version of the National Electricity Rules was last updated on 19 February 2015 as a result of the commencement of the following amendments:

National Electricity Amendment (Early Application of Service Target Performance Incentive Scheme (STPIS) Components for Transmission Businesses) Amendment Rule 2015 No.1.

This consolidated version of the Rules reflects the initial Rules made by the SA Minister under section 90 of the National Electricity Law (**NEL**) as amended by:

Rules made by the South Australian Minister under sections 90A to 90E of the NEL; and
Rules made by the Australian Energy Market Commission under Part 7 Division 3 of the NEL.

Application of the National Energy Customer Framework related Rule

On 27 June 2012, the South Australian Minister made Rules relating to the implementation of the National Energy Customer Framework (**NECF**), including amendments to the National Electricity Rules under section 90D of the NEL (**NECF related rule**). The NECF related Rule commenced operation as a law of Tasmania, the Australian Capital Territory and the Commonwealth on 1 July 2012; South Australia on 1 February 2013 and New South Wales on 1 July 2013.

The NECF related Rule does not apply in any other jurisdiction until the National Energy Retail Law set out in the Schedule to the National Energy Retail Law (South Australia) Act 2011 is implemented as a law in that jurisdiction (clause 24, Part 11, Schedule 3 NEL).

The NECF related Rule can be found on the Australian Energy Market Commission's website under the 'National Electricity Rules', 'Rules made by the SA Ministers' tabs.

Provisions in force

Subject to the above, all provisions displayed in this consolidated version of the Rules have commenced.

Schedule 1 and 2 of the National Electricity Amendment (Inter-regional Transmission Charging) Rule 2013 No.1 commences operation on 1 July 2015.

Schedule 2 of the National Electricity Amendment (Minor Changes) Rule 2012 No. 3 commences operation on 1 July 2016.

Schedules 2 and 3 of the National Electricity Amendment (Expiry of Reliability and Emergency Reserve Trader) Rule 2012 No. 1 will commence operation on 1 July 2016.

Schedule 2 of the National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014 No. 9 commences operation on 1 January 2017.

TABLE OF CONTENTS

| | | |
|-------------|---|-----------|
| 1. | Introduction..... | 3 |
| 1.1 | Preliminary | 3 |
| 1.1.1 | References to the Rules..... | 3 |
| 1.1.2 | Italicised expressions | 3 |
| 1.1.3 | [Deleted] | 3 |
| 1.2 | Background | 3 |
| 1.3 | Nomenclature of and references to provisions of a Chapter..... | 3 |
| 1.3.1 | Introduction..... | 3 |
| 1.3.2 | Parts, Divisions and Subdivisions..... | 3 |
| 1.3.3 | Rules, clauses, paragraphs, subparagraphs and other items..... | 4 |
| 1.4 | Effect of renumbering of provisions of the Rules | 5 |
| 1.5 | [Deleted]..... | 5 |
| 1.6 | [Deleted]..... | 5 |
| 1.7 | Interpretation | 5 |
| 1.7.1 | General..... | 5 |
| 1.8 | Notices | 6 |
| 1.8.1 | Service of notices under the Rules..... | 6 |
| 1.8.2 | Time of service | 7 |
| 1.8.3 | Counting of days | 7 |
| 1.8.4 | Reference to addressee..... | 7 |
| 1.9 | Retention of Records and Documents | 8 |
| 1.10 | [Deleted]..... | 8 |
| 1.11 | AEMO Rule Funds | 8 |
| 2. | Registered Participants and Registration..... | 13 |
| 2.1 | Registered Participants | 13 |
| 2.1.1 | Purpose..... | 13 |
| 2.1.2 | General..... | 13 |
| 2.2 | Generator..... | 13 |
| 2.2.1 | Registration as a Generator | 13 |
| 2.2.2 | Scheduled Generator | 14 |
| 2.2.3 | Non-Scheduled Generator..... | 15 |
| 2.2.4 | Market Generator | 16 |
| 2.2.5 | Non-Market Generator..... | 17 |
| 2.2.6 | Ancillary services generating unit | 17 |
| 2.2.7 | Semi-Scheduled Generator | 19 |
| 2.3 | Customer..... | 21 |
| 2.3.1 | Registration as a Customer | 21 |
| 2.3.2 | First-Tier Customer..... | 21 |
| 2.3.3 | Second-Tier Customer | 22 |
| 2.3.4 | Market Customer | 22 |

| | | |
|---------------|--|-----------|
| 2.3.5 | Ancillary services load..... | 23 |
| 2.3A | Small Generation Aggregator | 25 |
| 2.3A.1 | Registration | 25 |
| 2.4 | Market Participant | 26 |
| 2.4.1 | Registration as a category of Market Participant..... | 26 |
| 2.4.2 | Eligibility | 26 |
| 2.5 | Network Service Provider | 27 |
| 2.5.1 | Registration as a Network Service Provider | 27 |
| 2.5.2 | Market Network Service | 28 |
| 2.5.3 | Scheduled Network Service | 29 |
| 2.5A | Trader | 30 |
| 2.5B | Reallocator..... | 31 |
| 2.6 | Special Participant | 31 |
| 2.7 | Intention to Commence Activities or Functions..... | 32 |
| 2.8 | Registered Participant Rights and Obligations..... | 32 |
| 2.8.1 | Rights and obligations..... | 32 |
| 2.9 | Application to be Registered as a Registered Participant..... | 33 |
| 2.9.1 | Applications for Registration | 33 |
| 2.9.2 | Registration as a Registered Participant | 33 |
| 2.9.3 | Registration as an Intermediary | 34 |
| 2.9A | Transfer of Registration | 35 |
| 2.9A.1 | Definitions..... | 35 |
| 2.9A.2 | Applications for Transfer of Registration | 35 |
| 2.9A.3 | Approval for Transfer of Registration | 36 |
| 2.10 | Ceasing to be a Registered Participant | 37 |
| 2.10.1 | Notification of intention..... | 37 |
| 2.10.2 | Ceasing Participation | 38 |
| 2.10.3 | Liability after cessation..... | 39 |
| 2.11 | Participant Fees..... | 39 |
| 2.11.1 | Development of Participant fee structure | 39 |
| 2.11.2 | Payment of Participant fees | 42 |
| 2.11.3 | Budgeted revenue requirements..... | 42 |
| 2.12 | Interpretation of References to Various Registered Participants | 43 |
| 2A. | Regional Structure | 49 |
| Part A | Region change applications and region determinations by AEMC | 49 |
| 2A.1 | Introduction to Chapter 2A | 49 |
| 2A.1.1 | Definitions..... | 49 |
| 2A.1.2 | AEMC determination of regions..... | 49 |
| 2A.1.3 | Publication of regions by AEMO | 49 |
| 2A.2 | Region change applications | 49 |
| 2A.2.1 | A complete region change application..... | 49 |

| | | |
|---------------|--|-----------|
| 2A.2.2 | Identifying a congestion problem | 50 |
| 2A.2.3 | Explanation of economic efficiency of proposed region solution | 50 |
| 2A.2.4 | Region change application must be technically competent | 51 |
| 2A.2.5 | Alternative congestion management options | 51 |
| 2A.2.6 | Previous application relating to congestion problem..... | 52 |
| 2A.2.7 | AEMO to provide information to intending applicants | 52 |
| 2A.2.8 | AEMC may refuse to accept incomplete applications..... | 53 |
| 2A.3 | Acceptance of region change application by AEMC | 53 |
| 2A.3.1 | Acceptance of a region change application by AEMC | 53 |
| 2A.3.2 | Preliminary consultation prior to acceptance of a region change application..... | 54 |
| 2A.4 | First round consultation on region change application..... | 55 |
| 2A.4.1 | Notice of first round consultation | 55 |
| 2A.4.2 | Right to make written submissions during first round consultation period | 55 |
| 2A.4.3 | Alternative region solution put forward by third parties | 55 |
| 2A.4.4 | Acceptance as a formal alternative region solution by AEMC..... | 56 |
| 2A.5 | Provision of supplementary economic analysis | 57 |
| 2A.5.1 | AEMC may direct provision of supplementary analysis | 57 |
| 2A.5.2 | AEMC may direct AEMO to provide information | 57 |
| 2A.6 | Region determinations..... | 58 |
| 2A.6.1 | AEMC powers to make a region determination | 58 |
| 2A.6.2 | Matters for consideration in making region determination..... | 58 |
| 2A.7 | Draft region determination and second round consultation..... | 59 |
| 2A.7.1 | Publishing of draft region determination | 59 |
| 2A.7.2 | Second round consultation | 59 |
| 2A.7.3 | Right to make written submissions during second round consultation | 60 |
| 2A.8 | Final region determination..... | 60 |
| 2A.8.1 | Final determination for region change | 60 |
| 2A.8.2 | Formal publication of region determination | 60 |
| 2A.9 | Miscellaneous matters for region change process..... | 60 |
| 2A.9.1 | AEMC may extend periods of time specified in Chapter 2A | 60 |
| 2A.9.2 | Consultation meeting in relation to region change application | 61 |
| Part B | Implementation of region determination..... | 61 |
| 2A.10 | Purpose and application of Part B | 61 |
| 2A.10.1 | Purpose of Part B | 61 |
| 2A.10.2 | Application of Part B | 62 |
| 2A.11 | Region Change Implementation Procedure | 62 |
| 2A.11.1 | Submission of draft Region Change Implementation Procedure..... | 62 |
| 2A.11.2 | Approved Region Change Implementation Procedure | 62 |
| 2A.12 | AEMO region change implementation functions..... | 63 |
| 2A.12.1 | General implementation functions..... | 63 |
| 2A.12.2 | Implementation functions referable to published implementation procedure..... | 63 |

| | | |
|----------------------|---|-----------|
| 2A.12.3 | Amendment of current or subsequent Regions and Loss Factors Publication | 63 |
| 2A.13 | Continuity of regions | 63 |
| Schedule 2A.1 | Glossary for Chapter 2A | 64 |
| 3. | Market Rules | 69 |
| 3.1 | Introduction to Market Rules | 69 |
| 3.1.1 | Purpose..... | 69 |
| 3.1.1A | Definitions..... | 69 |
| 3.1.2 | [Deleted] | 70 |
| 3.1.3 | [Deleted] | 70 |
| 3.1.4 | Market design principles..... | 70 |
| 3.1.5 | Time for undertaking action..... | 71 |
| 3.2 | AEMO's Market Responsibilities..... | 71 |
| 3.2.1 | Market functions of AEMO | 71 |
| 3.2.2 | Spot market | 72 |
| 3.2.3 | Power system operations..... | 72 |
| 3.2.4 | Non-market ancillary services function | 72 |
| 3.2.5 | [Deleted] | 73 |
| 3.2.6 | Settlements | 73 |
| 3.3 | Prudential Requirements | 73 |
| 3.3.1 | Market Participant criteria | 73 |
| 3.3.2 | Credit support..... | 73 |
| 3.3.3 | Acceptable credit criteria | 74 |
| 3.3.4 | Acceptable credit rating | 75 |
| 3.3.4A | Prudential standard..... | 75 |
| 3.3.5 | Amount of credit support | 75 |
| 3.3.6 | Changes to credit support..... | 75 |
| 3.3.7 | Drawings on credit support | 76 |
| 3.3.8 | Credit limit procedures and prudential settings | 77 |
| 3.3.8A | Security Deposits | 79 |
| 3.3.9 | Outstandings | 79 |
| 3.3.10 | Trading limit | 80 |
| 3.3.11 | Call notices..... | 80 |
| 3.3.12 | Typical accrual..... | 81 |
| 3.3.13 | Response to Call Notices | 81 |
| 3.3.13A | Application of monies in the security deposit fund | 82 |
| 3.3.14 | Potential value of a transaction | 83 |
| 3.3.15 | Trading margin..... | 84 |
| 3.3.16 | Limitation on entry of transactions | 84 |
| 3.3.17 | Scheduled prices | 84 |
| 3.3.18 | Additional credit support | 85 |
| 3.3.19 | Consideration of other Market Participant transactions..... | 85 |
| 3.4 | Spot Market..... | 86 |
| 3.4.1 | Establishment of spot market..... | 86 |
| 3.4.2 | Trading day and trading interval | 86 |
| 3.4.3 | Spot market operations timetable..... | 86 |

| | | |
|-------------|--|------------|
| 3.5 | Regions | 87 |
| 3.5.1 | [Deleted] | 87 |
| 3.5.2 | [Deleted] | 87 |
| 3.5.3 | [Deleted] | 87 |
| 3.5.4 | [Deleted] | 87 |
| 3.5.5 | [Deleted] | 87 |
| 3.5.6 | Abolition of Snowy region..... | 87 |
| 3.6 | Network Losses and Constraints | 88 |
| 3.6.1 | Inter-regional losses | 88 |
| 3.6.2 | Intra-regional losses | 89 |
| 3.6.2A | Load and generation data used to determine inter-regional loss factor equations and intra-regional loss factors..... | 93 |
| 3.6.3 | Distribution losses..... | 95 |
| 3.6.4 | Network constraints | 99 |
| 3.6.5 | Settlements residue due to network losses and constraints..... | 100 |
| 3.7 | Projected Assessment of System Adequacy | 102 |
| 3.7.1 | Administration of PASA | 102 |
| 3.7.2 | Medium term PASA | 103 |
| 3.7.3 | Short term PASA | 106 |
| 3.7A | Congestion information resource | 109 |
| 3.7B | Unconstrained intermittent generation forecast | 111 |
| 3.7C | Energy Adequacy Assessment Projection..... | 113 |
| 3.8 | Central Dispatch and Spot Market Operation..... | 116 |
| 3.8.1 | Central Dispatch..... | 116 |
| 3.8.2 | Participation in central dispatch..... | 118 |
| 3.8.3 | Bid and offer aggregation guidelines | 119 |
| 3.8.3A | Ramp rates | 121 |
| 3.8.4 | Notification of scheduled capacity..... | 123 |
| 3.8.5 | Submission timing | 125 |
| 3.8.6 | Generating unit offers for dispatch | 125 |
| 3.8.6A | Scheduled network service offers for dispatch | 127 |
| 3.8.7 | Bids for scheduled load..... | 129 |
| 3.8.7A | Market ancillary services offers | 131 |
| 3.8.8 | Validation of dispatch bids and offers | 132 |
| 3.8.9 | Default offers and bids | 133 |
| 3.8.10 | Network constraints | 133 |
| 3.8.11 | Ancillary services constraints | 135 |
| 3.8.12 | System scheduled reserve constraints | 135 |
| 3.8.13 | Notification of constraints..... | 136 |
| 3.8.14 | Dispatch under conditions of supply scarcity | 136 |
| 3.8.15 | [Deleted] | 136 |
| 3.8.16 | Equal priced dispatch bids and dispatch offers..... | 136 |
| 3.8.17 | Self-commitment..... | 137 |
| 3.8.18 | Self-decommitment..... | 137 |
| 3.8.19 | Dispatch inflexibilities | 138 |
| 3.8.20 | Pre-dispatch schedule..... | 141 |
| 3.8.21 | On-line dispatch process | 143 |
| 3.8.22 | Rebidding..... | 144 |

| | | |
|--------------|---|------------|
| 3.8.22A | Variation of offer, bid or rebid..... | 146 |
| 3.8.23 | Failure to conform to dispatch instructions | 146 |
| 3.8.24 | Scheduling errors | 148 |
| 3.9 | Price Determination..... | 149 |
| 3.9.1 | Principles applicable to spot price determination | 149 |
| 3.9.2 | Determination of spot prices | 151 |
| 3.9.2A | Determination of ancillary services prices..... | 152 |
| 3.9.2B | Pricing where AEMO determines a manifestly incorrect input..... | 153 |
| 3.9.3 | Pricing in the event of intervention by AEMO | 154 |
| 3.9.3A | Reliability standard and reliability settings review | 155 |
| 3.9.3B | Reliability standard and reliability settings review report | 156 |
| 3.9.4 | Market Price Cap | 157 |
| 3.9.5 | Application of the Market Price Cap | 158 |
| 3.9.6 | Market Floor Price | 158 |
| 3.9.6A | Application of the Market Floor Price | 159 |
| 3.9.7 | Pricing for constrained-on scheduled generating units..... | 159 |
| 3.10 | [Deleted]..... | 159 |
| 3.11 | Ancillary Services..... | 159 |
| 3.11.1 | Introduction..... | 159 |
| 3.11.2 | Market ancillary services | 160 |
| 3.11.3 | Acquisition of Network Support and Control Ancillary Services | 161 |
| 3.11.4 | Guidelines and objectives for acquisition of network support and control ancillary services | 162 |
| 3.11.4A | Guidelines and objectives for acquisition of system restart ancillary services..... | 163 |
| 3.11.4B | Determination of electrical sub-network boundaries..... | 164 |
| 3.11.5 | Tender process for non-market ancillary services | 164 |
| 3.11.6 | Dispatch of non-market ancillary services by AEMO | 167 |
| 3.11.7 | Performance and testing..... | 168 |
| 3.12 | Market Intervention by AEMO..... | 169 |
| 3.12.1 | Intervention settlement timetable..... | 169 |
| 3.12.2 | Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention..... | 170 |
| 3.12.3 | Role of the Independent Expert in calculating payments in relation to intervention by AEMO | 174 |
| 3.12A | Mandatory restrictions | 177 |
| 3.12A.1 | Restriction offers..... | 177 |
| 3.12A.2 | Mandatory restrictions schedule | 178 |
| 3.12A.3 | Acquisition of capacity | 179 |
| 3.12A.4 | Rebid of capacity under restriction offers..... | 179 |
| 3.12A.5 | Dispatch of restriction offers | 180 |
| 3.12A.6 | Pricing during a restriction price trading interval | 180 |
| 3.12A.7 | Determination of funding restriction shortfalls..... | 180 |
| 3.12A.8 | Cancellation of a mandatory restriction period..... | 185 |
| 3.12A.9 | Review by AEMC..... | 186 |
| 3.13 | Market Information..... | 186 |
| 3.13.1 | Provision of information | 186 |
| 3.13.2 | Systems and procedures | 187 |

