

CHAPTER 2

2. Registered Participants and Registration

2.1 Registered Participants

2.1.1 Purpose

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

2.1.2 General

- (a) **[Deleted]**
- (b) **[Deleted]**
- (c) The different categories of *Registered Participants* have different obligations under the *Rules*.
- (d) Rules 2.2 to 2.7 set out the *Registered Participant* categories and requirements which a person must satisfy in order to be registered by AEMO in relation to each of those *Registered Participant* categories.
- (e) Each prospective *Registered Participant* must apply to AEMO for registration in accordance with rule 2.9.
- (e1) Rule 2.9A sets out the process to be followed in order to transfer a *Registered Participant*'s registration to another person.
- (f) Each *Registered Participant* must pay to AEMO the prescribed fees determined in accordance with the provisions of rule 2.11.

2.2 Generator

2.2.1 Registration as a Generator

- (a) Subject to clause 2.2.1(c), a person must not engage in the activity of owning, controlling or operating a *generating system* that is *connected* to a *transmission or distribution system* unless that person is registered by AEMO as a *Generator*.
- (b) A person who otherwise *supplies* electricity to a *transmission or distribution system* may, on application for registration by that person in accordance with rule 2.9, be registered by AEMO as a *Generator*.
- (c) AEMO may, in accordance with guidelines issued from time to time by AEMO, exempt a person or class of persons from the requirement to register as a *Generator*, subject to such conditions as AEMO deems appropriate, where (in AEMO's opinion) an exemption is not inconsistent with the *national electricity objective*.

Note:

A person who is exempt from registration as a *Generator*, may register with AEMO as a *Small Generation Aggregator* under rule 2.3A.

- (d) Without limitation, an exemption may be given which only relieves a person or class of persons from the requirement to register as a *Generator* in relation to certain specified *generating systems* or classes of *generating systems*.
- (e) To be eligible for registration as a *Generator*, a person must:
 - (1) obtain the approval of AEMO to classify each of the *generating units* that form part of the *generating system* that the person owns, operates or controls, or from which it otherwise sources electricity, as:
 - (i) a *scheduled generating unit*;
 - (ii) a *semi-scheduled generating unit*; or
 - (iii) a *non-scheduled generating unit*;
 - (2) classify the *generating units* in accordance with AEMO's approval as referred to in subparagraph (1); and
 - (3) satisfy AEMO that each *generating system* will be capable of meeting or exceeding its *performance standards*.
- (f) Except in relation to a proposed *generating unit*, a person must also classify each of those *generating units* as either a *market generating unit* or a *non-market generating unit*.
- (f1) A *Generator* may also classify one or more of its *generating units* as an *ancillary service generating unit* where it has obtained the approval of AEMO to do so.
- (g) Nothing in clause 2.2.1(e) or (f) requires the classification of any *generating unit* which forms part of a *generating system* in respect of which an exemption under clause 2.2.1(c) applies.

2.2.2 Scheduled Generator

- (a) A *generating unit* which has a *nameplate rating* of 30 MW or greater or is part of a group of *generating units connected* at a common *connection point* with a combined *nameplate rating* of 30 MW or greater must be classified as a *scheduled generating unit* unless AEMO approves its classification as:
 - (1) a *semi-scheduled generating unit* under clause 2.2.7(b); or
 - (2) a *non-scheduled generating unit* in accordance with clause 2.2.3(b).

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

Note

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

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

2.2.3 Non-Scheduled Generator

- (a) A *generating unit* with a *nameplate rating* of less than 30 MW (not being part of a group of *generating units* described in clause 2.2.2(a)) must be classified as a *non-scheduled generating unit* unless AEMO approves its classification as:
 - (1) a *scheduled generating unit* under clause 2.2.2(b); or
 - (2) a *semi-scheduled generating unit* under clause 2.2.7(b).