| | | |
|-------------|--|------------|
| 3.13.3 | Standing data..... | 188 |
| 3.13.4 | Spot market | 195 |
| 3.13.4A | Market ancillary services | 199 |
| 3.13.5 | Ancillary services contracting by AEMO..... | 200 |
| 3.13.5A | Settlements residue auctions | 200 |
| 3.13.6 | [Deleted] | 201 |
| 3.13.6A | Report by AEMO..... | 201 |
| 3.13.7 | Monitoring of significant variation between forecast and actual prices by AER | 202 |
| 3.13.8 | Public information | 203 |
| 3.13.9 | [Deleted] | 204 |
| 3.13.10 | Market auditor..... | 204 |
| 3.13.11 | [Deleted] | 204 |
| 3.13.12 | NMI Standing Data | 204 |
| 3.13.12A | NMI Standing Data Schedule | 208 |
| 3.13.13 | Inter-network tests | 209 |
| 3.13.14 | Carbon Dioxide Equivalent Intensity Index | 209 |
| 3.14 | Administered Price Cap and Market Suspension..... | 213 |
| 3.14.1 | Cumulative Price Threshold and Administered Price Cap | 213 |
| 3.14.2 | Application of Administered Price Cap | 214 |
| 3.14.3 | Conditions for suspension of the spot market..... | 216 |
| 3.14.4 | Declaration of market suspension | 217 |
| 3.14.5 | Pricing during market suspension | 218 |
| 3.14.6 | Compensation due to the application of an administered price, market price cap or market floor price | 221 |
| 3.15 | Settlements..... | 224 |
| 3.15.1 | Settlements management by AEMO | 224 |
| 3.15.2 | Electronic funds transfer | 224 |
| 3.15.3 | Connection point and virtual transmission node responsibility | 224 |
| 3.15.4 | Adjusted energy amounts connection points | 225 |
| 3.15.5 | Adjusted energy - transmission network connection points | 225 |
| 3.15.5A | Adjusted energy – virtual transmission nodes | 226 |
| 3.15.6 | Spot market transactions | 226 |
| 3.15.6A | Ancillary service transactions | 227 |
| 3.15.7 | Payment to Directed Participants..... | 239 |
| 3.15.7A | Payment to Directed Participants for services other than energy and market ancillary services..... | 241 |
| 3.15.7B | Claim for additional compensation by Directed Participants | 244 |
| 3.15.8 | Funding of Compensation for directions | 246 |
| 3.15.9 | Reserve settlements..... | 251 |
| 3.15.10 | Administered price, market price cap or market floor price compensation payments | 253 |
| 3.15.10A | Goods and services tax..... | 253 |
| 3.15.10B | Restriction contract amounts..... | 255 |
| 3.15.10C | Intervention Settlements | 256 |
| 3.15.11 | Reallocation transactions | 259 |
| 3.15.11A | Reallocation procedures | 261 |
| 3.15.12 | Settlement amount | 261 |
| 3.15.13 | Payment of settlement amount..... | 262 |

| | | |
|---------------------|--|------------|
| 3.15.14 | Preliminary statements | 262 |
| 3.15.15 | Final statements | 263 |
| 3.15.15A | Use of estimated settlement amounts by AEMO | 263 |
| 3.15.16 | Payment by market participants | 263 |
| 3.15.17 | Payment to market participants | 263 |
| 3.15.18 | Disputes..... | 264 |
| 3.15.19 | Revised Statements and Adjustments | 264 |
| 3.15.20 | Payment of adjustments | 266 |
| 3.15.21 | Default procedure..... | 267 |
| 3.15.22 | Maximum total payment in respect of a billing period..... | 270 |
| 3.15.23 | Maximum total payment in respect of a financial year..... | 271 |
| 3.15.24 | Compensation for reductions under clause 3.15.23 | 272 |
| 3.15.25 | Interest on overdue amounts | 273 |
| 3.16 | Participant compensation fund..... | 273 |
| 3.16.1 | Establishment of Participant compensation fund..... | 273 |
| 3.16.2 | Dispute resolution panel to determine compensation | 274 |
| 3.17 | [Deleted] | 275 |
| 3.18 | Settlements Residue Auctions | 275 |
| 3.18.1 | Settlements residue concepts | 275 |
| 3.18.2 | Auctions and eligible persons | 276 |
| 3.18.3 | Auction rules | 277 |
| 3.18.4 | Proceeds and fees | 278 |
| 3.18.5 | Settlement residue committee | 279 |
| 3.19 | Market Management Systems Access Procedures..... | 281 |
| 3.20 | Reliability and Emergency Reserve Trader | 282 |
| 3.20.1 | Expiry of reliability and emergency reserve trader..... | 282 |
| 3.20.2 | Reliability and emergency reserve trader | 282 |
| 3.20.3 | Reserve contracts | 283 |
| 3.20.4 | Dispatch pricing methodology for unscheduled reserve contracts | 284 |
| 3.20.5 | AEMO's risk management and accounts relating to the reliability safety net | 284 |
| 3.20.6 | Reporting on RERT by AEMO..... | 284 |
| 3.20.7 | AEMO's exercise of the RERT | 285 |
| 3.20.8 | RERT Guidelines | 287 |
| 3.20.9 | [Deleted] | 287 |
| Schedule 3.1 | Bid and Offer Validation Data..... | 287 |
| | Scheduled Generating Unit Data:..... | 288 |
| | Semi-Scheduled Generating Unit Data: | 289 |
| | Scheduled Load Data: | 289 |
| | Scheduled Network Service Data:..... | 290 |
| | Ancillary Service Generating Unit and Ancillary Service Load Data: | 290 |
| | Dispatch Inflexibility Profile:..... | 291 |
| | Aggregation Data: | 291 |
| Schedule 3.2 | [Deleted] | 291 |
| Schedule 3.3 | [Deleted] | 291 |

| | | |
|------------|---|------------|
| 4. | Power System Security | 295 |
| 4.1 | Introduction..... | 295 |
| 4.1.1 | Purpose..... | 295 |
| 4.2 | Definitions and Principles | 295 |
| 4.2.1 | [Deleted] | 295 |
| 4.2.2 | Satisfactory Operating State | 295 |
| 4.2.3 | Credible and non-credible contingency events | 296 |
| 4.2.3A | Re-classifying contingency events..... | 297 |
| 4.2.3B | Criteria for re-classifying contingency events | 299 |
| 4.2.4 | Secure operating state and power system security..... | 299 |
| 4.2.5 | Technical envelope | 299 |
| 4.2.6 | General principles for maintaining power system security..... | 300 |
| 4.2.7 | Reliable Operating State | 301 |
| 4.2.8 | Time for undertaking action..... | 301 |
| 4.3 | Power System Security Responsibilities and Obligations | 301 |
| 4.3.1 | Responsibility of AEMO for power system security | 301 |
| 4.3.2 | System security | 304 |
| 4.3.3 | The role of System Operators | 306 |
| 4.3.4 | Network Service Providers | 308 |
| 4.3.5 | Market Customer obligations..... | 311 |
| 4.4 | Power System Frequency Control..... | 311 |
| 4.4.1 | Power system frequency control responsibilities..... | 311 |
| 4.4.2 | Operational frequency control requirements | 311 |
| 4.4.3 | Generator protection requirements | 312 |
| 4.5 | Control of Power System Voltage..... | 312 |
| 4.5.1 | Power system voltage control | 312 |
| 4.5.2 | Reactive power reserve requirements | 313 |
| 4.5.3 | Audit and testing | 314 |
| 4.6 | Protection of Power System Equipment | 314 |
| 4.6.1 | Power system fault levels..... | 314 |
| 4.6.2 | Power system protection co-ordination | 314 |
| 4.6.3 | Audit and testing | 314 |
| 4.6.4 | Short-term thermal ratings of power system..... | 314 |
| 4.6.5 | Partial outage of power protection systems | 315 |
| 4.7 | Power System Stability Co-ordination..... | 315 |
| 4.7.1 | Stability analysis co-ordination..... | 315 |
| 4.7.2 | Audit and testing | 316 |
| 4.8 | Power System Security Operations | 316 |
| 4.8.1 | Registered Participants' advice | 316 |
| 4.8.2 | Protection or control system abnormality | 316 |
| 4.8.3 | AEMO's advice on power system emergency conditions | 316 |
| 4.8.4 | Declaration of conditions..... | 317 |
| 4.8.5 | Managing declarations of conditions | 318 |
| 4.8.5A | Determination of the latest time for AEMO intervention..... | 318 |
| 4.8.5B | Notifications of last time of AEMO intervention | 319 |
| 4.8.6 | [Deleted] | 320 |
| 4.8.7 | Managing a power system contingency event | 320 |

| | | |
|-------------|---|------------|
| 4.8.8 | [Deleted] | 320 |
| 4.8.9 | Power to issue directions and clause 4.8.9 instructions | 320 |
| 4.8.9A | System security directions | 322 |
| 4.8.10 | Disconnection of generating units and market network services..... | 323 |
| 4.8.11 | [Deleted] | 323 |
| 4.8.12 | System restart plan and local black system procedures | 323 |
| 4.8.13 | [Deleted] | 324 |
| 4.8.14 | Power system restoration | 324 |
| 4.8.15 | Review of operating incidents | 325 |
| 4.9 | Power System Security Related Market Operations | 327 |
| 4.9.1 | Load forecasting..... | 327 |
| 4.9.2 | Instructions to Scheduled Generators and Semi-Scheduled Generators | 328 |
| 4.9.2A | Dispatch Instructions to Scheduled Network Service Providers | 329 |
| 4.9.3 | Instructions to Registered Participants..... | 330 |
| 4.9.3A | Ancillary services instructions | 330 |
| 4.9.3B | Compliance with dispatch instructions | 331 |
| 4.9.4 | Dispatch related limitations on Scheduled Generators and Semi-Scheduled Generators..... | 331 |
| 4.9.4A | Dispatch related limitations on Scheduled Network Service Providers | 333 |
| 4.9.5 | Form of dispatch instructions..... | 333 |
| 4.9.6 | Commitment of scheduled generating units | 334 |
| 4.9.7 | De-commitment, or output reduction, by Scheduled Generators | 335 |
| 4.9.8 | General responsibilities of Registered Participants | 336 |
| 4.9.9 | Scheduled Generator plant changes | 338 |
| 4.9.9A | Scheduled Network Service Provider plant changes | 338 |
| 4.9.9B | Ancillary service plant changes | 338 |
| 4.10 | Power System Operating Procedures..... | 338 |
| 4.10.1 | Power system operating procedures..... | 338 |
| 4.10.2 | Transmission network operations | 339 |
| 4.10.3 | Operating interaction with distribution networks | 340 |
| 4.10.4 | Switching of a Distributor's high voltage networks..... | 340 |
| 4.10.5 | Switching of reactive power facilities..... | 341 |
| 4.10.6 | Automatic reclose | 341 |
| 4.10.7 | Inspection of facilities by AEMO | 341 |
| 4.11 | Power System Security Support | 341 |
| 4.11.1 | Remote control and monitoring devices | 341 |
| 4.11.2 | Operational control and indication communication facilities | 343 |
| 4.11.3 | Power system voice/data operational communication facilities | 344 |
| 4.11.4 | Records of power system operational communication | 345 |
| 4.11.5 | Agent communications | 346 |
| 4.12 | Nomenclature Standards..... | 347 |
| 4.13 | [Deleted] | 348 |
| 4.14 | Acceptance of Performance Standards | 348 |
| 4.15 | Compliance with Performance Standards..... | 349 |

| | | |
|---------------|--|------------|
| 4.16 | Transitioning arrangements for establishment of performance standards..... | 353 |
| 4.16.1 | Definitions..... | 353 |
| 4.16.2 | Exclusions | 355 |
| 4.16.3 | Notification and acceptance of performance standards | 356 |
| 4.16.4 | Actual capability | 361 |
| 4.16.5 | Criteria for, and negotiation of, performance standards | 362 |
| 4.16.6 | Consultation with and assistance by Network Service Providers | 364 |
| 4.16.7 | Referral to expert determination | 365 |
| 4.16.8 | Prior actions | 366 |
| 4.16.9 | Deemed performance standards | 366 |
| 4.16.10 | Modification of connection agreements..... | 366 |
| 4.17 | Expert determination..... | 367 |
| 4.17.1 | Performance standards committee and appointment of performance standards experts | 367 |
| 4.17.2 | Referral to performance standards expert | 368 |
| 4.17.3 | Determinations of performance standards experts..... | 369 |
| 4.17.4 | Other matters..... | 370 |
| 5. | Network Connection, Planning and Expansion | 373 |
| Part A | Network Connection | 373 |
| 5.1 | Statement of Purpose | 373 |
| 5.1.1 | [Deleted] | 373 |
| 5.1.2 | Purpose and Application | 373 |
| 5.1.3 | Principles..... | 375 |
| 5.2 | Obligations..... | 376 |
| 5.2.1 | Obligations of Registered Participants..... | 376 |
| 5.2.2 | Connection agreements | 376 |
| 5.2.3 | Obligations of network service providers | 377 |
| 5.2.4 | Obligations of customers | 381 |
| 5.2.5 | Obligations of Generators | 382 |
| 5.2.6 | Obligations of AEMO..... | 383 |
| 5.3 | Establishing or Modifying Connection | 383 |
| 5.3.1 | Process and procedures | 383 |
| 5.3.1A | Application of rule to connection of embedded generating units | 384 |
| 5.3.2 | Connection enquiry | 384 |
| 5.3.3 | Response to connection enquiry | 385 |
| 5.3.4 | Application for connection | 388 |
| 5.3.4A | Negotiated access standards..... | 389 |
| 5.3.5 | Preparation of offer to connect | 391 |
| 5.3.6 | Offer to connect | 392 |
| 5.3.7 | Finalisation of connection agreements..... | 396 |
| 5.3.7A | Application for connection to declared shared network | 397 |
| 5.3.8 | Provision and use of information..... | 397 |
| 5.3.9 | Procedure to be followed by a Generator proposing to alter a generating system..... | 399 |
| 5.3.10 | Acceptance of performance standards for generating plant that is altered..... | 401 |

| | | |
|--------------|---|------------|
| 5.3.11 | Notification of request to change normal voltage | 401 |
| 5.3A | Establishing or modifying connection - embedded generation..... | 402 |
| 5.3A.1 | Application of rule 5.3A | 402 |
| 5.3A.2 | Definitions and miscellaneous | 402 |
| 5.3A.3 | Publication of Information | 403 |
| 5.3A.4 | Fees | 405 |
| 5.3A.5 | Enquiry..... | 406 |
| 5.3A.6 | Response to Enquiry | 406 |
| 5.3A.7 | Preliminary Response to Enquiry | 407 |
| 5.3A.8 | Detailed Response to Enquiry | 408 |
| 5.3A.9 | Application for connection | 409 |
| 5.3A.10 | Preparation of offer to connect | 410 |
| 5.3A.11 | Technical Dispute | 411 |
| 5.4 | Design of Connected Equipment | 411 |
| 5.4.1 | Application..... | 411 |
| 5.4.2 | Advice of inconsistencies | 411 |
| 5.4.3 | Additional information..... | 412 |
| 5.4.4 | Advice on possible non-compliance | 412 |
| 5.4.5 | Register of completed embedded generation projects | 412 |
| 5.4A | Access arrangements relating to Transmission Networks | 413 |
| 5.4AA | Network support payments and functions..... | 416 |
| 5.5 | Access arrangements relating to Distribution Networks | 416 |
| 5.5A | [Deleted]..... | 420 |
| 5.6 | [Deleted]..... | 420 |
| 5.6A | [Deleted]..... | 420 |
| 5.7 | Inspection and Testing..... | 420 |
| 5.7.1 | Right of entry and inspection | 420 |
| 5.7.2 | Right of testing..... | 422 |
| 5.7.3 | Tests to demonstrate compliance with connection requirements for generators | 424 |
| 5.7.4 | Routine testing of protection equipment..... | 425 |
| 5.7.5 | Testing by Registered Participants of their own plant requiring changes to normal operation | 427 |
| 5.7.6 | Tests of generating units requiring changes to normal operation | 429 |
| 5.7.7 | Inter-network power system tests | 430 |
| 5.8 | Commissioning | 437 |
| 5.8.1 | Requirement to inspect and test equipment | 437 |
| 5.8.2 | Co-ordination during commissioning | 438 |
| 5.8.3 | Control and protection settings for equipment..... | 438 |
| 5.8.4 | Commissioning program..... | 439 |
| 5.8.5 | Commissioning tests | 440 |
| 5.9 | Disconnection and Reconnection | 441 |
| 5.9.1 | Voluntary disconnection | 441 |
| 5.9.2 | Decommissioning procedures | 441 |
| 5.9.3 | Involuntary disconnection..... | 442 |