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

Note

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

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

2.2.4 Market Generator

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

Note

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

- (d) A *Market Generator* must purchase all electricity *supplied* through the *national grid* to the *Market Generator* at that *connection point* from the *spot market* and make payments to AEMO for such electricity supplied at the *connection point* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

Note

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

2.2.5 Non-Market Generator

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

2.2.6 Ancillary services generating unit

- (a) If the *Market Generator* in respect of a *generating unit* wishes to use that *generating unit* to provide *market ancillary services* in accordance with Chapter 3, then the *Market Generator* must apply to AEMO for approval to classify the *generating unit* as an *ancillary service generating unit*.
- (b) An application under clause 2.2.6(a) must be in the form prescribed by AEMO and specify the *market ancillary services* which the *Market Generator* wishes to provide using the relevant *generating unit*.
- (c) AEMO must, within 5 *business days* of receiving an application under clause 2.2.6(a), advise the applicant of any further information or clarification which is required in support of its application if, in AEMO's reasonable opinion, the application:
 - (1) is incomplete; or
 - (2) contains information upon which AEMO requires clarification.
- (d) If the further information or clarification required pursuant to clause 2.2.6(c) is not provided to AEMO's satisfaction within 15 *business days* of the request, then the *Market Generator* will be deemed to have withdrawn the application.
- (e) If AEMO is reasonably satisfied that:

- (1) the *generating unit* is able to be used to provide the *market ancillary services* referred to in the application in accordance with the *market ancillary service specification*; and
- (2) the *Market Generator* has adequate communication and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses,

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

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

- (g) A *Market Generator*:

- (1) must comply with any terms and conditions imposed by *AEMO* under clause 2.2.6(f);

Note

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

- (2) must ensure that the *market ancillary services* provided using the relevant *ancillary services generating unit* are provided in accordance with the co-ordinated *central dispatch* process operated by *AEMO* under the provisions of Chapter 3 and in accordance with the *market ancillary service specification*;

Note

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

- (3) may submit to *AEMO* *market ancillary service offers* in respect of the *ancillary service generating unit* in accordance with the provisions of Chapter 3; and
- (4) if the *Market Generator* submits a *market ancillary service offer* in respect of the relevant *ancillary service generating unit*, must comply with the *dispatch instructions* from *AEMO* in accordance with the *Rules*.

Note

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

- (h) A *Market Generator* with an *ancillary service generating unit* must only sell the *market ancillary services* produced using that *ancillary service generating unit* through the *spot market* in accordance with the provisions of Chapter 3.

Note

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

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

2.2.7 Semi-Scheduled Generator

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

of a group of *generating units connected* at a common *connection point* with a combined *nameplate rating* of less than 30 MW, as a *semi-scheduled generating unit*, AEMO may approve the classification on such terms and conditions as AEMO considers appropriate.

- (f) A person must comply with any terms and conditions imposed by AEMO as part of an approval under paragraph (e).

Note

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

- (g) A *Generator* is taken to be a *Semi-Scheduled Generator* only in so far as its activities relate to a *semi-scheduled generating unit*.
- (h) A *Semi-Scheduled Generator* must operate a *semi-scheduled generating unit* in accordance with the co-ordinated *central dispatch* process operated by AEMO under the provisions of Chapter 3.
- (i) At the time that a person makes a request for AEMO to classify a *semi-scheduled generating unit* under paragraph (c), that person may request to register two or more *generating units* as one *semi-scheduled generating unit* when the *generating units*:
 - (1) are connected at a single site with:
 - (i) the same *intra-regional loss factor*; or
 - (ii) if two *intra-regional loss factors* are determined for the site under clause 3.6.2(b)(2), the same two *intra-regional loss factors*;
 - (2) each have a capacity of not more than 6MW; and
 - (3) have similar *energy conversion models*,

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

- (j) Notwithstanding that one or more of the conditions set out in paragraph (i) may not have been fulfilled by the *Semi-Scheduled Generator*, AEMO may approve a request received under paragraph (i) if registration as a single *semi-scheduled generating unit* would not materially distort *central dispatch* or adversely affect *power system security*.
- (k) Where AEMO approves a request to register two or more *generating units* as one *semi-scheduled generating unit* in accordance with paragraph (i) or (j), the *generating units* will be taken to be one *semi-scheduled generating unit* for the purposes of the *Rules*.

- (l) For the avoidance of doubt, a *Semi-Scheduled Generator* which operates two or more *semi-scheduled generating units* that could have been registered as a single *semi-scheduled generating unit* under paragraph (i) but were not so registered, may subsequently aggregate those *generating units* in accordance with clause 3.8.3.

2.3 Customer

2.3.1 Registration as a Customer

- (a) A *Customer* is a person so registered by AEMO and who engages in the activity of purchasing electricity *supplied* through a *transmission or distribution system* to a *connection point*.
- (b) To be eligible for registration as a *Customer*, a person must satisfy AEMO (acting reasonably) that:
 - (1) the person intends to classify within a reasonable period of time its electricity purchased at one or more *connection points* as a *first-tier load*, a *second-tier load* or a *market load* or an *intending load*; or
 - (2) registration is for the purpose of acting as a *RoLR*.
- (c) A person must not engage in the activity of purchasing electricity directly from the *market* at any *connection point*, unless that person is registered by AEMO as a *Market Participant* and that *connection point* is classified as one of that person's *market connection points*.
- (d) A person who engages in the activity of purchasing electricity at any *connection point* otherwise than directly from the *market* may, but is not required to, apply for registration by AEMO as a *First-Tier Customer*, a *Second-Tier Customer* or an *Intending Participant* provided that person is entitled to classify its electricity purchased at that *connection point* based on the threshold criteria set out in clause 2.3.1(e).
- (e) A person may not classify its electricity purchased at any *connection point* unless the person satisfies the requirements of the *participating jurisdiction* in which the *connection point* is situated so that (subject to compliance with the *Rules*) the person is permitted to purchase electricity in the *spot market* in relation to that *connection point*.
- (f) A *Market Customer* may also classify one or more of its *market loads* as an *ancillary service load*.

2.3.2 First-Tier Customer

- (a) If any electricity *supplied* through the *national grid* is purchased by a person at a *connection point* directly and in its entirety from the *Local Retailer*, the *load* at that *connection point* may be classified by that person as a *first-tier load*.

- (b) A *Customer* is taken to be a *First-Tier Customer* only in so far as its activities relate to any *first-tier load*.
- (c) A *First-Tier Customer* must not participate in the *spot market* for any *first-tier load*.

Note

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

2.3.3 Second-Tier Customer

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

Note

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

- (d) A person's purchase of electricity at a *connection point* may only be classified as a *second-tier load* while a *Market Customer*, from whom the person directly or indirectly purchases the electricity, classifies the *connection point* as one of its *market loads*.

2.3.4 Market Customer

- (a) If electricity, *supplied* through the *national grid* to any person *connected* at a *connection point*, is purchased other than from the *Local Retailer* that *load* at the *connection point* may be classified by that person or, with the consent of that person, by some other person as a *market load*.
- (b) A *Customer* is taken to be a *Market Customer* only in so far as its activities relate to any *market load* and only while it is also registered with AEMO as a *Market Customer*.
- (c) A *Market Customer* must purchase all electricity *supplied* at that *connection point* from the *spot market* and make payments to AEMO for electricity supplied at the *connection point* as determined for each *trading interval* in accordance with provisions of Chapter 3.

Note

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

- (d) A *Market Customer* may request *AEMO* to classify any of its *market loads* as a *scheduled load*.
- (e) *AEMO* must classify a *market load* as a *scheduled load* if it is satisfied that the *Market Customer*:
 - (1) has submitted data in accordance with schedule 3.1;
 - (2) has adequate communications and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses; and
 - (3) has requested that the *load* be so classified and has not withdrawn that request.
- (f) A *Market Customer* may submit *dispatch bids* in respect of *scheduled loads* in accordance with the provisions of Chapter 3.
- (g) A *Market Customer* who submits *dispatch bids* for *scheduled loads* and makes its *scheduled loads* available for *central dispatch* must comply with the *dispatch instructions* from *AEMO* in accordance with the *Rules*.
- (h) A *Customer* who is also a *Local Retailer* must classify any *connection point* which *connects* its *local area* to another part of the *power system* as a *market load*.