| | | |
|---------------|--|------------|
| 5.9.4 | Direction to disconnect | 442 |
| 5.9.4A | Notification of disconnection..... | 443 |
| 5.9.5 | Disconnection during an emergency..... | 443 |
| 5.9.6 | Obligation to reconnect..... | 444 |
| Part B | Network Planning and Expansion..... | 445 |
| 5.10 | Network development generally | 445 |
| 5.10.1 | Content of Part B | 445 |
| 5.10.2 | Definitions..... | 445 |
| 5.10.3 | Interpretation..... | 450 |
| 5.11 | Forecasts of connection to transmission network and identification of system limitations..... | 450 |
| 5.11.1 | Forecasts for connection to transmission network..... | 450 |
| 5.11.2 | Identification of network limitations | 451 |
| 5.12 | Transmission annual planning process | 451 |
| 5.12.1 | Transmission annual planning review | 451 |
| 5.12.2 | Transmission Annual Planning Report | 452 |
| 5.13 | Distribution annual planning process | 454 |
| 5.13.1 | Distribution annual planning review..... | 454 |
| 5.13.2 | Distribution Annual Planning Report | 456 |
| 5.13A | Distribution zone substation information..... | 456 |
| 5.14 | Joint planning..... | 459 |
| 5.14.1 | Joint planning obligations of Transmission Network Service Providers and Distribution Network Service Providers..... | 459 |
| 5.14.2 | Joint planning obligations of Distribution Network Service Providers and Distribution Network Service Providers..... | 461 |
| 5.15 | Regulatory investment tests generally | 461 |
| 5.15.1 | Interested parties | 461 |
| 5.15.2 | Identification of a credible option..... | 461 |
| 5.15.3 | Review of costs thresholds..... | 462 |
| 5.15.4 | Costs determinations | 465 |
| 5.16 | Regulatory investment test for transmission..... | 465 |
| 5.16.1 | Principles..... | 465 |
| 5.16.2 | Regulatory investment test for transmission application guidelines..... | 468 |
| 5.16.3 | Investments subject to the regulatory investment test for transmission | 469 |
| 5.16.4 | Regulatory investment test for transmission procedures | 471 |
| 5.16.5 | Disputes in relation to application of regulatory investment test for transmission | 477 |
| 5.16.6 | Determination that preferred option satisfies the regulatory investment test for transmission..... | 479 |
| 5.17 | Regulatory investment test for distribution | 480 |
| 5.17.1 | Principles..... | 480 |
| 5.17.2 | Regulatory investment test for distribution application guidelines | 482 |
| 5.17.3 | Projects subject to the regulatory investment test for distribution..... | 484 |
| 5.17.4 | Regulatory investment test for distribution procedures | 485 |

| | | |
|----------------------|---|------------|
| 5.17.5 | Disputes in relation to application of regulatory investment test for distribution | 491 |
| 5.18 | Construction of funded augmentations..... | 493 |
| 5.19 | SENE Design and Costing Study..... | 493 |
| 5.19.1 | Definitions..... | 493 |
| 5.19.2 | Interpretation..... | 494 |
| 5.19.3 | Request for SENE Design and Costing Study | 494 |
| 5.19.4 | Content of SENE Design and Costing Study..... | 496 |
| 5.19.5 | Co-operation of other Network Service Providers..... | 497 |
| 5.19.6 | Publication of SENE Design and Costing Study report..... | 497 |
| 5.19.7 | Provision and use of information | 497 |
| 5.20 | National transmission planning | 498 |
| 5.20.1 | Preliminary consultation | 498 |
| 5.20.2 | Publication of NTNDP..... | 499 |
| 5.20.3 | Development strategies for national transmission flow paths | 501 |
| 5.20.4 | NTNDP database | 502 |
| 5.20.5 | Jurisdictional planning bodies and jurisdictional planning representatives..... | 503 |
| 5.21 | AEMO's obligation to publish information and guidelines and provide advice..... | 503 |
| 5.22 | Last resort planning power | 505 |
| Schedule 5.1a | System standards | 508 |
| S5.1a.1 | Purpose..... | 508 |
| S5.1a.2 | Frequency..... | 508 |
| S5.1a.3 | System stability..... | 509 |
| S5.1a.4 | Power frequency voltage..... | 509 |
| S5.1a.5 | Voltage fluctuations | 510 |
| S5.1a.6 | Voltage waveform distortion | 510 |
| S5.1a.7 | Voltage unbalance..... | 511 |
| S5.1a.8 | Fault clearance times..... | 512 |
| Schedule 5.1 | Network Performance Requirements to be Provided or Co-ordinated by Network Service Providers | 513 |
| S5.1.1 | Introduction..... | 513 |
| S5.1.2 | Network reliability | 514 |
| S5.1.2.1 | Credible contingency events | 514 |
| S5.1.2.2 | Network service within a region | 515 |
| S5.1.2.3 | Network service between regions | 516 |
| S5.1.3 | Frequency variations | 517 |
| S5.1.4 | Magnitude of power frequency voltage | 517 |
| S5.1.5 | Voltage fluctuations | 518 |
| S5.1.6 | Voltage harmonic or voltage notching distortion | 519 |
| S5.1.7 | Voltage unbalance..... | 520 |
| S5.1.8 | Stability | 521 |
| S5.1.9 | Protection systems and fault clearance times..... | 522 |
| S5.1.10 | Load and network control facilities | 526 |
| S5.1.10.1 | General..... | 526 |
| S5.1.10.2 | Distribution Network Service Providers | 526 |

| | | |
|----------------------|---|------------|
| S5.1.10.3 | Transmission Network Service Providers..... | 527 |
| S5.1.11 | Automatic reclosure of transmission or distribution lines | 527 |
| S5.1.12 | Rating of transmission lines and equipment | 527 |
| S5.1.13 | Information to be provided | 528 |
| Schedule 5.2 | Conditions for Connection of Generators..... | 528 |
| S5.2.1 | Outline of requirements | 528 |
| S5.2.2 | Application of Settings | 529 |
| S5.2.3 | Technical matters to be coordinated | 530 |
| S5.2.4 | Provision of information | 531 |
| S5.2.5 | Technical requirements | 533 |
| S5.2.5.1 | Reactive power capability | 533 |
| S5.2.5.2 | Quality of electricity generated..... | 535 |
| S5.2.5.3 | Generating unit response to frequency disturbances | 536 |
| S5.2.5.4 | Generating system response to voltage disturbances..... | 539 |
| S5.2.5.5 | Generating system response to disturbances following contingency events | 541 |
| S5.2.5.6 | Quality of electricity generated and continuous uninterrupted operation | 544 |
| S5.2.5.7 | Partial load rejection | 544 |
| S5.2.5.8 | Protection of generating systems from power system disturbances | 545 |
| S5.2.5.9 | Protection systems that impact on power system security..... | 547 |
| S5.2.5.10 | Protection to trip plant for unstable operation | 548 |
| S5.2.5.11 | Frequency control | 549 |
| S5.2.5.12 | Impact on network capability..... | 552 |
| S5.2.5.13 | Voltage and reactive power control | 553 |
| S5.2.5.14 | Active power control..... | 559 |
| S5.2.6 | Monitoring and control requirements | 561 |
| S5.2.6.1 | Remote Monitoring | 561 |
| S5.2.6.2 | Communications equipment | 563 |
| S5.2.7 | Power station auxiliary supplies | 564 |
| S5.2.8 | Fault current | 564 |
| Schedule 5.3 | Conditions for Connection of Customers | 566 |
| S5.3.1a | Introduction to the schedule | 566 |
| S5.3.1 | Information | 567 |
| S5.3.2 | Design standards | 568 |
| S5.3.3 | Protection systems and settings | 568 |
| S5.3.4 | Settings of protection and control systems | 569 |
| S5.3.5 | Power factor requirements | 570 |
| S5.3.6 | Balancing of load currents | 571 |
| S5.3.7 | Voltage fluctuations | 572 |
| S5.3.8 | Harmonics and voltage notching | 572 |
| S5.3.9 | Design requirements for Network Users' substations | 573 |
| S5.3.10 | Load shedding facilities | 573 |
| Schedule 5.3a | Conditions for connection of Market Network Services | 574 |
| S5.3a.1a | Introduction to the schedule | 574 |
| S5.3a.1 | Provision of Information | 575 |
| S5.3a.2 | Application of settings | 576 |
| S5.3a.3 | Technical matters to be co-ordinated | 577 |
| S5.3a.4 | Monitoring and control requirements | 577 |

| | | |
|----------------------|--|------------|
| S5.3a.4.1 | Remote Monitoring | 577 |
| S5.3a.4.2 | [Deleted] | 578 |
| S5.3a.4.3 | Communications equipment | 578 |
| S5.3a.5 | Design standards | 579 |
| S5.3a.6 | Protection systems and settings | 579 |
| S5.3a.7 | [Deleted] | 581 |
| S5.3a.8 | Reactive power capability | 581 |
| S5.3a.9 | Balancing of load currents | 581 |
| S5.3a.10 | Voltage fluctuations | 582 |
| S5.3a.11 | Harmonics and voltage notching | 582 |
| S5.3a.12 | Design requirements for Market Network Service Providers' substations..... | 583 |
| S5.3a.13 | Market network service response to disturbances in the power system | 583 |
| S5.3a.14 | Protection of market network services from power system disturbances..... | 584 |
| Schedule 5.4 | Information to be Provided with Preliminary Enquiry | 585 |
| Schedule 5.4A | Preliminary Response..... | 585 |
| Schedule 5.4B | Detailed Response to Enquiry..... | 588 |
| Schedule 5.5 | Technical Details to Support Application for Connection and Connection Agreement | 590 |
| S5.5.1 | Introduction to the schedule..... | 590 |
| S5.5.2 | Categories of data | 590 |
| S5.5.3 | Review, change and supply of data..... | 591 |
| S5.5.4 | Data Requirements..... | 591 |
| S5.5.5 | Asynchronous generating unit data..... | 592 |
| S5.5.6 | Generating units equal to or smaller than 30MW data | 592 |
| S5.5.7 | Generating System Design Data Sheet, Generating System Setting Data Sheet and Generating System Model Guidelines | 592 |
| Schedule 5.5.1 | [Deleted] | 594 |
| Schedule 5.5.2 | [Deleted] | 594 |
| Schedule 5.5.3 | Network and plant technical data of equipment at or near connection point | 594 |
| Schedule 5.5.4 | Network Plant and Apparatus Setting Data | 597 |
| Schedule 5.5.5 | Load Characteristics at Connection Point..... | 599 |
| Schedule 5.6 | Terms and Conditions of Connection agreements | 600 |
| Schedule 5.7 | Annual Forecast Information for Planning Purposes | 601 |
| Schedule 5.8 | Distribution Annual Planning Report..... | 603 |
| Schedule 5.9 | Demand side engagement document (clause 5.13.1(h)) | 609 |
| Chapter 5A | Electricity connection for retail customers..... | 613 |
| Part A | Preliminary | 613 |
| 5A.A.1 | Definitions..... | 613 |
| 5A.A.2 | Application of this Chapter | 616 |

| | | |
|-------------------|--|------------|
| 5A.A.3 | Small Generation Aggregator deemed to be agent of a retail customer..... | 616 |
| Part B | Standardised offers to provide basic and standard connection services | 616 |
| Division 1 | Basic connection services..... | 616 |
| 5A.B.1 | Obligation to have model standing offer to provide basic connection services..... | 616 |
| 5A.B.2 | Proposed model standing offer for basic connection services | 617 |
| Division 2 | Standard connection services..... | 619 |
| 5A.B.4 | Standard connection services | 619 |
| 5A.B.5 | Approval of model standing offer to provide standard connection services..... | 620 |
| Division 3 | Miscellaneous..... | 620 |
| 5A.B.6 | Amendment etc of model standing offer | 620 |
| 5A.B.7 | Publication of model standing offers | 621 |
| Part C | Negotiated connection..... | 621 |
| 5A.C.1 | Negotiation of connection..... | 621 |
| 5A.C.2 | Process of negotiation | 622 |
| 5A.C.3 | Negotiation framework..... | 622 |
| 5A.C.4 | Fee to cover cost of negotiation..... | 624 |
| Part D | Application for connection service | 625 |
| Division 1 | Information..... | 625 |
| 5A.D.1 | Publication of information | 625 |
| Division 2 | Preliminary enquiry..... | 625 |
| 5A.D.2 | Preliminary enquiry | 625 |
| Division 3 | Applications..... | 626 |
| 5A.D.3 | Application process..... | 626 |
| 5A.D.4 | Site inspection | 627 |
| Part E | Connection charges..... | 628 |
| 5A.E.1 | Connection charge principles..... | 628 |
| 5A.E.2 | Itemised statement of connection charges | 629 |
| 5A.E.3 | Connection charge guidelines | 630 |
| 5A.E.4 | Payment of connection charges..... | 632 |
| Part F | Formation and integration of connection contracts | 632 |
| Division 1 | Offer and acceptance – basic and standard connection services | 632 |
| 5A.F.1 | Distribution Network Service Provider's response to application..... | 632 |
| 5A.F.2 | Acceptance of connection offer | 633 |
| 5A.F.3 | Offer and acceptance—application for expedited connection | 633 |
| Division 2 | Offer and acceptance – negotiated connection | 634 |
| 5A.F.4 | Negotiated connection offer..... | 634 |
| Division 3 | Formation of contract..... | 634 |

| | | |
|--|--|------------|
| 5A.F.5 | Acceptance of connection offer | 634 |
| Division 4 | Contractual performance..... | 635 |
| 5A.F.6 | Carrying out connection work | 635 |
| 5A.F.7 | Retailer required for energisation where new connection | 635 |
| Part G | Dispute resolution between Distribution Network Service Providers and customers | 635 |
| 5A.G.1 | Relevant disputes | 635 |
| 5A.G.2 | Determination of dispute | 636 |
| 5A.G.3 | Termination of proceedings | 636 |
| SCHEDULE 5A.1 – Minimum content requirements for connection contract..... | 637 | |
| Part A | Connection offer not involving embedded generation..... | 637 |
| Part B | Connection offer involving embedded generation..... | 638 |
| 6 | Economic Regulation of Distribution Services | 643 |
| Part A | Introduction..... | 643 |
| 6.1 | Introduction to Chapter 6 | 643 |
| 6.1.1 | AER's regulatory responsibility | 643 |
| 6.1.1A | [Deleted] | 643 |
| 6.1.2 | Structure of this Chapter | 643 |
| 6.1.3 | Access to direct control services and negotiated distribution services | 644 |
| 6.1.4 | Prohibition of DUOS charges for the export of energy | 644 |
| Part B | Classification of Distribution Services and Distribution Determinations | 645 |
| 6.2 | Classification | 645 |
| 6.2.1 | Classification of distribution services | 645 |
| 6.2.2 | Classification of direct control services as standard control services or alternative control services | 646 |
| 6.2.3 | Term for which classification operates | 647 |
| 6.2.4 | Duty of AER to make distribution determinations | 647 |
| 6.2.5 | Control mechanisms for direct control services..... | 647 |
| 6.2.6 | Basis of control mechanisms for direct control services | 648 |
| 6.2.7 | Negotiated distribution services..... | 649 |
| 6.2.8 | Guidelines | 649 |
| Part C | Building Block Determinations for standard control services..... | 650 |
| 6.3 | Building block determinations..... | 650 |
| 6.3.1 | Introduction..... | 650 |
| 6.3.2 | Contents of building block determination..... | 650 |
| 6.4 | Post-tax revenue model..... | 651 |
| 6.4.1 | Preparation, publication and amendment of post-tax revenue model..... | 651 |
| 6.4.2 | Contents of post-tax revenue model | 651 |
| 6.4.3 | Building block approach | 651 |
| 6.4.4 | Shared assets | 653 |
| 6.4.5 | Expenditure Forecast Assessment Guidelines | 654 |

| | | |
|----------------|--|------------|
| 6.4A | Capital expenditure incentive mechanisms | 654 |
| 6.5 | Matters relevant to the making of building block determinations | 655 |
| 6.5.1 | Regulatory asset base | 655 |
| 6.5.2 | Return on capital | 656 |
| 6.5.3 | Estimated cost of corporate income tax | 659 |
| 6.5.4 | [Deleted] | 659 |
| 6.5.5 | Depreciation | 659 |
| 6.5.6 | Forecast operating expenditure | 660 |
| 6.5.7 | Forecast capital expenditure | 663 |
| 6.5.8 | Efficiency benefit sharing scheme | 667 |
| 6.5.8A | Capital expenditure sharing scheme | 668 |
| 6.5.9 | The X factor | 669 |
| 6.5.10 | Pass through events | 670 |
| 6.6 | Adjustments after making of building block determination. | 670 |
| 6.6.1 | Cost pass through | 670 |
| 6.6.1A | Reporting on jurisdictional schemes | 677 |
| 6.6.2 | Service target performance incentive scheme | 678 |
| 6.6.3 | Demand management and embedded generation connection incentive scheme | 679 |
| 6.6.4 | Small-scale incentive scheme | 680 |
| 6.6.5 | Reopening of distribution determination for capital expenditure | 681 |
| 6.6A | Contingent Projects | 684 |
| 6.6A.1 | Acceptance of a contingent project in a distribution determination | 684 |
| 6.6A.2 | Amendment of distribution determination for contingent project | 686 |
| Part D | Negotiated distribution services..... | 690 |
| 6.7 | Negotiated distribution services..... | 690 |
| 6.7.1 | Principles relating to access to negotiated distribution services | 690 |
| 6.7.2 | Determination of terms and conditions of access for negotiated distribution services | 692 |
| 6.7.3 | Negotiating framework determination | 693 |
| 6.7.4 | Negotiated Distribution Service Criteria determination | 693 |
| 6.7.5 | Preparation of and requirements for negotiating framework for negotiated distribution services | 694 |
| 6.7.6 | Confidential information | 696 |
| Part DA | Connection policies | 696 |
| 6.7A | Connection policy requirements | 696 |
| 6.7A.1 | Preparation of, and requirements for, connection policy | 696 |
| Part E | Regulatory proposal and proposed tariff structure statement | 697 |
| 6.8 | Regulatory proposal and proposed tariff structure statement | 697 |
| 6.8.1 | AER's framework and approach paper | 697 |
| 6.8.1A | Notification of approach to forecasting expenditure | 700 |
| 6.8.2 | Submission of regulatory proposal and tariff structure statement | 700 |
| 6.9 | Preliminary examination and consultation | 703 |
| 6.9.1 | Preliminary examination | 703 |
| 6.9.2 | Resubmission of proposal | 703 |

| | | |
|---------------|---|------------|
| 6.9.2A | Confidential information..... | 703 |
| 6.9.3 | Consultation | 704 |
| 6.10 | Draft distribution determination and further consultation | 705 |
| 6.10.1 | Making of draft distribution determination..... | 705 |
| 6.10.2 | Publication of draft determination and consultation..... | 705 |
| 6.10.3 | Submission of revised proposal | 706 |
| 6.10.4 | Submissions on specified matters | 707 |
| 6.11 | Distribution determination | 707 |
| 6.11.1 | Making of distribution determination | 707 |
| 6.11.1A | Out of scope revised regulatory proposal or late submissions..... | 707 |
| 6.11.2 | Notice of distribution determination | 708 |
| 6.11.3 | Commencement of distribution determination | 708 |
| 6.12 | Requirements relating to draft and final distribution determinations..... | 709 |
| 6.12.1 | Constituent decisions | 709 |
| 6.12.2 | Reasons for decisions..... | 712 |
| 6.12.3 | Extent of AER's discretion in making distribution determinations | 712 |
| 6.13 | Revocation and substitution of distribution determination for wrong information or error | 714 |
| 6.14 | Miscellaneous..... | 714 |
| 6.14A | Distribution Confidentiality Guidelines..... | 715 |
| Part F | Cost Allocation | 715 |
| 6.15 | Cost allocation | 715 |
| 6.15.1 | Duty to comply with Cost Allocation Method..... | 715 |
| 6.15.2 | Cost Allocation Principles | 716 |
| 6.15.3 | Cost Allocation Guidelines | 716 |
| 6.15.4 | Cost Allocation Method | 717 |
| Part G | Distribution consultation procedures..... | 718 |
| 6.16 | Distribution consultation procedures..... | 718 |
| Part H | Ring-Fencing Arrangements for Distribution Network Service Providers..... | 720 |
| 6.17 | Distribution Ring-Fencing Guidelines | 720 |
| 6.17.1 | Compliance with Distribution Ring-Fencing Guidelines | 720 |
| 6.17.2 | Development of Distribution Ring-Fencing Guidelines | 720 |
| Part I | Distribution Pricing Rules..... | 721 |
| 6.18 | Distribution Pricing Rules..... | 721 |
| 6.18.1 | Application of this Part | 721 |
| 6.18.1A | Tariff structure statement..... | 721 |
| 6.18.1B | Amending a tariff structure statement with the AER's approval | 722 |
| 6.18.1C | Sub-threshold tariffs..... | 724 |
| 6.18.2 | Pricing proposals..... | 725 |
| 6.18.3 | Tariff classes | 726 |

| | | |
|---------------|--|------------|
| 6.18.4 | Principles governing assignment or re-assignment of retail customers to tariff classes and assessment and review of basis of charging..... | 727 |
| 6.18.5 | Pricing principles | 727 |
| 6.18.6 | Side constraints on tariffs for standard control services | 729 |
| 6.18.7 | Recovery of designated pricing proposal charges | 730 |
| 6.18.7A | Recovery of jurisdictional scheme amounts | 731 |
| 6.18.8 | Approval of pricing proposal | 735 |
| 6.18.9 | Publication of information about tariffs and tariff classes..... | 736 |
| 6.19. | Data Required for Distribution Service Pricing | 737 |
| 6.19.1 | Forecast use of networks by Distribution Customers and Embedded Generators | 737 |
| 6.19.2 | Confidentiality of distribution network pricing information | 737 |
| Part J | Billing and Settlements | 737 |
| 6.20 | Billing and Settlements Process | 737 |
| 6.20.1 | Billing for distribution services | 737 |
| 6.20.2 | Minimum information to be provided in distribution network service bills..... | 739 |
| 6.20.3 | Settlement between Distribution Network Service Providers | 740 |
| 6.20.4 | Obligation to pay..... | 740 |
| Part K | Prudential requirements, capital contributions and prepayments | 740 |
| 6.21 | Distribution Network Service Provider Prudential Requirements..... | 740 |
| 6.21.1 | Prudential requirements for distribution network service..... | 740 |
| 6.21.2 | Capital contributions, prepayments and financial guarantees..... | 741 |
| 6.21.3 | Treatment of past prepayments and capital contributions | 741 |
| Part L | Dispute resolution | 742 |
| 6.22 | Dispute Resolution | 742 |
| 6.22.1 | Dispute Resolution by the AER | 742 |
| 6.22.2 | Determination of dispute..... | 742 |
| 6.22.3 | Termination of access dispute without access determination | 744 |
| Part M | Separate disclosure of transmission and distribution charges | 744 |
| 6.23 | Separate disclosure of transmission and distribution charges | 744 |
| Part N | Dual Function Assets | 745 |
| 6.24 | Dual Function Assets | 745 |
| 6.24.1 | Application of this Part | 745 |
| 6.24.2 | Dual Function Assets | 745 |
| 6.25 | AER determination of applicable pricing regime for Dual Function Assets..... | 746 |
| 6.26 | Division of Distribution Network Service Provider's revenue..... | 747 |
| Part O | Annual Benchmarking Report..... | 748 |
| 6.27 | Annual Benchmarking Report..... | 748 |

| | | |
|---------------------|---|------------|
| Schedule 6.1 | Contents of building block proposals..... | 748 |
| S6.1.1 | Information and matters relating to capital expenditure | 748 |
| S6.1.2 | Information and matters relating to operating expenditure..... | 749 |
| S6.1.3 | Additional information and matters | 750 |
| Schedule 6.2 | Regulatory Asset Base | 753 |
| S6.2.1 | Establishment of opening regulatory asset base for a regulatory control period | 753 |
| S6.2.2 | Prudence and efficiency of capital expenditure | 758 |
| S6.2.2A | Reduction for inefficient past capital expenditure | 758 |
| S6.2.2B | Depreciation | 760 |
| S6.2.3 | Roll forward of regulatory asset base within the same regulatory control period | 761 |
| 6A. | Economic Regulation of Transmission Services | 765 |
| Part A | Introduction..... | 765 |
| 6A.1 | Introduction to Chapter 6A | 765 |
| 6A.1.1 | Economic regulation of transmission services generally | 765 |
| 6A.1.2 | Meaning of terms and conditions of access for transmission services | 766 |
| 6A.1.3 | Access to prescribed and negotiated transmission services | 766 |
| 6A.1.4 | National regulatory arrangements | 767 |
| 6A.1.5 | Application of Chapter 6A to Market Network Service Providers..... | 767 |
| 6A.1.6 | Application of Chapter 6A to AEMO and declared transmission system operators..... | 768 |
| Part B | Transmission Determinations Generally | 768 |
| 6A.2 | Transmission determinations..... | 768 |
| 6A.2.1 | Duty of AER to make transmission determinations | 768 |
| 6A.2.2 | Components of transmission determinations | 768 |
| 6A.2.3 | Guidelines | 768 |
| Part C | Regulation of Revenue - Prescribed Transmission Services | 769 |
| 6A.3 | Allowed revenue from prescribed transmission services | 769 |
| 6A.3.1 | Allowed revenue for regulatory year | 769 |
| 6A.3.2 | Adjustment of maximum allowed revenue | 770 |
| 6A.4 | Revenue determinations | 770 |
| 6A.4.1 | Introduction..... | 770 |
| 6A.4.2 | Contents of revenue determination | 770 |
| 6A.5 | Post-tax revenue model..... | 771 |
| 6A.5.1 | Introduction..... | 771 |
| 6A.5.2 | Preparation, publication and amendment of post-tax revenue model..... | 772 |
| 6A.5.3 | Contents of post-tax revenue model | 772 |
| 6A.5.4 | Building blocks approach | 773 |
| 6A.5.5 | Shared assets | 774 |
| 6A.5.6 | Expenditure Forecast Assessment Guidelines | 775 |
| 6A.5A | Capital expenditure incentive mechanisms | 776 |
| 6A.6 | Matters relevant to the making of revenue determinations..... | 776 |

| | | |
|---------------|--|------------|
| 6A.6.1 | Regulatory asset base | 776 |
| 6A.6.2 | Return on capital | 778 |
| 6A.6.3 | Depreciation | 780 |
| 6A.6.4 | Estimated cost of corporate income tax | 782 |
| 6A.6.5 | Efficiency benefit sharing scheme | 782 |
| 6A.6.5A | Capital expenditure sharing scheme | 783 |
| 6A.6.6 | Forecast operating expenditure | 784 |
| 6A.6.7 | Forecast capital expenditure | 787 |
| 6A.6.8 | The X factor | 791 |
| 6A.6.9 | Pass through events | 792 |
| 6A.7 | Matters relevant to the adjustment of revenue cap after making of revenue determination | 792 |
| 6A.7.1 | Reopening of revenue determination for capital expenditure | 792 |
| 6A.7.2 | Network support pass through | 795 |
| 6A.7.3 | Cost pass through | 797 |
| 6A.7.4 | Service target performance incentive scheme | 803 |
| 6A.7.5 | Small-scale incentive scheme | 805 |
| 6A.8 | Contingent Projects | 806 |
| 6A.8.1 | Acceptance of a Contingent Project in a revenue determination | 806 |
| 6A.8.2 | Amendment of revenue determination for contingent project | 807 |
| Part D | Negotiated Transmission Services | 812 |
| 6A.9 | Negotiated transmission services | 812 |
| 6A.9.1 | Principles relating to access to negotiated transmission services | 812 |
| 6A.9.2 | Determination of terms and conditions of access for negotiated transmission services | 814 |
| 6A.9.3 | Negotiating framework determination | 814 |
| 6A.9.4 | Negotiated transmission criteria determination | 814 |
| 6A.9.5 | Preparation of and requirements for negotiating framework | 815 |
| 6A.9.6 | Confidential information | 817 |
| 6A.9.7 | Commercial arbitration for negotiated transmission services | 817 |
| Part E | Procedure – Revenue determinations, negotiating frameworks and pricing methodologies | 817 |
| 6A.10 | Revenue Proposal, proposed negotiating framework and proposed pricing methodology | 817 |
| 6A.10.1A | AER's framework and approach paper | 817 |
| 6A.10.1B | Notification of approach to forecasting expenditure | 819 |
| 6A.10.1 | Submission of proposal, framework, pricing methodology and information | 820 |
| 6A.10.2 | [Deleted] | 821 |
| 6A.11 | Preliminary examination and consultation | 821 |
| 6A.11.1 | Preliminary examination and determination of non-compliance with relevant requirements | 821 |
| 6A.11.2 | Resubmission of proposal, framework, pricing methodology or information | 822 |
| 6A.11.2A | Confidential information | 822 |
| 6A.11.3 | Consultation | 823 |
| 6A.12 | Draft decision and further consultation | 824 |

| | | |
|---------------|---|------------|
| 6A.12.1 | Making of draft decision | 824 |
| 6A.12.2 | Publication of draft decision and consultation..... | 824 |
| 6A.12.3 | Submission of revised proposal, framework or pricing methodology | 825 |
| 6A.12.4 | Submissions on specified matters | 826 |
| 6A.13 | Final decision..... | 827 |
| 6A.13.1 | Making of final decision | 827 |
| 6A.13.2 | Refusal to approve amounts, values, framework or pricing methodology | 827 |
| 6A.13.2A | Out of scope revised documents or late submissions..... | 828 |
| 6A.13.3 | Notice of final decision..... | 829 |
| 6A.13.4 | Making of transmission determination | 829 |
| 6A.14 | Requirements relating to draft and final decisions..... | 829 |
| 6A.14.1 | Contents of decisions | 829 |
| 6A.14.2 | Reasons for decisions..... | 832 |
| 6A.14.3 | Circumstances in which matters must be approved or accepted..... | 832 |
| 6A.15 | Revocation of revenue determination or amendment of pricing methodology for wrong information or error | 835 |
| 6A.16 | Miscellaneous..... | 836 |
| 6A.16A | Transmission Confidentiality Guidelines | 836 |
| Part F | Information Disclosure..... | 837 |
| 6A.17 | Information disclosure by Transmission Network Service Providers..... | 837 |
| 6A.17.1 | Information to be provided to AER | 837 |
| 6A.17.2 | Information Guidelines | 838 |
| 6A.18 | [Deleted] | 840 |
| Part G | Cost Allocation | 840 |
| 6A.19 | Cost allocation | 840 |
| 6A.19.1 | Duty to comply with Cost Allocation Methodology..... | 840 |
| 6A.19.2 | Cost Allocation Principles | 840 |
| 6A.19.3 | Cost Allocation Guidelines | 841 |
| 6A.19.4 | Cost Allocation Methodology | 842 |
| Part H | Transmission Consultation Procedures | 843 |
| 6A.20 | Transmission consultation procedures | 843 |
| Part I | Ring-Fencing Arrangements for Transmission Network Service Providers..... | 844 |
| 6A.21 | Transmission Ring-Fencing Guidelines | 844 |
| 6A.21.1 | Compliance with Transmission Ring-Fencing Guidelines | 844 |
| 6A.21.2 | Development of Transmission Ring-Fencing Guidelines | 845 |
| Part J | Prescribed Transmission Services - Regulation of Pricing | 846 |
| 6A.22 | Terms used in Part J..... | 846 |
| 6A.22.1 | Aggregate annual revenue requirement (AARR) | 846 |
| 6A.22.2 | Annual service revenue requirement (ASRR) | 846 |
| 6A.22.3 | Meaning of attributable cost share | 846 |

| | | |
|---------------|---|------------|
| 6A.22.4 | Meaning of attributable connection point cost share | 847 |
| 6A.23 | Pricing Principles for Prescribed Transmission Services | 847 |
| 6A.23.1 | Introduction..... | 847 |
| 6A.23.2 | Principles for the allocation of the AARR to categories of prescribed transmission services | 847 |
| 6A.23.3 | Principles for the allocation of the ASRR to transmission network connection points | 848 |
| 6A.23.4 | Price structure principles..... | 850 |
| 6A.24 | Pricing methodology | 851 |
| 6A.24.1 | Pricing methodologies generally..... | 851 |
| 6A.24.2 | Publication of pricing methodology and transmission network prices | 852 |
| 6A.24.3 | Basis for setting prices pending approval of pricing methodology | 852 |
| 6A.24.4 | Basis for setting prices pending approval of maximum allowed revenue | 853 |
| 6A.25 | Pricing methodology guidelines for prescribed transmission services | 854 |
| 6A.25.1 | Making and amending of pricing methodology guidelines | 854 |
| 6A.25.2 | Contents of pricing methodology guidelines | 854 |
| 6A.26 | Prudent discounts..... | 855 |
| 6A.26.1 | Agreements for prudent discounts for prescribed transmission services..... | 855 |
| 6A.26.2 | Application to AER for approval of proposed prudent discount amounts | 856 |
| 6A.27 | Billing Process | 858 |
| 6A.27.1 | Billing for prescribed transmission services | 858 |
| 6A.27.2 | Minimum information to be provided in network service bills | 858 |
| 6A.27.3 | Obligation to pay charges for prescribed transmission services | 859 |
| 6A.27.4 | Payments between Transmission Network Service Providers..... | 859 |
| 6A.27.5 | Calculation of financial transfers between Transmission Network Service Providers | 859 |
| 6A.28 | Prudential Requirements | 859 |
| 6A.28.1 | Prudential Requirements for prescribed transmission services | 860 |
| 6A.28.2 | Capital contribution or prepayment for a specific asset..... | 860 |
| 6A.28.3 | Treatment of past capital contributions..... | 860 |
| 6A.29 | Multiple Transmission Network Service Providers..... | 860 |
| 6A.29.1 | Multiple Transmission Network Service Providers within a region..... | 860 |
| 6A.29.2 | Single Transmission Network Service Provider within a region | 861 |
| 6A.29.3 | Allocation over several regions | 861 |
| Part K | Commercial arbitration for disputes about terms and conditions of access for prescribed and negotiated transmission services | 861 |
| 6A.30 | Commercial arbitration for prescribed and negotiated transmission services | 861 |
| 6A.30.1 | Notification of transmission services dispute | 862 |
| 6A.30.2 | Appointment of commercial arbitrator | 862 |
| 6A.30.3 | Procedures of commercial arbitrator..... | 863 |

| | | |
|---|--|------------|
| 6A.30.4 | Powers of commercial arbitrator in determining transmission services access disputes | 863 |
| 6A.30.5 | Determination of transmission services access disputes..... | 865 |
| 6A.30.6 | Costs of dispute..... | 865 |
| 6A.30.7 | Enforcement of agreement or determination and requirement for reasons..... | 866 |
| 6A.30.8 | Miscellaneous | 866 |
| Part L | Annual Benchmarking Report..... | 867 |
| 6A.31 | Annual Benchmarking Report..... | 867 |
| Schedule 6A.1 | Contents of Revenue Proposals..... | 867 |
| S6A.1.1 | Information and matters relating to capital expenditure | 867 |
| S6A.1.2 | Information and matters relating to operating expenditure..... | 868 |
| S6A.1.3 | Additional information and matters | 869 |
| Schedule 6A.2 | Regulatory Asset Base | 872 |
| S6A.2.1 | Establishment of opening regulatory asset base for a regulatory control period | 872 |
| S6A.2.2 | Prudence and efficiency of capital expenditure | 877 |
| S6A.2.2A | Reduction for inefficient past capital expenditure | 878 |
| S6A.2.2B | Depreciation | 880 |
| S6A.2.3 | Removal of assets from regulatory asset base | 880 |
| S6A.2.4 | Roll forward of regulatory asset base within the same regulatory control period | 882 |
| Schedule 6A.3 | CRNP methodology and modified CRNP methodology..... | 883 |
| S6A.3.1 | Meaning of optimised replacement cost | 883 |
| S6A.3.2 | CRNP methodology | 883 |
| S6A.3.3 | Modified CRNP methodology | 884 |
| Schedule 6A.4 | Application of this Chapter to AEMO and declared transmission system operators..... | 884 |
| S6A.4.1 | Application of this Chapter to AEMO etc | 884 |
| S6A.4.2 | Exclusions, qualifications and modifications | 884 |
| Chapter 6B | Retail markets | 895 |
| Part A | Retail support..... | 895 |
| Division 1 – Application and definitions | | 895 |
| 6B.A1.1 | Application of this Part | 895 |
| Division 2 | Billing and payment rules | 896 |
| 6B.A2.1 | Obligation to pay..... | 896 |
| 6B.A2.2 | Direct customer billing and energy-only contracts | 896 |
| 6B.A2.3 | Calculating network charges..... | 896 |
| 6B.A2.4 | Statement of charges | 896 |
| 6B.A2.5 | Time and manner of payment | 897 |
| Division 3 | Matters incidental to billing and payment..... | 897 |
| 6B.A3.1 | Adjustment of network charges | 897 |
| 6B.A3.2 | Tariff reassignment | 898 |
| 6B.A3.3 | Disputed statements of charges..... | 899 |