Note

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

2.3.5 Ancillary services load

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

- (2) contains information upon which *AEMO* requires classification.
- (d) If the further information or clarification required pursuant to clause 2.3.5(c) is not provided to *AEMO*'s satisfaction within 15 *business days* of the request, then the *Market Customer* will be deemed to have withdrawn the application.
- (e) If *AEMO* is reasonably satisfied that:
 - (1) the *market load* is able to be used to provide the *market ancillary services* referred to in the application in accordance with the *market ancillary service specification*; and
 - (2) the *Market Customer* has adequate communications and/or telemetry to support the issuing of *dispatch instructions* and the audit of responses,then *AEMO* must approve the classification in respect of the particular *market ancillary services*.
- (f) If *AEMO* approves the classification of a *market load* as an *ancillary service load*, then *AEMO* may impose on the relevant *Market Customer* such terms and conditions as *AEMO* considers necessary to ensure that the provisions of the *Rules* applying to *market ancillary services* can be met.
- (g) A *Market Customer*:
 - (1) must comply with any terms and conditions imposed by *AEMO* under clause 2.3.5(f);

Note

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

- (2) must ensure that the *market ancillary services* provided using the relevant *ancillary services load* are provided in accordance with the co-ordinated *central dispatch* process operated by *AEMO* under the provisions of Chapter 3 and in accordance with the *market ancillary service specification*;

Note

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

- (3) may submit to *AEMO* *market ancillary service offers* in respect of the *ancillary service load* in accordance with the provision of Chapter 3; and

- (4) if the *Market Customer* submits a *market ancillary service offer* in respect of the relevant *ancillary service load*, must comply with the *dispatch instructions* from *AEMO* in accordance with the *Rules*.

Note

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

- (h) A *Market Customer* with an *ancillary service load* must only sell the *market ancillary services* produced using that *ancillary service load* through the *spot market* in accordance with the provisions of Chapter 3.

Note

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

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

2.3A Small Generation Aggregator

2.3A.1 Registration

- (a) A person who intends to supply electricity from one or more *small generating units* to a *transmission or distribution system* may, upon application for registration by that person in accordance with rule 2.9, be registered by *AEMO* as a *Small Generation Aggregator*.
- (b) To be eligible for registration as a *Small Generation Aggregator*, a person must satisfy *AEMO* that the person intends to classify, within a reasonable amount of time, one or more *small generating units* each as a *market generating unit*, with each *market generating unit* having a separate *connection point*.
- (c) A person must not engage in the activity of selling electricity directly to the *market* at any *connection point*, unless that person is registered by *AEMO* as a *Market Participant* and that *connection point* is classified as one of that person's *market connection points*.
- (d) A person must not classify a *small generating unit* as a *market generating unit* for electricity supplied from any *connection point* unless the person satisfies the requirements of the *participating jurisdiction* in which the *connection point* is situated so that (subject to compliance with the *Rules*) the person is permitted to supply electricity in the *spot market* in relation to that *connection point*.

- (e) A *Market Small Generation Aggregator* must classify each *small generating unit* from which it proposes to supply electricity as a *market generating unit*, with each *market generating unit* having a separate *connection point*.
- (f) A *Market Small Generation Aggregator's* activities only relate to *small generating units* it has classified as *market generating units*, and only while it is also registered with AEMO as a *Small Generation Aggregator*.
- (g) A *Market Small Generation Aggregator* must sell all *sent out generation* through the *spot market* and accept payments from AEMO for all *sent out generation* at the *spot price* applicable at the *connection point* for which it is *financially responsible* as determined for each *trading interval* in accordance with the provisions of Chapter 3.
- (h) A *Market Small Generation Aggregator* must purchase all electricity *supplied* through the *national grid* to the *Market Small Generation Aggregator* at that *connection point* from the *spot market* and make payments to AEMO for such electricity *supplied* at the *connection point* for which it is *financially responsible* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