| | | |
|----------------------|---|------------|
| 6B.A3.4 | Interest..... | 900 |
| 6B.A3.5 | Notification of changes to charges..... | 900 |
| Part B | Credit support regime | 900 |
| Division 1 | Application and definitions | 901 |
| 6B.B1.1 | Application of Part B | 901 |
| 6B.B1.2 | Definitions..... | 901 |
| Division 2 | Requirements for credit support | 901 |
| 6B.B2.1 | Distribution Network Service Provider may require credit support | 901 |
| 6B.B2.2 | Determining required credit support amount..... | 901 |
| Division 3 | Determining credit allowance for a retailer | 903 |
| 6B.B3.1 | Calculating retailer credit allowance | 903 |
| 6B.B3.2 | Distribution Network Service Provider's maximum credit allowance | 903 |
| 6B.B3.3 | Credit rating for retailer | 903 |
| 6B.B3.4 | Calculating credit allowance where guarantor..... | 904 |
| 6B.B3.5 | When no credit allowance will be extended to a retailer | 905 |
| Division 4 | Provision of credit support by retailers | 905 |
| 6B.B4.1 | Retailer to provide credit support | 905 |
| 6B.B4.2 | Acceptable form of credit support | 906 |
| 6B.B4.3 | Provision of credit support where dispute arises | 906 |
| Division 5 | Other Rules relating to credit support..... | 906 |
| 6B.B5.1 | Top up of credit support..... | 906 |
| 6B.B5.2 | Reduction of credit support..... | 907 |
| 6B.B5.3 | Application of credit support | 907 |
| 6B.B5.4 | Return of credit support | 907 |
| 6B.B5.5 | Other retailer obligations | 907 |
| Schedule 6B.1 | 908 | |
| 7. | Metering..... | 913 |
| 7.1 | Introduction to the Metering Chapter | 913 |
| 7.1.1 | Contents | 913 |
| 7.1.2 | Obligations of Market Participants to establish metering installations | 913 |
| 7.1.3 | Obligation to establish, maintain and publish procedures | 914 |
| 7.1.4 | Amendment of procedures in the Metering Chapter..... | 914 |
| 7.2 | Responsibility for Metering Installation, Metering Data and Market Settlement and Transfer Solution Procedures | 915 |
| 7.2.1 | Responsibility of the responsible person | 915 |
| 7.2.1A | Responsibility of AEMO for the collection, processing and delivery of metering data | 916 |
| 7.2.1B | Responsibility for interconnectors | 917 |
| 7.2.2 | Responsibility of the Market Participant | 917 |
| 7.2.3 | Responsibility of the Local Network Service Provider | 917 |
| 7.2.4 | Joint metering installations | 919 |
| 7.2.4A | Special site or technology related conditions..... | 919 |
| 7.2.5 | Role of the responsible person | 921 |

| | | |
|--------------|--|------------|
| 7.2.6 | [Deleted] | 923 |
| 7.2.7 | Registration of metering installations | 923 |
| 7.2.8 | Market Settlement and Transfer Solution Procedures | 924 |
| 7.2A | B2B Arrangements..... | 924 |
| 7.2A.1 | B2B e-Hub | 924 |
| 7.2A.2 | Information Exchange Committee | 925 |
| 7.2A.3 | Method of making and changing B2B Procedures | 928 |
| 7.2A.4 | Content of the B2B Procedures..... | 931 |
| 7.2A.5 | [Deleted] | 932 |
| 7.2A.6 | Cost Recovery | 932 |
| 7.3 | Metering Installation Arrangements..... | 933 |
| 7.3.1A | Metering Installation Requirements..... | 933 |
| 7.3.1 | Metering installation components | 933 |
| 7.3.2 | Connection and metering point..... | 938 |
| 7.3.3 | [Deleted] | 938 |
| 7.3.4 | Metering installation types, accuracy and meter churn | 938 |
| 7.3.5 | [Deleted] | 940 |
| 7.3.6 | [Deleted] | 940 |
| 7.3.7 | Meter installation malfunctions..... | 940 |
| 7.3A | Payment for Metering Provision and Metering Data Services | 940 |
| 7.4 | Metering Providers and Metering Data Providers | 942 |
| 7.4.1 | Role of Metering Providers..... | 942 |
| 7.4.1A | Role of Metering Data Providers | 942 |
| 7.4.2 | Qualifications and registration of Metering Providers..... | 942 |
| 7.4.2A | Qualifications and registration of Metering Data Providers | 943 |
| 7.4.3 | Deregistration of Metering Providers and Metering Data Providers | 944 |
| 7.5 | Register of Metering Information | 945 |
| 7.5.1 | Metering register | 945 |
| 7.5.2 | Metering register discrepancy | 945 |
| 7.5A | Disclosure of NMI information..... | 945 |
| 7.5A.1 | Application of this Rule | 945 |
| 7.5A.2 | NMI and NMI checksum | 945 |
| 7.5A.3 | NMI Standing Data | 946 |
| 7.6 | Inspection, Testing and Audit of Metering Installations..... | 946 |
| 7.6.1 | Responsibility for testing | 946 |
| 7.6.2 | Actions in event of non-compliance | 948 |
| 7.6.3 | Audits of information held in metering installations | 948 |
| 7.6.4 | Retention of test records and documents | 949 |
| 7.7 | Entitlement to metering data and access to metering installation | 950 |
| 7.8 | Security of Metering Installations and Data | 952 |
| 7.8.1 | Security of metering installations | 952 |
| 7.8.2 | Security controls | 953 |
| 7.8.3 | Changes to metering equipment, parameters and settings within a metering installation..... | 955 |
| 7.8.4 | Changes to energy data or to metering data..... | 955 |

| | | |
|---------------------|--|------------|
| 7.9 | Processing of Metering Data for Settlements Purposes..... | 956 |
| 7.9.1 | Metering databases..... | 956 |
| 7.9.2 | [Deleted] | 957 |
| 7.9.3 | [Deleted] | 957 |
| 7.9.4 | Data validation, substitution and estimation..... | 957 |
| 7.9.5 | Errors found in metering tests, inspections or audits | 957 |
| 7.10 | Confidentiality..... | 958 |
| 7.11 | Metering Data Arrangements | 958 |
| 7.11.1 | Metering data performance standards..... | 958 |
| 7.11.2 | Metering Data Services | 959 |
| 7.11.3 | Data management and storage | 960 |
| 7.11.4 | Use of check metering data..... | 962 |
| 7.11.5 | Periodic energy metering | 962 |
| 7.12 | Time settings..... | 963 |
| 7.13 | Evolving Technologies and Processes and Development of the Market..... | 963 |
| 7.14 | Metrology and service level procedures..... | 965 |
| 7.14.1 | Requirements of the metrology procedure..... | 965 |
| 7.14.1A | Requirements of the service level procedures | 966 |
| 7.14.2 | Jurisdictional metrology material in metrology procedure | 968 |
| 7.14.3 | Additional metrology procedure matters | 969 |
| 7.14.4 | [Deleted] | 970 |
| 7.15 | Miscellaneous..... | 970 |
| 7.16 | Metering data provision to retail customers | 971 |
| Schedule 7.1 | Responsibility for metering installation and metering data | 972 |
| Schedule 7.2 | Types and Accuracy of Metering Installations | 972 |
| S7.2.1 | General requirements | 972 |
| S7.2.2 | Metering installations commissioned prior to 13 December 1998 | 972 |
| S7.2.3 | Accuracy requirements for metering installations | 973 |
| S7.2.4. | Check metering | 979 |
| S7.2.5. | Resolution and accuracy of displayed or captured data..... | 980 |
| S7.2.6. | General design standards | 980 |
| S7.2.6.1 | Design requirements | 980 |
| S7.2.6.2 | Design guidelines..... | 981 |
| Schedule 7.3 | Inspection and Testing Requirements..... | 982 |
| S7.3.1. | General..... | 982 |
| S7.3.2. | Technical Guidelines | 984 |
| Schedule 7.4 | Metering Provider..... | 985 |
| S7.4.1 | General..... | 985 |
| S7.4.2 | Categories of registration | 985 |
| S7.4.3 | Capabilities of Metering Providers for metering installations types 1, 2, 3 and 4..... | 987 |
| S7.4.4 | Capabilities of Metering Providers for metering installations types 5 and 6..... | 989 |
| S7.4.5 | Capabilities of the Accredited Service Provider category | 989 |

| | | |
|---------------------|---|-------------|
| Schedule 7.5 | Metering Register..... | 990 |
| S7.5.1. | General..... | 990 |
| S7.5.2. | Metering register information | 990 |
| Schedule 7.6 | Metering Data Provider | 992 |
| S7.6.1 | General..... | 992 |
| S7.6.2 | Categories of registration | 992 |
| S7.6.3 | Capabilities of Metering Data Providers..... | 992 |
| 8. | Administrative Functions..... | 997 |
| Part A | Introductory | 997 |
| 8.1 | Administrative functions | 997 |
| 8.1.1 | [Deleted] | 997 |
| 8.1.2 | [Deleted] | 997 |
| 8.1.3 | Structure of this Chapter | 997 |
| Part B | Disputes..... | 998 |
| 8.2 | Dispute Resolution | 998 |
| 8.2.1 | Application and guiding principles | 998 |
| 8.2.2 | The Dispute Resolution Adviser | 1001 |
| 8.2.3 | Dispute management systems of Registered Participants and AEMO | 1002 |
| 8.2.4 | Stage 1 - dispute resolution through Registered Participants' DMS | 1002 |
| 8.2.5 | Stage 2 - dispute resolution process..... | 1004 |
| 8.2.6A | Establishment of Dispute Resolution Panel..... | 1005 |
| 8.2.6B | Parties to DRP Proceedings | 1007 |
| 8.2.6C | Proceedings of the DRP | 1007 |
| 8.2.6D | Decisions of the DRP | 1008 |
| 8.2.6 | [Deleted] | 1009 |
| 8.2.7 | Legal representation | 1009 |
| 8.2.8 | Cost of dispute resolution | 1009 |
| 8.2.9 | Effect of resolution | 1010 |
| 8.2.10 | Recording and publication | 1010 |
| 8.2.11 | Appeals on questions of law | 1011 |
| 8.2.12 | [Deleted] | 1011 |
| 8.2A | B2B Determination Disputes..... | 1011 |
| 8.2A.1 | Application of rule 8.2 | 1011 |
| 8.2A.2 | How rule 8.2 applies | 1011 |
| 8.3 | Power to make Electricity Procedures | 1014 |
| 8.4 | [Deleted] | 1014 |
| 8.5 | [Deleted] | 1014 |
| Part C | Registered Participants' confidentiality obligations | 1014 |
| 8.6 | Confidentiality..... | 1014 |
| 8.6.1 | Confidentiality | 1014 |
| 8.6.2 | Exceptions..... | 1015 |
| 8.6.3 | Conditions..... | 1017 |
| 8.6.4 | [Deleted] | 1017 |

| | | |
|----------------------|---|-------------|
| 8.6.5 | Indemnity to AER, AEMC and AEMO | 1017 |
| 8.6.6 | AEMO information..... | 1017 |
| 8.6.7 | Information on Rules Bodies | 1018 |
| Part D | Monitoring and reporting | 1018 |
| 8.7 | Monitoring and Reporting | 1018 |
| 8.7.1 | Monitoring | 1018 |
| 8.7.2 | Reporting requirements and monitoring standards for Registered Participants and AEMO | 1019 |
| 8.7.3 | Consultation required for making general regulatory information order (Section 28H of the NEL)..... | 1021 |
| 8.7.4 | Preparation of network service provider performance report (Section 28V of the NEL) | 1022 |
| 8.7.5 | [Deleted] | 1022 |
| 8.7.6 | Recovery of reporting costs | 1022 |
| Part E | Reliability panel | 1023 |
| 8.8 | Reliability Panel | 1023 |
| 8.8.1 | Purpose of Reliability Panel..... | 1023 |
| 8.8.2 | Constitution of the Reliability Panel..... | 1024 |
| 8.8.3 | Reliability Panel review process | 1026 |
| Part F | Rules consultation procedures | 1029 |
| 8.9 | Rules Consultation Procedures..... | 1029 |
| Part G | Consumer advocacy funding..... | 1031 |
| 8.10 | Consumer advocacy funding obligation | 1031 |
| Part H | Augmentations..... | 1032 |
| 8.11 | Augmentations..... | 1032 |
| 8.11.1 | Application..... | 1032 |
| 8.11.2 | Object..... | 1032 |
| 8.11.3 | Definitions..... | 1032 |
| 8.11.4 | Planning criteria | 1033 |
| 8.11.5 | Construction of augmentation that is not a contestable augmentation | 1033 |
| 8.11.6 | Contestable augmentations | 1034 |
| 8.11.7 | Construction and operation of contestable augmentation | 1034 |
| 8.11.8 | Funded augmentations that are not subject to the tender process | 1036 |
| 8.11.9 | Contractual requirements and principles | 1037 |
| 8.11.10 | Annual planning review | 1038 |
| Schedule 8.11 | Principles to be reflected in agreements relating to contestable augmentations | 1038 |
| S8.11.1 | Risk allocation | 1038 |
| S8.11.2 | Minimum requirements for agreements relating to contestable augmentation..... | 1039 |
| S8.11.3 | Matters to be dealt with in relevant agreements | 1040 |
| 8A. | Participant Derogations | 1043 |
| Part 1 | Derogations Granted to TransGrid..... | 1043 |

| | | |
|----------------|---|-------------|
| 8A.1 | [Deleted] | 1043 |
| Part 2 | Derogations Granted to EnergyAustralia..... | 1043 |
| 8A.2 | [Deleted] | 1043 |
| 8A.2A | [Deleted] | 1043 |
| Part 3 | [Deleted] | 1043 |
| Part 4 | [Deleted] | 1043 |
| Part 5 | [Deleted] | 1043 |
| Part 6 | Derogations Granted to Victorian Market Participants | 1043 |
| Part 7 | [Deleted] | 1043 |
| Part 8 | [Deleted] | 1043 |
| Part 9 | [Deleted] | 1043 |
| Part 10 | [Deleted] | 1043 |
| Part 11 | [Deleted] | 1043 |
| Part 12 | [Deleted] | 1043 |
| Part 13 | Derogation granted to Aurora Energy (Tamar Valley) Pty Ltd | 1043 |
| 8A.13 | [Deleted] | 1043 |
| 9. | Jurisdictional Derogations and Transitional Arrangements..... | 1047 |
| 9.1 | Purpose and Application | 1047 |
| 9.1.1 | Purpose..... | 1047 |
| 9.1.2 | Jurisdictional Derogations | 1047 |
| Part A | Jurisdictional Derogations for Victoria | 1047 |
| 9.2 | [Deleted] | 1047 |
| 9.3 | Definitions..... | 1047 |
| 9.3.1 | General Definitions | 1047 |
| 9.3.2 | [Deleted] | 1049 |
| 9.3A | Fault levels | 1049 |
| 9.4 | Transitional Arrangements for Chapter 2 - Registered Participants, Registration and Cross Border Networks..... | 1050 |
| 9.4.1 | [Deleted] | 1050 |
| 9.4.2 | Smelter Trader | 1050 |
| 9.4.3 | Smelter Trader: compliance | 1051 |
| 9.4.4 | Report from AER | 1053 |
| 9.4.5 | Cross Border Networks | 1054 |
| 9.5 | [Deleted] | 1054 |
| 9.6 | Transitional Arrangements for Chapter 4 - System Security..... | 1054 |
| 9.6.1 | Operating Procedures (clause 4.10.1) | 1054 |
| 9.6.2 | Nomenclature Standards (clause 4.12) | 1054 |

| | | |
|-----------------------|--|-------------|
| 9.7 | Transitional Arrangements for Chapter 5 - Network Connection..... | 1055 |
| 9.7.1 | [Deleted] | 1055 |
| 9.7.2 | [Deleted] | 1055 |
| 9.7.3 | [Deleted] | 1055 |
| 9.7.4 | Regulation of Distribution Network Connection..... | 1055 |
| 9.7.5 | [Deleted] | 1056 |
| 9.7.6 | [Deleted] | 1056 |
| 9.7.7 | [Deleted] | 1056 |
| 9.8 | Transitional Arrangements for Chapter 6 - Network Pricing..... | 1056 |
| 9.8.1 | [Deleted] | 1056 |
| 9.8.2 | [Deleted] | 1056 |
| 9.8.3 | [Deleted] | 1056 |
| 9.8.4 | Transmission Network Pricing | 1056 |
| 9.8.4A | [Deleted] | 1058 |
| 9.8.4B | [Deleted] | 1058 |
| 9.8.4C | [Deleted] | 1058 |
| 9.8.4D | [Deleted] | 1058 |
| 9.8.4E | [Deleted] | 1058 |
| 9.8.4F | [Deleted] | 1058 |
| 9.8.4G | [Deleted] | 1058 |
| 9.8.5 | [Deleted] | 1058 |
| 9.8.6 | [Deleted] | 1058 |
| 9.8.7 | Distribution network pricing – transitional application of former Chapter 6..... | 1058 |
| 9.8.8 | Exclusion of AER's power to aggregate distribution systems and parts of distribution systems | 1059 |
| 9.9 | Transitional Arrangements for Chapter 7 - Metering | 1060 |
| 9.9.1 | Metering Installations To Which This Schedule Applies | 1060 |
| 9.9.2 | [Deleted] | 1060 |
| 9.9.3 | [Deleted] | 1060 |
| 9.9.4 | [Deleted] | 1060 |
| 9.9.5 | [Deleted] | 1060 |
| 9.9.6 | [Deleted] | 1060 |
| 9.9.7 | [Deleted] | 1060 |
| 9.9.8 | [Deleted] | 1060 |
| 9.9.9 | Periodic Energy Metering (clause 7.9.3) | 1060 |
| 9.9.10 | Use of Alternate Technologies (clause 7.13) | 1060 |
| 9.9A | [Deleted]..... | 1061 |
| 9.9B | [Deleted]..... | 1061 |
| 9.9C | Metering services for residential and small business customers | 1061 |
| 9.9C.1 | Definitions..... | 1061 |
| 9.9C.2 | Expiry Date | 1062 |
| 9.9C.3 | Designation as responsible person | 1062 |
| 9.9C.4 | Classification of relevant metering installations..... | 1062 |
| 9.9C.5 | Cost recovery of AMI rollout | 1062 |
| 9.9C.6 | Capability for remote acquisition of metering data | 1062 |
| Schedule 9A1.1 | [Deleted]..... | 1063 |