2.4 Market Participant

2.4.1 Registration as a category of Market Participant

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

2.4.2 Eligibility

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

- (a) satisfy AEMO that it is and will be able to satisfy the *prudential requirements* as set out in rule 3.3 applicable to all *Market Participants* and

those applicable to the relevant category of *Market Participant* in which that person wishes to participate in the *market*;

- (b) satisfy *AEMO* that it meets any relevant requirements imposed under relevant *jurisdictional electricity legislation*;
- (c) satisfy *AEMO* that it is also registered:
 - (1) as a *Generator*, for registration as a *Market Generator*;
 - (2) as a *Customer*, for registration as a *Market Customer*;
 - (2A) as a *Small Generation Aggregator*, for registration as a *Market Small Generation Aggregator*; or
 - (3) as a *Network Service Provider*, for registration as a *Market Network Service Provider*;
- (d) satisfy *AEMO* that it is complying and will comply with other relevant obligations set out in the *Rules*; and
- (e) pay the prescribed fees determined in accordance with rule 2.11.

2.5 Network Service Provider

2.5.1 Registration as a Network Service Provider

- (a) Subject to clause 2.5.1(d), a person must not engage in the activity of owning, controlling or operating a *transmission or distribution system* unless that person is registered by *AEMO* as a *Network Service Provider*.
- (b) **[Deleted]**
- (c) **[Deleted]**
- (d) The *AER* may, in accordance with the guidelines issued from time to time by the *AER*, exempt any person or class of persons who is or are required to register as a *Network Service Provider* from:
 - (1) the requirement to register as a *Network Service Provider*; or
 - (2) the operation of Chapter 5,subject to such conditions as the *AER* deems appropriate where (in the *AER*'s opinion) an exemption is not inconsistent with the *national electricity objective*.
- (e) The *AER* must develop and issue guidelines for the exemptions described in clause 2.5.1(d) pursuant to the *Rules consultation procedures* and in accordance with those procedures consult with *Registered Participants* and authorities responsible for administering the *jurisdictional electricity legislation*.

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

2.5.2 Market Network Service

- (a) A *Network Service Provider* may classify a *network service* as a *market network service* if and only if the following conditions are satisfied and continue to be satisfied:
 - (1) the relevant *network service* is to be provided by *network elements* which comprise a *two-terminal link* and do not provide any *transmission service* which is subject to a *revenue determination* or any *direct control service*;
 - (2) the *Network Service Provider* is registered under clause 2.5.1 in respect of the *network elements* which provide the relevant *market network service*;
 - (3) the relevant *network service*:
 - (A) has not ever been a *transmission service* to which a *transmission determination* has applied or a *direct control service*; or
 - (B) is ineligible to be such a service;
 - (4) the *connection points* of the relevant *two-terminal link* are assigned to different *regional reference nodes*; and
 - (5) the relevant *two-terminal link* through which the *network service* is provided:
 - (A) does not form part of a *network loop*; or
 - (B) is an *independently controllable two-terminal link*,
and has a registered *power transfer capability* of at least 30 MW.
- (b) A *market network service* is not a prescribed transmission service or a *direct control service* and a *Network Service Provider* is not entitled to impose charges for a *market network service* under Chapter 6 or Chapter 6A.

- (c) If an existing *network service* ceases to be classified as a *market network service*, the *AER* may at its discretion determine the service to be a *prescribed transmission service* or a *direct control service*. In that case, the *AER* may make consequential changes to the relevant transmission determination or distribution determination (as the case requires) to accommodate the service.
- (d) A *Network Service Provider* is taken to be a *Market Network Service Provider* only in so far as its activities relate to the provision of *market network services*.
- (e) For the avoidance of doubt, a *Registered Participant* may apply to the *AEMC* for a *participant derogation* from the conditions specified in clause 2.5.2(a).