| | |
|---|-------------|
| Schedule 9A1.2 [Deleted] | 1063 |
| Schedule 9A1.3 [Deleted] | 1063 |
| Schedule 9A2 [Deleted] | 1063 |
| Schedule 9A3 Jurisdictional Derogations Granted to Generators | 1063 |
| 1. Interpretation of tables | 1063 |
| 2. Continuing effect | 1063 |
| 3. Subsequent agreement | 1064 |
| 4. [Deleted] | 1064 |
| 5. Reactive Power Capability (clause S5.2.5.1 of schedule 5.2) | 1064 |
| 6. [Deleted] | 1065 |
| 7. [Deleted] | 1065 |
| 8. [Deleted] | 1065 |
| 9. [Deleted] | 1065 |
| 10. [Deleted] | 1065 |
| 11. [Deleted] | 1065 |
| 12. [Deleted] | 1065 |
| 13. Governor Systems (load control) (clause S5.2.5.11 of schedule 5.2) | 1065 |
| 14. [Deleted] | 1065 |
| 15. [Deleted] | 1065 |
| 16. Excitation Control System (clause S5.2.5.13 of schedule 5.2) | 1065 |
| Part B Jurisdictional Derogations for New South Wales | 1066 |
| 9.10 [Deleted] | 1066 |
| 9.11 Definitions..... | 1066 |
| 9.11.1 Definitions used in this Part B | 1066 |
| 9.12 Transitional Arrangements for Chapter 2 - Generators, Registered Participants, Registration and Cross Border Networks | 1067 |
| 9.12.1 [Deleted] | 1067 |
| 9.12.2 Customers | 1067 |
| 9.12.3 Power Traders | 1067 |
| 9.12.4 Cross Border Networks | 1070 |
| 9.13 [Deleted] | 1071 |
| 9.14 Transitional Arrangements for Chapter 4 - System Security | 1071 |
| 9.14.1 Power System Operating Procedures | 1071 |
| 9.15 NSW contestable services for Chapter 5A..... | 1071 |
| 9.15.1 Definitions..... | 1071 |
| 9.15.2 Chapter 5A not to apply to certain contestable services | 1072 |
| 9.16 Transitional Arrangements for Chapter 6 - Network Pricing..... | 1072 |
| 9.16.1 NSW contestable services..... | 1072 |
| 9.16.2 [Deleted] | 1072 |
| 9.16.3 Jurisdictional Regulator | 1072 |
| 9.16.4 Deemed Regulated Interconnector..... | 1072 |
| 9.16.5 [Deleted] | 1072 |
| 9.17 Transitional Arrangements for Chapter 7 - Metering | 1072 |
| 9.17.1 Extent of Derogations | 1072 |

| | | |
|---------------|---|-------------|
| 9.17.2 | Initial Registration (clause 7.1.2)..... | 1073 |
| 9.17.3 | Amendments to Schedule 9G1..... | 1073 |
| 9.17.4 | Compliance with AS/NZ ISO 9002 (clause S7.4.3(f) of schedule 7.4) | 1073 |
| 9.17A | [Deleted]..... | 1074 |
| 9.18 | [Deleted]..... | 1074 |
| Part C | Jurisdictional Derogations for the Australian Capital Territory..... | 1074 |
| 9.19 | [Deleted]..... | 1074 |
| 9.20 | Definitions and Transitional Arrangements for Cross-Border Networks..... | 1074 |
| 9.20.1 | Definitions..... | 1074 |
| 9.20.2 | Cross Border Networks | 1074 |
| 9.21 | [Deleted]..... | 1075 |
| 9.22 | [Deleted]..... | 1075 |
| 9.23 | Transitional Arrangements for Chapter 6 - Network Pricing..... | 1075 |
| 9.23.1 | [Deleted] | 1075 |
| 9.23.2 | [Deleted] | 1075 |
| 9.23.3 | [Deleted] | 1075 |
| 9.23.4 | [Deleted] | 1075 |
| 9.24 | Transitional Arrangements..... | 1075 |
| 9.24.1 | Chapter 7 - Metering | 1075 |
| 9.24.2 | [Deleted] | 1075 |
| 9.24A | [Deleted]..... | 1075 |
| Part D | Jurisdictional Derogations for South Australia | 1075 |
| 9.25 | Definitions..... | 1075 |
| 9.25.1 | [Deleted] | 1075 |
| 9.25.2 | Definitions..... | 1075 |
| 9.26 | Transitional Arrangements for Chapter 2 - Registered Participants, Registration And Cross Border Networks..... | 1078 |
| 9.26.1 | Registration as a Generator..... | 1078 |
| 9.26.2 | Registration as a Customer | 1079 |
| 9.26.3 | Cross Border Networks | 1079 |
| 9.26.4 | [Deleted] | 1080 |
| 9.26.5 | Registration as a Network Service Provider | 1080 |
| 9.27 | [Deleted]..... | 1080 |
| 9.28 | Transitional Arrangements for Chapter 5 - Network Connection..... | 1080 |
| 9.28.1 | Application of clause 5.2 | 1080 |
| 9.28.2 | [Deleted] | 1081 |
| 9.29 | Transitional Arrangements for Chapter 6 - Economic Regulation of Distribution Services..... | 1081 |
| 9.29.1 | [Deleted] | 1081 |
| 9.29.2 | [Deleted] | 1081 |

| | | |
|---------------|---|-------------|
| 9.29.3 | [Deleted] | 1081 |
| 9.29.4 | [Deleted] | 1081 |
| 9.29.5 | Distribution Network Pricing – South Australia..... | 1081 |
| 9.29.6 | Capital contributions, prepayments and financial guarantees..... | 1082 |
| 9.29.7 | Ring fencing..... | 1083 |
| 9.29A | Monitoring and reporting | 1083 |
| 9.30 | Transitional Provisions..... | 1084 |
| 9.30.1 | Chapter 7 - Metering | 1084 |
| Part E | Jurisdictional Derogations for Queensland | 1084 |
| 9.31 | [Deleted] | 1084 |
| 9.32 | Definitions and Interpretation | 1084 |
| 9.32.1 | Definitions..... | 1084 |
| 9.32.2 | Interpretation..... | 1086 |
| 9.33 | Transitional Arrangements for Chapter 1 | 1087 |
| 9.33.1 | [Deleted] | 1087 |
| 9.34 | Transitional Arrangements for Chapter 2 - Registered Participants and Registration | 1087 |
| 9.34.1 | Application of the Rules in Queensland (clauses 2.2 and 2.5) | 1087 |
| 9.34.2 | Stanwell Cross Border Leases (clause 2.2)..... | 1087 |
| 9.34.3 | [Deleted] | 1087 |
| 9.34.4 | Registration as a Customer (clause 2.3.1)..... | 1087 |
| 9.34.5 | There is no clause 9.34.5..... | 1088 |
| 9.34.6 | Exempted generation agreements (clause 2.2)..... | 1088 |
| 9.35 | [Deleted] | 1093 |
| 9.36 | [Deleted] | 1093 |
| 9.37 | Transitional Arrangements for Chapter 5 - Network Connection..... | 1093 |
| 9.37.1 | [Deleted] | 1093 |
| 9.37.2 | Existing connection and access agreements (clause 5.2)..... | 1093 |
| 9.37.3 | [Deleted] | 1094 |
| 9.37.4 | [Deleted] | 1094 |
| 9.37.5 | Forecasts for connection points to transmission network (clause 5.11.1) | 1094 |
| 9.37.6 | There is no clause 9.37.6..... | 1094 |
| 9.37.7 | Cross Border Networks | 1094 |
| 9.37.8 | [Deleted] | 1094 |
| 9.37.9 | Credible contingency events (clause S5.1.2.1 of schedule 5.1)..... | 1094 |
| 9.37.10 | Reactive power capability (clause S5.2.5.1 of schedule 5.2)..... | 1095 |
| 9.37.11 | [Deleted] | 1095 |
| 9.37.12 | Voltage fluctuations (clause S5.1.5 of schedule 5.1)..... | 1095 |
| 9.37.13 | [Deleted] | 1098 |
| 9.37.14 | [Deleted] | 1098 |
| 9.37.15 | [Deleted] | 1098 |
| 9.37.16 | [Deleted] | 1098 |
| 9.37.17 | [Deleted] | 1098 |
| 9.37.18 | [Deleted] | 1098 |

| | | |
|---------------------|--|-------------|
| 9.37.19 | Generating unit response to disturbances (clause S5.2.5.3 of schedule 5.2) | 1098 |
| 9.37.20 | [Deleted] | 1098 |
| 9.37.21 | Excitation control system (clause S.5.2.5.13 of schedule 5.2) | 1098 |
| 9.37.22 | [Deleted] | 1099 |
| 9.37.23 | Annual forecast information for planning purposes (schedule 5.7)..... | 1099 |
| 9.38 | Transitional Arrangements for Chapter 6 - Network Pricing..... | 1099 |
| 9.38.1 | [Deleted] | 1099 |
| 9.38.2 | [Deleted] | 1099 |
| 9.38.3 | [Deleted] | 1099 |
| 9.38.4 | Interconnectors between regions..... | 1099 |
| 9.38.5 | Transmission pricing for exempted generation agreements | 1100 |
| 9.39 | Transitional Arrangements for Chapter 7 - Metering | 1100 |
| 9.39.1 | Metering installations to which this clause applies..... | 1100 |
| 9.39.2 | [Deleted] | 1101 |
| 9.39.3 | [Deleted] | 1101 |
| 9.39.4 | [Deleted] | 1101 |
| 9.39.5 | [Deleted] | 1101 |
| 9.40 | Transitional Arrangements for Chapter 8 - Administration Functions..... | 1101 |
| 9.40.1 | [Deleted] | 1101 |
| 9.40.2 | [Deleted] | 1101 |
| 9.40.3 | [Deleted] | 1101 |
| 9.41 | [Deleted]..... | 1101 |
| Schedule 9E1 | Exempted Generation Agreements | 1101 |
| Part F | Jurisdictional Derogations for Tasmania | 1102 |
| 9.42 | Definitions and interpretation | 1102 |
| 9.42.1 | Definitions..... | 1102 |
| 9.42.2 | Interpretation..... | 1103 |
| 9.42.3 | National grid, power system and related expressions | 1104 |
| 9.43 | [Deleted]..... | 1104 |
| 9.44 | Transitional arrangements for Chapter 2 - Registered Participants and Registration - Customers (clause 2.3.1(e))..... | 1104 |
| 9.45 | Tasmanian Region (clause 3.5) | 1104 |
| 9.47 | Transitional arrangements for Chapter 5- Network Connection..... | 1104 |
| 9.47.1 | Existing Connection Agreements | 1104 |
| 9.48 | Transitional arrangements - Transmission and Distribution Pricing | 1105 |
| 9.48.4A | Ring fencing | 1105 |
| 9.48.4B | Uniformity of tariffs for small customers | 1105 |
| 9.48.5 | Transmission network..... | 1105 |
| 9.48.6 | Deemed regulated interconnector | 1105 |
| Part G | Schedules to Chapter 9 | 1106 |
| Schedule 9G1 | Metering Transitional Arrangements | 1106 |

| | | |
|---------------|---|-------------|
| 1. | Introduction..... | 1106 |
| 2. | [Deleted] | 1106 |
| 3. | General Principle | 1106 |
| 4. | [Deleted] | 1106 |
| 5. | Accuracy Requirements | 1106 |
| 6. | [Deleted] | 1107 |
| 7. | [Deleted] | 1107 |
| 8. | [Deleted] | 1107 |
| 9. | [Deleted] | 1107 |
| 10. | [Deleted] | 1107 |
| 10. | Glossary | 1111 |
| 11. | Savings and Transitional Rules | 1223 |
| Part A | Definitions..... | 1223 |
| Part B | System Restart Ancillary Services (2006 amendments) | 1223 |
| 11.2 | Rules consequent on making of the National Electricity Amendment (System Restart Ancillary Services and pricing under market suspension) Rule 2006 | 1223 |
| 11.2.1 | Transitional provision for acquisition of non-market ancillary services..... | 1223 |
| 11.3 | [Deleted]..... | 1224 |
| Part C | Dispute Resolution for Regulatory Test (2006 amendments) | 1224 |
| 11.4 | Rules consequent on making of the National Electricity Amendment (Dispute Resolution for Regulatory Test) Rule 2006 | 1224 |
| 11.4.1 | Continuation of things done under old clause 5.6.6..... | 1224 |
| Part D | Metrology (2006 amendments) | 1225 |
| 11.5 | Rules consequential on the making of the National Electricity Amendment (Metrology) Rule 2006 | 1225 |
| 11.5.1 | Definitions..... | 1225 |
| 11.5.2 | Metrology procedures continues to apply until 31 December 2006 | 1225 |
| 11.5.3 | Responsible person | 1225 |
| 11.5.4 | NEMMCO's responsibility to develop a metrology procedure..... | 1225 |
| 11.5.5 | Jurisdictional metrology material in the metrology procedure | 1226 |
| Part E | Economic Regulation of Transmission Services (2006 amendments) | 1227 |
| 11.6 | Rules consequent on making of the National Electricity Amendment (Economic Regulation of Transmission Services) Rule 2006..... | 1227 |
| 11.6.1 | Definitions..... | 1227 |
| 11.6.2 | New Chapter 6A does not affect existing revenue determinations | 1228 |
| 11.6.3 | Old Part C and Schedules 6.2, 6.3, 6.4, 6.7 and 6.8 of old Chapter 6..... | 1229 |
| 11.6.4 | Old Part F of Chapter 6..... | 1229 |

| | | |
|---------------|---|-------------|
| 11.6.5 | Application of new Chapter 6A to Transmission Network Service Providers | 1229 |
| 11.6.6 | Application of Chapter 6 to old distribution matters | 1229 |
| 11.6.7 | References to the old Chapter 6 | 1229 |
| 11.6.8 | References to provisions of the old Chapter 6 | 1230 |
| 11.6.9 | Roll forward of regulatory asset base for first regulatory control period | 1230 |
| 11.6.10 | Other adjustment carry-over mechanisms from current to first regulatory control period..... | 1230 |
| 11.6.11 | Clause consequent upon making National Electricity Amendment (Cost Allocation Arrangements for Transmission Services) Rule No 2009 No 3 - Transition to new Chapter 6A: existing prescribed connection services | 1230 |
| 11.6.12 | Powerlink transitional provisions | 1233 |
| 11.6.13 | ElectraNet easements transitional provisions | 1237 |
| 11.6.14 | TransGrid contingent projects..... | 1237 |
| 11.6.15 | Transmission determination includes existing revenue determinations..... | 1238 |
| 11.6.16 | References to regulatory control period..... | 1238 |
| 11.6.17 | Consultation procedure for first proposed guidelines..... | 1238 |
| 11.6.18 | Reliance on proposed guidelines for SP AusNet, VENCorp and ElectraNet | 1239 |
| 11.6.19 | EnergyAustralia transitional provisions..... | 1239 |
| 11.6.20 | Basslink transitional provisions | 1242 |
| 11.6.21 | SPI Powernet savings and transitional provision..... | 1243 |
| 11.6.22 | Interim arrangements pricing-related information..... | 1245 |
| Part F | Reform of Regulatory Test Principles (2006 amendments) | 1245 |
| 11.7 | Rules consequent on making of the National Electricity Amendment (Reform of the Regulatory Test Principles) Rule 2006..... | 1245 |
| 11.7.1 | Definitions..... | 1245 |
| 11.7.2 | Amending Rule does not affect old clause 5.6.5A..... | 1246 |
| Part G | Pricing of Prescribed Transmission Services (2006 amendments) | 1246 |
| 11.8 | Rules consequent on making the National Electricity Amendment (Pricing of Prescribed Transmission Services) Rule 2006..... | 1246 |
| 11.8.1 | Definitions..... | 1246 |
| 11.8.2 | Regulated interconnectors..... | 1247 |
| 11.8.3 | Application of new Part J of Chapter 6A to Transmission Network Service Providers | 1247 |
| 11.8.4 | Reliance on agreed interim guideline for ElectraNet, SPAusNet, and VenCorp..... | 1247 |
| 11.8.5 | Prudent discounts under existing agreements | 1248 |
| 11.8.6 | Application of prudent discounts regime under rule 6A.26..... | 1248 |
| 11.8.7 | Prudent discounts pending approval of pricing methodology | 1248 |
| Part H | Reallocation (2007 amendments) | 1249 |

| | | |
|---------------|---|-------------|
| 11.9 | Rules consequent on the making of the National Electricity Amendment (Reallocation) Rule 2007 | 1249 |
| 11.9.1 | Definitions..... | 1249 |
| 11.9.2 | Existing and transitional reallocations | 1250 |
| Part I | Technical Standards for Wind Generation (2007 amendments) | 1250 |
| 11.10 | Rules consequent on making of the National Electricity Amendment (Technical Standards for Wind Generation and other Generator Connections) Rule 2007 | 1250 |
| 11.10.1 | Definitions..... | 1250 |
| 11.10.2 | Provision of information under S5.2.4 in registration application..... | 1250 |
| 11.10.3 | Access standards made under the old Chapter 5..... | 1251 |
| 11.10.4 | Modifications to plant by Generators | 1251 |
| 11.10.5 | Technical Details to Support Application for Connection and Connection Agreement | 1251 |
| 11.10.6 | Transitional arrangements for establishment of performance standards | 1252 |
| 11.10.7 | Jurisdictional Derogations for Queensland | 1252 |
| 11.10A | Rules consequent on the making of the National Electricity Amendment (Central Dispatch and Integration of Wind and Other Intermittent Generation) Rule 2008..... | 1252 |
| 11.10A.1 | Definitions..... | 1252 |
| 11.10A.2 | Registration and reclassification of classified generating units | 1253 |
| 11.10A.3 | Registered generating unit | 1254 |
| 11.10A.4 | Classification of potential semi-scheduled generating unit | 1254 |
| 11.10A.5 | Participant fees..... | 1254 |
| 11.10A.6 | Timetable | 1255 |
| 11.10A.7 | Procedure for contribution factors for ancillary service transactions | 1255 |
| 11.10A.8 | Guidelines for energy conversion model information | 1255 |
| Part J | Cost Recovery of Localised Regulation Services (2007 amendments) | 1256 |
| 11.11 | Rules consequent on making of the National Electricity Amendment (Cost Recovery of Localised Regulation Services) Rule 2007..... | 1256 |
| 11.11.1 | Definitions..... | 1256 |
| 11.11.2 | Action taken by NEMMCO for the purposes of Amending Rule | 1256 |
| 11.12 | [Deleted] | 1256 |
| Part L | Abolition of Snowy Region (2007 amendments) | 1256 |
| 11.13 | Rules consequent on making the National Electricity Amendment (Abolition of Snowy Region) Rule 2007 | 1256 |
| 11.13.1 | Definitions..... | 1256 |
| 11.13.2 | Purpose of rule 11.13 | 1257 |
| 11.13.3 | Application of rule 11.13 | 1257 |
| 11.13.4 | Implementation period | 1257 |
| 11.13.5 | Publishing of implementation plan by NEMMCO | 1258 |
| 11.13.6 | NEMMCO implementation functions..... | 1258 |
| 11.13.7 | Software modifications to implement abolition of Snowy region | 1258 |

| | | |
|-------------------|--|-------------|
| 11.13.8 | Allocation of transmission connection points as a result of abolition of Snowy region | 1258 |
| 11.13.9 | Location of region boundaries | 1260 |
| 11.13.10 | 2008/09 Regions Publication and Loss Factors Publication | 1260 |
| 11.13.11 | Reserve margin calculations | 1261 |
| 11.13.12 | Re-calculation of network constraints and transmission loss factors | 1261 |
| 11.13.13 | Transition of settlements residue auction arrangements | 1261 |
| 11.13.14 | Continuity of regions | 1262 |
| Division 1 | General Provisions | 1266 |
| 11.14 | General provisions | 1266 |
| 11.14.1 | Application of this Division | 1266 |
| 11.14.2 | Definitions | 1266 |
| 11.14.3 | Preservation of old regulatory regime | 1267 |
| 11.14.4 | Transfer of regulatory responsibility | 1268 |
| 11.14.5 | Special requirements with regard to ring fencing | 1268 |
| 11.14.6 | Additional requirements with regard to cost allocation | 1269 |
| 11.14.7 | Construction of documents | 1269 |
| Part M | Economic Regulation of Distribution Services (2007 amendments) | 1266 |
| Division 1 | General Provisions | 1266 |
| 11.14 | General provisions | 1266 |
| Division 2 | Special provisions applying to New South Wales and the Australian Capital Territory for the Regulatory Control Period 2009-2014 | 1270 |
| 11.15 | Special provisions applying to New South Wales and the Australian Capital Territory | 1270 |
| Division 3 | Transitional arrangements for first distribution determination for Queensland Distribution Network Service Providers | 1271 |
| 11.16 | Transitional arrangements for first distribution determination for Queensland Distribution Network Service Providers | 1271 |
| Division 4 | Transitional provisions of specific application to Victoria | 1274 |
| 11.17 | Transitional provisions of specific application to Victoria | 1274 |
| Part N | Registration of Foreign Based Persons and Corporations as Trader Class Participants (2007 amendments) | 1277 |
| 11.18 | Rules consequential on the making of the National Electricity Amendment (Registration of Foreign Based Persons and Corporations as Trader Class Participants) Rule 2007 | 1277 |
| 11.18.1 | Definitions | 1277 |
| 11.18.2 | Auction rules | 1277 |
| Part O | Process for Region Change (2007 amendments) | 1277 |
| 11.19 | Rules consequent on making of the National Electricity Amendment (Process for Region Change) Rule 2007 | 1277 |
| 11.19.1 | Definitions | 1277 |
| 11.19.2 | Regions Publication | 1277 |
| Part P | Integration of NEM Metrology Requirements | 1278 |

| | | |
|----------------|---|-------------|
| 11.20 | Rules consequential on the making of the National Electricity Amendment (Integration of NEM Metrology Requirements) Rule 2008..... | 1278 |
| 11.20.1 | Definitions..... | 1278 |
| 11.20.2 | Metering installations for non-market generating units immediately prior to 30 June 2008 | 1278 |
| 11.20.3 | First-tier load metering installations | 1279 |
| 11.20.4 | First-tier load metering installations in Victoria..... | 1279 |
| 11.20.5 | Minimalist Transitioning Approach in Queensland..... | 1279 |
| 11.20.6 | First-tier jurisdictional requirements publication..... | 1279 |
| 11.20.7 | Metrology procedure..... | 1280 |
| Part PA | Reliability Settings: Information Safety Net and Directions | 1280 |
| 11.21 | Rules consequential on the making of the National Electricity Amendment (NEM Reliability Settings: Information Safety Net and Directions) Rule 2008 | 1280 |
| Part Q | Regulatory Test Thresholds and Information Disclosure on Network Replacements..... | 1281 |
| 11.22 | Rules consequential on the making of the National Electricity Amendment (Regulatory Test Thresholds and Information Disclosure on Network Replacements) Rule 2008..... | 1281 |
| 11.22.1 | Definitions..... | 1281 |
| 11.22.2 | Amending Rule does not affect existing regulatory test | 1282 |
| Part R | Performance Standard Compliance of Generators | 1282 |
| 11.23 | Rules consequential on the making of the National Electricity Amendment (Performance Standards Compliance of Generators) Rule 2008 | 1282 |
| 11.23.1 | Definitions..... | 1282 |
| 11.23.2 | Application of rule 11.23 for compliance programs implemented immediately after the commencement of the Amending Rule | 1282 |
| 11.23.3 | Application of rule 11.23 for compliance programs implemented immediately prior to the commencement of the Amending Rule..... | 1283 |
| 11.23.4 | Application of rule 11.23 for compliance programs not implemented immediately prior to the commencement of the Amending Rule..... | 1283 |
| Part S | Compensation Arrangements under Administered Pricing | 1283 |
| 11.24 | Rules consequential on the making of National Electricity Amendment (Compensation Arrangements under Administered Pricing) Rule 2008 | 1283 |
| 11.24.1 | Definitions..... | 1283 |
| 11.24.2 | Compensation Guidelines | 1283 |
| Part U | Confidentiality Arrangements concerning Information required for Power System Studies | 1283 |
| 11.25 | Rule consequential on the making of the National Electricity Amendment (Confidentiality Arrangements in Respect of Information Required for Power System Studies) Rule 2009..... | 1283 |
| 11.25.1 | Definitions..... | 1283 |
| 11.25.2 | Transitional arrangements for the provision of information..... | 1284 |

| | | |
|----------------|---|-------------|
| Part V | WACC Reviews: Extension of Time | 1285 |
| 11.26 | Rule consequential on the making of the National Electricity Amendment (WACC Reviews: Extension of Time) Rule 2009..... | 1285 |
| 11.26.1 | Definitions..... | 1285 |
| 11.26.2 | Extension of time to submit a regulatory proposal for the regulatory control period 2010-2015..... | 1285 |
| Part W | National Transmission Statement | 1286 |
| 11.27 | Rules consequent on the making of the National Electricity Amendment (National Transmission Statement) Rule 2009..... | 1286 |
| 11.27.1 | Definitions..... | 1286 |
| 11.27.2 | Purpose..... | 1286 |
| 11.27.3 | Application of rule 11.27 | 1286 |
| 11.27.4 | National Transmission Statement | 1287 |
| 11.27.5 | Scope and Content of National Transmission Network Development Plan | 1289 |
| 11.27.6 | Energy Adequacy Assessment Projection | 1289 |
| 11.27.7 | Amendment to Last Resort Power | 1289 |
| 11.27.8 | Actions taken prior to commencement of Rule | 1289 |
| Part X | National Transmission Planning | 1289 |
| 11.28 | Rules consequential on the making of the National Electricity (Australian Energy Market Operator) Amendment Rules 2009..... | 1289 |
| 11.28.1 | Definitions..... | 1289 |
| 11.28.2 | Jurisdictional planning bodies and representatives | 1289 |
| 11.28.3 | Criteria and guidelines published by Inter-regional Planning Committee..... | 1290 |
| 11.28.4 | Augmentation technical reports | 1290 |
| 11.28.5 | Last Resort Planning Power..... | 1291 |
| 11.28.6 | Inter-network power system tests | 1291 |
| 11.28.7 | Control and protection settings for equipment..... | 1291 |
| 11.28.8 | Revenue Proposals | 1291 |
| Part Y | Regulatory Investment Test for Transmission..... | 1291 |
| 11.29 | Rules consequent on making of the National Electricity Amendment (Regulatory Investment Test for Transmission) Rule 2009..... | 1291 |
| 11.29.1 | Definitions..... | 1291 |
| 11.29.2 | Period when Amending Rule applies to transmission investment..... | 1292 |
| Part Z | Congestion Information Resource..... | 1293 |
| 11.30 | Rules consequent on the making of the National Electricity Amendment (Congestion Information Resource) Rule 2009 | 1293 |
| 11.30.1 | Definitions..... | 1293 |
| 11.30.2 | Interim congestion Information resource | 1293 |
| Part ZA | Reliability and emergency reserve trader (2009 amendments) | 1296 |
| 11.31 | Rules consequent on the making of the National Electricity Amendment (Improved RERT Flexibility and Short-notice Reserve Contracts) Rule 2009..... | 1296 |

| | | |
|----------------|--|-------------|
| Part ZB | Early Application of Market Impact Parameters..... | 1298 |
| 11.32 | Rules consequent on the making of the National Electricity Amendment (Early Implementation of Market Impact Parameters) Rule 2010 | 1298 |
| 11.32.1 | Definitions..... | 1298 |
| 11.32.2 | Purpose..... | 1298 |
| 11.32.3 | Early application of the market impact component of the service target performance incentive scheme..... | 1299 |
| Part ZC | Transparency of operating data | 1302 |
| 11.33 | Rules consequential on the making of National Electricity Amendment (Transparency of Operating Data) Rule 2010..... | 1302 |
| 11.33.1 | Definitions..... | 1302 |
| 11.33.2 | Spot market operations timetable | 1302 |
| Part ZD | Cost Recovery for Other Services Directions | 1304 |
| 11.34 | Rules consequent on making of the National Electricity Amendment (Cost Recovery for Other Services Directions) Rule 2010..... | 1304 |
| 11.34.1 | Definitions..... | 1304 |
| 11.34.2 | Period when Amending Rules applies to funding of compensation | 1304 |
| Part ZE | Payments under Feed-in Schemes and Climate Change Funds | 1305 |
| 11.35 | Rules consequential on the making of the National Electricity Amendment (Payments under Feed-in Schemes and Climate Change Funds) Rule 2010 | 1305 |
| 11.35.1 | Definitions..... | 1305 |
| 11.35.2 | Application of recovery of jurisdictional scheme Rules | 1305 |
| 11.35.3 | Reporting on jurisdictional schemes | 1307 |
| 11.35.4 | Revocation and substitution of distribution determination for jurisdictional scheme recovery | 1308 |
| Part ZF | Transitional Arrangements for Ministerial Smart Meter Roll Out Determinations | 1308 |
| 11.36 | Ministerial Smart Meter Roll Out Determinations | 1308 |
| 11.36.1 | Definitions..... | 1308 |
| 11.36.2 | Meaning of relevant metering installation | 1309 |
| 11.36.3 | Period of application of rule to relevant metering installation | 1309 |
| 11.36.4 | Designation of responsible person | 1309 |
| 11.36.5 | [Deleted] | 1310 |
| 11.36.6 | [Deleted] | 1310 |
| Part ZG | Provision of Metering Data Services and Clarification of Existing Metrology Requirements..... | 1310 |
| 11.37 | Rules consequential on the making of the National Electricity Amendment (Provision of Metering Data Services and Clarification of Existing Metrology Requirements) Rule 2010 | 1310 |
| 11.37.1 | Definitions..... | 1310 |
| 11.37.2 | Commencement of special site or technology related conditions..... | 1310 |

| | | |
|----------------|--|-------------|
| 11.37.3 | Initial service level procedures | 1310 |
| Part ZH | Spot Market Operations Timetable | 1311 |
| 11.38 | Rules consequential on the making of National Electricity Amendment (Amendments to PASA-related Rules) Rule 2010 | 1311 |
| 11.38.1 | Definitions..... | 1311 |
| 11.38.2 | Spot market operations timetable..... | 1311 |
| Part ZI | DNSP Recovery of Transmission-related Charges | 1312 |
| 11.39 | Rules consequential on the making of the National Electricity Amendment (DNSP Recovery of Transmission-related Charges) Rule 2011..... | 1312 |
| 11.39.1 | Definitions..... | 1312 |
| 11.39.2 | Recovery by Victorian distribution network service providers during current regulatory control period | 1313 |
| 11.39.3 | Recovery by Victorian distribution network service providers for shared network augmentations..... | 1313 |
| 11.39.4 | Bairnsdale network support agreement..... | 1313 |
| 11.39.5 | Approval of pricing proposal | 1314 |
| 11.39.6 | Ergon Energy transitional charges | 1314 |
| 11.39.7 | Energex transitional charges | 1314 |
| Part ZJ | Network Support and Control Ancillary Services | 1314 |
| 11.40 | Rules consequential on the making of the National Electricity Amendment (Network Support and Control Ancillary Services) Rule 2011..... | 1314 |
| 11.40.1 | Definitions..... | 1314 |
| 11.40.2 | Purpose..... | 1315 |
| 11.40.3 | Existing NCAS contracts to continue | 1315 |
| 11.40.4 | Amendments to existing guidelines | 1315 |
| 11.40.5 | New procedures | 1315 |
| 11.40.6 | Decisions and actions taken prior to Amending Rule..... | 1316 |
| Part ZK | Application of Dual Marginal Loss Factors | 1316 |
| 11.41 | Rules consequential on the making of the National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011..... | 1316 |
| 11.41.1 | Definitions..... | 1316 |
| 11.41.2 | Amendments to loss factor methodology | 1316 |
| 11.41.3 | Procedure applying dual intra-regional loss factors in central dispatch and spot market transactions..... | 1316 |
| 11.41.4 | Publication of intra-regional loss factors | 1316 |
| Part ZL | Tasmania Tranche 5a Procedure Changes | 1317 |
| 11.42 | Rules consequential on the making of the National Electricity Amendment (Tasmania Tranche 5a Procedure Changes) Rule 2011..... | 1317 |
| 11.42.1 | Definitions..... | 1317 |
| 11.42.2 | AEMO may amend Relevant Procedures | 1317 |
| Part ZM | Application and Operation of Administered Price Periods | 1318 |

| | | |
|----------------|---|-------------|
| 11.43 | Rules consequential on the making of National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011 | 1318 |
| 11.43.1 | Definitions..... | 1318 |
| 11.43.2 | Administered Price Cap Schedule | 1318 |
| Part ZO | Negative Intra-regional Settlements Residue | 1319 |
| 11.45 | Rules consequential on the making of National Electricity Amendment (Negative Intra-regional Settlements Residue) Rule 2012..... | 1319 |
| 11.45.1 | Definitions..... | 1319 |
| 11.45.2 | Recovery of negative settlements residue prior to consultation under the Amending Rule | 1319 |
| 11.45.3 | First consultation on negative intra-regional settlements residue procedure..... | 1320 |
| Part ZP | Interim Connection Charging Rules | 1320 |
| 11.46 | Rules consequential to the insertion of Chapter 5A by the National Electricity (National Energy Retail Law) Amendment Rule 2012..... | 1320 |
| Division 1 | Preliminary..... | 1320 |
| Division 2 | Jurisdictional differences | 1323 |
| Division 3 | General provisions | 1330 |
| Part ZQ | NSW transitional retail support and credit support rules | 1331 |
| 11.47 | Rules consequential on the insertion of Chapter 6B by the National Electricity (National Energy Retail Law) Amendment Rule 2012..... | 1331 |
| Division 1 | Preliminary..... | 1331 |
| Part ZR | Miscellaneous transitional rules—NERL | 1337 |
| 11.48 | Rules consequential on the making of the National Electricity (National Energy Retail Law) Amendment Rule 2012..... | 1337 |
| 11.48.1 | Extension of time period for AER to consider certain pass through applications | 1337 |
| Part ZS | Cost pass through arrangements for Network Service Providers | 1337 |
| 11.49 | Rules consequential on the making of National Electricity Amendment (Cost pass through arrangements for Network Service Providers) Rule 2012 | 1337 |
| 11.49.1 | Definitions..... | 1337 |
| 11.49.2 | Terrorism event is a cost pass through event in the current regulatory control period | 1338 |
| 11.49.3 | Transitional arrangement for Powerlink..... | 1338 |
| 11.49.4 | Transitional arrangements for ElectraNet and Murraylink | 1339 |
| Part ZT | Distribution Network Planning and Expansion | 1339 |