2.5.3 Scheduled Network Service

- (a) All *market network services* must be classified as *scheduled network services*.
- (b) A *network service* must not be classified as a *scheduled network service* unless it is also a *market network service*.
- (c) A *Network Service Provider* is taken to be a *Scheduled Network Service Provider* only in so far as its activities relate to the provision of *scheduled network services*.
- (d) *AEMO* may impose on a *Scheduled Network Service Provider* such terms and conditions as *AEMO* considers necessary to ensure that the provisions of the *Rules* applying to *scheduled network services* can be met.
- (e) A *Scheduled Network Service Provider*:
 - (1) must comply with any terms and conditions imposed by *AEMO* under clause 2.5.3(d);

Note

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

- (2) must ensure that the *scheduled network services* are provided in accordance with the co-ordinated *central dispatch* process operated by *AEMO* under the provisions of Chapter 3;

Note

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

- (3) must ensure that *AEMO* is notified of the availability of the *scheduled network services* in accordance with the provisions of Chapter 3; and

Note

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

- (4) must submit to *AEMO* a schedule of *dispatch offers* for the *scheduled network services* in accordance with the provisions of Chapter 3.

Note

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

2.5A Trader

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

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

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

- (iii) authorised to accept service of process and notices on behalf of that person,

and provide *AEMO* with a certified copy of the instrument, executed by the agent, under which the agent is so appointed and which specifies the agent's address;
- (3) be a "wholesale client", as that term is defined in section 761G(4) of the *Corporations Act 2001* of the Commonwealth; and
- (4) enter into an *auction participation agreement* and, where the person is required to appoint an agent for the purposes of rule 2.5A(c)(2), the person must ensure that the agent is a party to the *auction participation agreement*.

2.5B Reallocator

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

but is not otherwise a *Registered Participant* or a *Market Participant* for the purposes of the *Rules* unless the person is also registered in another category of *Registered Participant* or *Market Participant*.
- (c) To be eligible for registration as a *Reallocator*, a person must be a "wholesale client", as that term is defined in section 761G(4) of the *Corporations Act 2001* of the Commonwealth.

2.6 Special Participant

- (a) A *Special Participant* is a person who is either of the following:
 - (1) *System Operator*: - an agent engaged, or a delegate appointed, by *AEMO* under clause 4.3.3 to carry out some or all of *AEMO*'s rights, functions and obligations under Chapter 4.
 - (2) *Distribution System Operator*: - a person who is responsible, under the *Rules* or otherwise, for controlling or operating any portion of a

distribution system (including being responsible for directing its operations during *power system* emergencies).

- (b) A person must be registered by *AEMO* in this category to perform these functions.

2.7 Intention to Commence Activities or Functions

- (a) Any person intending to act in any *Registered Participant* category may, on application for registration by that person in accordance with rule 2.9, be registered by *AEMO* as an *Intending Participant* if that person can reasonably satisfy *AEMO* that it intends to carry out an activity in respect of which it must or may be registered as a *Registered Participant*.
- (b) *AEMO* may from time to time require a person registered by *AEMO* as an *Intending Participant* to satisfy *AEMO* that it continues to meet the criteria for registration in rule 2.7(a). If the *Intending Participant* is unable to satisfy *AEMO* that it continues to meet those criteria then it will cease to be registered as an *Intending Participant* on the date specified by *AEMO* by written notice to the *Intending Participant* concerned.
- (c) An *Intending Participant* is taken to be an *Intending Participant* only in so far as its activities relate to its intention to commence an activity in respect of which it must or may be registered as a *Registered Participant*.
- (d) As a *Registered Participant*, an *Intending Participant* may exercise such rights and is bound by such obligations under the *Rules* as are specified by *AEMO* (on the basis of whether the *Intending Participant* intends to become a *Customer*, *Generator*, *Network Service Provider* or *Special Participant*) and approved by the *AEMC*.

2.8 Registered Participant Rights and Obligations

2.8.1 Rights and obligations

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

2.9 Application to be Registered as a Registered Participant

2.9.1 Applications for Registration

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

2.9.2 Registration as a Registered Participant

- (a) In this clause 2.9.2:
receiving date means the later date of *AEMO* receiving:
 - (1) an application for registration referred to in clause 2.9.1;
 - (2) further information or clarification referred to in clause 2.9.1(b); or
 - (3) in relation to an application for registration as a *Generator*, the information requested under clause S5.2.4(b).
- (b) *AEMO* must, within 15 *business days* of the receiving date, determine that an applicant is to be registered in the category of *Registered Participant* applied for if *AEMO* is reasonably satisfied that:
 - (1) the applicant meets the eligibility requirements specified for the category of *Registered Participant* to which the application relates;
 - (2) if the application relates to registration in one of the categories of *Market Participant*, the applicant is and will be able to fulfil the applicable financial obligations under Chapter 3 of the *Rules*; and
 - (3) the applicant has demonstrated an ability to comply with the *Rules*.
- (c) If *AEMO* determines that an applicant does not satisfy the requirements referred to in paragraph (b), *AEMO* must determine that the applicant is not qualified to be registered as a *Registered Participant* in the relevant category and provide reasons for that determination.

2.9.3 Registration as an Intermediary

- (a) A person (the "*applicant*") who is required to be registered under the *National Electricity Law* or under the *Rules* as a *Generator* or a *Network Service Provider* may apply to *AEMO* or the *AER* respectively for an exemption from that requirement to register.
- (b) *AEMO* or the *AER* (as the case may be) must allow that exemption if:
 - (1) the applicant notifies *AEMO* or the *AER* (as the case may be) of the identity of a person (an "*intermediary*") to be registered instead of the applicant;
 - (2) the applicant provides *AEMO* or the *AER* (as the case may be) with the written consent of the *intermediary* to act as *intermediary* in a form reasonably acceptable to *AEMO* or the *AER*; and
 - (3) **[Deleted]**
 - (4) *AEMO* or the *AER* (as the case may be) notifies the applicant that it approves of the *intermediary*.
- (c) *AEMO* or the *AER* (as the case may be) must approve an *intermediary* if the applicant establishes to *AEMO*'s reasonable satisfaction that, from a technical perspective, the *intermediary* can be treated for the purpose of the *Rules* as the applicant with respect to the relevant *generating system*, *distribution system* or *transmission system* with which the applicant is associated.
- (d) If the exemption is granted by *AEMO* or the *AER* (as the case may be) then:
 - (1) provided the *intermediary* satisfies all relevant registration requirements that the applicant would have been required to satisfy, *AEMO* must register the *intermediary* as a *Registered Participant* as if it were the applicant;
 - (2) the *intermediary* will be considered for the purposes of the *Rules* to be the applicant;
 - (3) all references in the *Rules* to the applicant will be deemed to be references to the *intermediary* (unless the context requires otherwise);
 - (4) all acts, omissions, statements, representations and notices of the *intermediary* in its capacity as a *Registered Participant* under the *Rules* will be deemed to be the acts, omissions, statements, representations and notices of the applicant;
 - (5) the *intermediary* and the applicant will be jointly and severally liable for the acts, omissions, statements, representations and notices of the *intermediary* in its capacity as a *Registered Participant* under the *Rules*; and

- (6) *AEMO* or any other *Registered Participant* may fulfil any obligations to the applicant under the *Rules* by performing them in favour of the *intermediary*.
- (e) The applicant may revoke the appointment of the *intermediary* by giving notice of such revocation to *AEMO*, whereupon *AEMO* must advise the *AER* that such notice has been given.
- (f) At 4.30 am, 2 *business days* after *AEMO* receives notice of such revocation, the *intermediary* will cease to be considered the applicant's *intermediary* for the purposes of the *Rules* and the applicant will not be liable under clause 2.9.3(d)(5) for any acts, omissions, statements, representations or notices of the *intermediary* occurring after that time.
- (g) If the applicant revokes the appointment of an *intermediary*, the exemption granted by *AEMO* or the *AER* (as the case may be) to the applicant as contemplated by clause 2.9.3(b) ceases at the time the *intermediary* ceases to be the applicant's *intermediary* in accordance with clause 2.9.3(f).
- (h) The applicant may notify *AEMO* or the *AER* (as the case may be) that the *intermediary* is the applicant's *intermediary* for part only of the applicant's business (provided that that part represents one or more discrete *generating systems*, *distribution systems* or *transmission systems*).
- (i) Nothing in the *Rules* requires the *intermediary* to be the agent of the applicant.