| | | |
|-------------------|---|-------------|
| 11.50 | Rules consequential on the making of the National Electricity Amendment (Distribution Network Planning and Expansion) Rule 2012..... | 1339 |
| 11.50.1 | Interpretation..... | 1339 |
| 11.50.2 | Definitions..... | 1339 |
| 11.50.3 | Timing for first Distribution Annual Planning Report | 1340 |
| 11.50.4 | Contents of Distribution Annual Planning Report..... | 1340 |
| 11.50.5 | Transition from the regulatory test to the regulatory investment test for distribution | 1341 |
| Part ZU | New Prudential Standard and Framework in the NEM | 1342 |
| 11.51 | Rules consequential on the making of the National Electricity Amendment (New Prudential Standard and Framework in the NEM) Rule 2012..... | 1342 |
| 11.51.1 | Definitions..... | 1342 |
| 11.51.2 | AEMO's responsibility to develop and publish the credit limit procedures | 1343 |
| 11.51.3 | Transition to the framework for determining prudential settings | 1343 |
| 11.51.4 | Prior consultation, step, decision or action taken by AEMO..... | 1343 |
| Part ZV | Small Generation Aggregator Framework..... | 1344 |
| 11.52 | Rules consequential on the making of the National Electricity Amendment (Small Generation Aggregator Framework) Rule 2012..... | 1344 |
| 11.52.1 | Definitions..... | 1344 |
| 11.52.2 | Commencement of participant fees as well as transactions, funding and settlements under Chapter 3 for Market Small Generation Aggregators..... | 1345 |
| 11.52.3 | Participant fees for Market Small Generation Aggregators..... | 1345 |
| 11.52.4 | Ancillary service transactions, funding of compensation for directions and intervention settlements for directions for Market Small Generation Aggregators..... | 1345 |
| 11.52.5 | Amendments to the carbon dioxide equivalent intensity index procedures | 1346 |
| 11.52.6 | Amendments of the metrology procedures | 1347 |
| 11.52.7 | Amendments to the Market Settlement and Transfer Solution Procedures..... | 1347 |
| Part ZW | Economic Regulation of Network Service Providers (2012 amendments) | 1347 |
| Division 1 | Miscellaneous transitional provisions | 1347 |
| 11.53 | Publication of Chapter 6 Guidelines | 1347 |
| 11.54 | Publication of Chapter 6A Guidelines | 1349 |
| Division 2 | Transitional provisions for NSW/ACT Distribution Network Service Providers | 1351 |
| 11.55 | General provisions | 1351 |
| 11.56 | Special provisions applying to affected DNSPs | 1354 |
| Division 3 | Transitional provisions for NSW and Tasmanian Transmission Network Service Providers and Directlink..... | 1366 |
| 11.57 | General provisions | 1366 |

| | | |
|-------------------|---|-------------|
| 11.58 | Special provisions applying to affected TNSPs | 1369 |
| Division 4 | Transitional provisions for the Victorian TNSP | 1378 |
| 11.59 | Special provisions applying to the Victorian TNSP | 1378 |
| Division 5 | Transitional provisions for Qld/SA and Victorian Distribution Network Service Providers..... | 1380 |
| 11.60 | Special provisions applying to the Qld/SA and Victorian Distribution Network Service Providers | 1380 |
| Division 6 | Review of past capital expenditure..... | 1386 |
| 11.61 | Definitions and application | 1386 |
| 11.62 | Review of past capital expenditure under Chapter 6 | 1386 |
| 11.63 | Review of past capital expenditure under Chapter 6A | 1387 |
| Part ZX | Inter-regional Transmission Charging | 1387 |
| 11.64 | Rules consequent on the making of the National Electricity Amendment (Inter-regional Transmission Charging) Rule 2013 | 1387 |
| 11.64.1 | Definitions..... | 1387 |
| 11.64.2 | Amendments to the pricing methodology guidelines | 1388 |
| 11.64.3 | Amendments to the pricing methodologies of Transmission Network Service Providers | 1388 |
| 11.64.4 | Commencement of clause 6A.23.3(f) for further adjustments | 1389 |
| Part ZY | Network Service Provider Expenditure Objectives..... | 1389 |
| 11.65 | Rules consequent on the making of the National Electricity Amendment (Network Service Provider Expenditure Objectives) Rule 2013 | 1389 |
| 11.65.1 | Definitions..... | 1389 |
| 11.65.2 | Application of rule 11.65 | 1389 |
| Part ZZ | Access to NMI Standing Data | 1390 |
| 11.66 | Rules consequent on the making of the National Electricity Amendment (Access to NMI Standing Data) Rule 2013 | 1390 |
| 11.66.1 | Definitions..... | 1390 |
| 11.66.2 | Minor amendment of the Market Settlement and Transfer Solution Procedures | 1390 |
| Part ZZA | Publication of Zone Substation Data..... | 1391 |
| 11.67 | Rules consequent on the making of the National Electricity Amendment (Publication of Zone Substation Data) Rule 2014..... | 1391 |
| 11.67.1 | Definitions..... | 1391 |
| 11.67.2 | Distribution Network Service Providers' obligations to commence on the next DAPR date | 1391 |
| Part ZZB | Connecting Embedded Generators | 1391 |
| 11.68 | Rules consequential on the making of the National Electricity Amendment (Connecting embedded generators) Rule 2014 | 1391 |
| 11.68.1 | Definitions..... | 1391 |
| 11.67.2 | Continuation of enquiries lodged | 1391 |
| Part ZZC | Customer access to information about their energy consumption | 1392 |

| | | |
|-------------------|---|-------------|
| 11.69 | Rules consequential on the making of the National Electricity Amendment (Customer access to information about their energy consumption) Rule 2014..... | 1392 |
| 11.69.1 | Definitions..... | 1392 |
| 11.69.2 | AEMO to develop and publish the metering data provision procedure..... | 1392 |
| Part ZZD | National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014..... | 1392 |
| Division 1 | Miscellaneous transitional provisions | 1392 |
| 11.70 | General provisions | 1392 |
| 11.70.1 | Definitions..... | 1392 |
| Division 2 | Transitional provisions for NSW/ACT and Qld/SA Distribution Network Service Providers..... | 1394 |
| 11.72 | General provisions | 1394 |
| 11.772.1 | Definitions..... | 1394 |
| Division 3 | Transitional provisions for Tasmanian Distribution Network Service Provider..... | 1401 |
| 11.74 | Application of former Chapter 6..... | 1401 |
| Division 4 | Transitional provisions for Victorian Distribution Network Service Providers | 1402 |
| 11.75 | General provisions | 1402 |
| 11.75.1 | Definitions..... | 1402 |
| 11.76 | Special provisions applying to affected DNSPs | 1402 |
| 11.76.1 | Distribution determination and pricing proposals..... | 1402 |
| 11.76.2 | Tariff structure statement..... | 1402 |
| Part ZZE | Earlier Application of Network Capability Component (STPIS) | 1409 |
| 11.77 | Rules consequent on the making of the National Electricity Amendment (Early Application of Service Target Performance Incentive Scheme (STPIS) Components for Transmission Businesses) Rule 2015 | 1409 |
| 11.77.1 | Definitions..... | 1409 |
| 11.77.2 | Purpose..... | 1410 |
| 11.77.3 | Earlier application of the network capability component of the service target performance incentive scheme | 1410 |
| Appendix 1 | Form in which Chapter 6 applies to New South Wales and the Australian Capital Territory for the Regulatory Control Period 2009-2014 | 1412 |
| Chapter 6 | Economic Regulation of Distribution Services | 1412 |
| Part A | Introduction..... | 1412 |
| 6.1 | Introduction to Chapter 6 | 1412 |
| 6.1.1 | AER's regulatory responsibility | 1412 |
| 6.1.2 | Structure of this Chapter | 1413 |
| 6.1.3 | Access to direct control services and negotiated distribution services | 1413 |

| | | |
|---------------|---|-------------|
| 6.1.4 | Prohibition of DUOS charges for the export of energy | 1414 |
| 6.1.5 | Application of this Chapter to certain transmission assets – ActewAGL, Country Energy and Integral Energy Australia..... | 1414 |
| 6.1.6 | Application of this Chapter to the EnergyAustralia transmission support network | 1415 |
| 6.1.7 | Definitions..... | 1416 |
| Part B | Classification of Distribution Services and Distribution Determinations | 1418 |
| 6.2 | Classification | 1418 |
| 6.2.1 | **** | 1418 |
| 6.2.2 | **** | 1418 |
| 6.2.3 | **** | 1418 |
| 6.2.3A | Classes and subclasses of distribution services | 1418 |
| 6.2.3B | Classification for NSW Distribution Network Service Providers | 1419 |
| 6.2.3C | Classification for ACT Distribution Network Service Provider..... | 1421 |
| 6.2.4 | Duty of AER to make distribution determinations | 1422 |
| 6.2.5 | Control mechanisms for direct control services..... | 1422 |
| 6.2.6 | Basis of control mechanisms for direct control services | 1423 |
| 6.2.7 | EnergyAustralia negotiated distribution services | 1424 |
| 6.2.7A | Negotiable components of direct control services (NSW and ACT)..... | 1424 |
| 6.2.8 | Guidelines | 1424 |
| Part C | Building Block Determinations for standard control services..... | 1425 |
| 6.3 | Building block determinations..... | 1425 |
| 6.3.1 | Introduction..... | 1425 |
| 6.3.2 | Contents of building block determination..... | 1425 |
| 6.4 | Post-tax revenue model..... | 1425 |
| 6.4.1 | Preparation, publication and amendment of post-tax revenue model..... | 1425 |
| 6.4.2 | Contents of post-tax revenue model | 1426 |
| 6.4.3 | Building block approach | 1426 |
| 6.5 | Matters relevant to the making of building block determinations | 1428 |
| 6.5.1 | Regulatory asset base | 1428 |
| 6.5.2 | Return on capital | 1429 |
| 6.5.3 | Estimated cost of corporate income tax | 1431 |
| 6.5.4 | **** | 1432 |
| 6.5.5 | Depreciation | 1432 |
| 6.5.6 | Forecast operating expenditure | 1433 |
| 6.5.7 | Forecast capital expenditure | 1435 |
| 6.5.8 | Efficiency benefit sharing scheme | 1437 |
| 6.5.9 | The X factor | 1438 |
| 6.6 | Adjustments after making of building block determination | 1439 |
| 6.6.1 | Cost pass through..... | 1439 |
| 6.6.1A | *** | 1444 |
| 6.6.2 | Service target performance incentive scheme..... | 1444 |
| 6.6.3 | Demand management incentive scheme | 1446 |
| Part D | EnergyAustralia negotiated distribution services..... | 1447 |

| | | |
|----------------|---|-------------|
| 6.7 | Negotiated distribution services..... | 1447 |
| 6.7.1 | Principles relating to access to negotiated distribution services | 1447 |
| 6.7.2 | Determination of terms and conditions of access for negotiated distribution services | 1449 |
| 6.7.3 | Negotiating framework determination | 1449 |
| 6.7.4 | Negotiated Distribution Service Criteria determination | 1450 |
| 6.7.5 | Preparation of and requirements for negotiating framework for negotiated distribution services..... | 1450 |
| 6.7.6 | Confidential information..... | 1452 |
| Part DA | Negotiable components of direct control services (NSW and ACT)..... | 1453 |
| 6.7A | Negotiable components of direct control services | 1453 |
| 6.7A.1 | Principles relating to access to negotiable components | 1453 |
| 6.7A.2 | Determination of terms and conditions of access for negotiable components | 1455 |
| 6.7A.3 | Negotiating framework determination | 1455 |
| 6.7A.4 | Negotiable component criteria determination..... | 1455 |
| 6.7A.5 | Preparation of and requirements for negotiating framework | 1456 |
| 6.7A.6 | Confidential information..... | 1458 |
| Part E | Regulatory proposal..... | 1458 |
| 6.8 | Regulatory proposal..... | 1458 |
| 6.8.1 | ***** | 1458 |
| 6.8.2 | Submission of regulatory proposal | 1458 |
| 6.9 | Preliminary examination and consultation | 1460 |
| 6.9.1 | Preliminary examination | 1460 |
| 6.9.2 | Resubmission of proposal | 1460 |
| 6.9.3 | Consultation | 1460 |
| 6.10 | Draft distribution determination and further consultation | 1461 |
| 6.10.1 | Making of draft distribution determination..... | 1461 |
| 6.10.2 | Publication of draft determination and consultation..... | 1461 |
| 6.10.3 | Submission of revised proposal | 1462 |
| 6.11 | Distribution determination | 1462 |
| 6.11.1 | Making of distribution determination | 1462 |
| 6.11.2 | Notice of distribution determination | 1462 |
| 6.11.3 | Commencement of distribution determination | 1462 |
| 6.12 | Requirements relating to draft and final distribution determinations..... | 1463 |
| 6.12.1 | Constituent decisions | 1463 |
| 6.12.1A | Division of EnergyAustralia's revenue..... | 1465 |
| 6.12.2 | Reasons for decisions..... | 1466 |
| 6.12.3 | Extent of AER's discretion in making distribution determinations | 1466 |
| 6.13 | Revocation and substitution of distribution determination for wrong information or error | 1467 |
| 6.14 | Miscellaneous..... | 1468 |
| Part F | Cost Allocation | 1468 |

| | | |
|---------------|---|-------------|
| 6.15 | Cost allocation | 1468 |
| 6.15.1 | Duty to comply with Cost Allocation Method..... | 1468 |
| 6.15.2 | ***** | 1469 |
| 6.15.3 | ***** | 1469 |
| 6.15.4 | ***** | 1469 |
| | Provisions applicable to the NSW Distribution Network Service Providers | 1469 |
| 6.15.5 | Cost Allocation Guidelines (NSW) | 1469 |
| 6.15.6 | Cost Allocation Method (NSW) | 1469 |
| | Provisions applicable to the ACT Distribution Network Service Provider | 1470 |
| 6.15.7 | Cost Allocation Principles (ACT)..... | 1470 |
| 6.15.8 | Cost Allocation Method (ACT) | 1471 |
| Part G | ***** | 1472 |
| Part H | Ring-Fencing Arrangements for Distribution Network Service Providers..... | 1472 |
| 6.17 | Distribution Ring-Fencing Guidelines | 1472 |
| 6.17.1 | Compliance with Distribution Ring-Fencing Guidelines | 1472 |
| 6.17.2 | Development of Distribution Ring-Fencing Guidelines | 1473 |
| Part I | Distribution Pricing Rules..... | 1474 |
| 6.18 | Distribution Pricing Rules..... | 1474 |
| 6.18.1 | Application of this Part | 1474 |
| 6.18.2 | Pricing proposals..... | 1474 |
| 6.18.3 | Tariff classes | 1476 |
| 6.18.4 | Principles governing assignment or re-assignment of customers to tariff classes and assessment and review of basis of charging..... | 1476 |
| 6.18.5 | Pricing principles | 1477 |
| 6.18.6 | Side constraints on tariffs for standard control services | 1477 |
| 6.18.7 | Recovery of designated pricing proposal charges | 1478 |
| 6.18.7A | **** | 1479 |
| 6.18.7B | Recovery of Climate Change Fund payments | 1479 |
| 6.18.7C | Recovery of jurisdictional scheme amounts | 1479 |
| 6.18.8 | Approval of pricing proposal | 1482 |
| 6.18.9 | Publication of information about tariffs and tariff classes | 1483 |
| 6.19. | Data Required for Distribution Service Pricing | 1483 |
| 6.19.1 | Forecast use of networks by Distribution Customers and Embedded Generators | 1483 |
| 6.19.2 | Confidentiality of distribution network pricing information | 1483 |
| Part J | Billing and Settlements | 1484 |
| 6.20 | Billing and Settlements Process | 1484 |
| 6.20.1 | Billing for distribution services | 1484 |
| 6.20.2 | Minimum information to be provided in distribution network service bills..... | 1486 |
| 6.20.3 | Settlement between Distribution Network Service Providers | 1486 |
| 6.20.4 | Obligation to pay..... | 1486 |
| Part K | Prudential requirements, capital contributions and prepayments | 1487 |

| | | |
|---------------------|--|-------------|
| 6.21 | Distribution Network Service Provider Prudential Requirements | 1487 |
| 6.21.1 | Prudential requirements for distribution network service..... | 1487 |
| 6.21.2 | Capital contributions, prepayments and financial guarantees..... | 1488 |
| 6.21.3 | Treatment of past prepayments and capital contributions | 1488 |
| 6.21.4 | Application of IPART and ICRC guidelines regarding capital contribution charges..... | 1488 |
| Part L | Dispute resolution | 1489 |
| 6.22 | Dispute Resolution | 1489 |
| 6.22.1 | Dispute Resolution by the AER | 1489 |
| 6.22.2 | Determination of dispute..... | 1489 |
| 6.22.3 | Termination of access dispute without access determination | 1491 |
| Part M | Separate disclosure of transmission and distribution charges | 1491 |
| 6.23 | Separate disclosure of transmission and distribution charges | 1491 |
| Schedule 6.1 | Contents of building block proposals..... | 1492 |
| S6.1.1 | Information and matters relating to capital expenditure | 1492 |
| S6.1.2 | Information and matters relating to operating expenditure..... | 1493 |
| S6.1.3 | Additional information and matters | 1494 |
| Schedule 6.2 | Regulatory Asset Base | 1496 |
| S6.2.1 | Establishment of opening regulatory asset base for a regulatory control period | 1496 |
| S6.2.2 | *****..... | 1499 |
| S6.2.3 | Roll forward of regulatory asset base within the same regulatory control period | 1499 |