2.9A Transfer of Registration

2.9A.1 Definitions

In this rule 2.9A:

Transferor means a *Registered Participant* wishing to transfer its registration to another person in accordance with rule 2.9A.

Transferee means the person to whom a *Registered Participant* wishes to transfer its registration in accordance with rule 2.9A.

2.9A.2 Applications for Transfer of Registration

- (a) If a Transferor wishes to transfer its registration to the Transferee, then the Transferor and Transferee must apply to *AEMO* for approval to do so.
- (b) An application under clause 2.9A.2(a) must be submitted to *AEMO* by the Transferor and Transferee in the form prescribed by *AEMO*.
- (c) *AEMO* must, within 5 *business days* of receiving an application under clause 2.9A.2(a), advise the Transferor and Transferee of any further information or clarification which is required in support of its application if, in *AEMO*'s reasonable opinion, the application:

- (1) is incomplete; or
 - (2) contains information upon which *AEMO* requires clarification.
- (d) If the further information or clarification required pursuant to clause 2.9A.2(c) is not provided to *AEMO*'s satisfaction within 15 *business days* of the request, then the Transferor and Transferee will be deemed to have withdrawn the application.

2.9A.3 Approval for Transfer of Registration

- (a) *AEMO* must, within 15 *business days* of receiving an application under clause 2.9A.2(a), determine to transfer the registration if *AEMO* is reasonably satisfied that:
 - (1) the Transferor is not in breach of any of its obligations under the *Rules*;
 - (2) with the exception of any requirements that apply to the classification of *facilities* to which the application relates, the Transferee meets the eligibility requirements specified in the *Rules* for the category of *Registered Participant* to which the application relates;
 - (3) the classification of the *facilities* to which the application relates has previously been approved by *AEMO* in accordance with the *Rules*;
 - (4) the *performance standards* applicable to the *facilities* to which the application relates have previously been registered by *AEMO* in accordance with the *Rules*;
 - (5) if the application relates to the transfer of a registration in one of the categories of *Market Participant*, the Transferee is and will be able to fulfil the applicable financial obligations under Chapter 3 of the *Rules*; and
 - (6) the Transferee has demonstrated an ability to comply with the *Rules*.
- (b) If *AEMO* approves the application, then *AEMO* may impose such terms and conditions as *AEMO* considers appropriate, or vary the terms and conditions of the registration on its transfer.
- (c) If *AEMO* determines that the application does not satisfy any of the requirements referred to in clause 2.9A.3(a), *AEMO* must reject the application and provide reasons in writing to the Transferor and Transferee for that rejection.
- (d) If an application is made for transfer of the registration of a *Market Customer* that is a *retailer*:
 - (1) *AEMO* must, before deciding the application, consult with the *AER* about the application; and

- (2) the period of 15 *business days* allowed for deciding the application under paragraph (a) is extended by the period reasonably required for the consultation; and
- (3) *AEMO* must notify the *AER* of its decision on the application.

2.10 Ceasing to be a Registered Participant

2.10.1 Notification of intention

- (a) A person may notify *AEMO* in writing that it wishes to cease to be registered in any category of *Registered Participant* or that it wishes to terminate any of its classifications of *loads*, *generating units* or *network services*.
- (b) A person is not entitled to notify *AEMO* that it wishes to cease to be registered in relation to any category for which that person is required to be registered under the *National Electricity Law* or under the *Rules*.
- (c) In any notice given under clause 2.10.1(a), the *Registered Participant* must specify a date upon which it wishes to cease to be so registered or for an existing classification to be terminated and, in the case of a *Market Participant*, the date upon which it will cease to *supply* or acquire electricity or trade directly in the *market* and whether entirely or in relation to one or more *connection points* or *market network services*.
- (d) *AEMO* may reject a notice from a *Market Customer* that it wishes to terminate its classification of a *connection point* as one of its *market loads* or otherwise cease to be a *Market Customer* in relation to any of its *market loads* unless *AEMO* is satisfied that:
 - (1) another person has classified the *connection point* as one of its *market loads* and is registered as a *Market Customer*;
 - (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments to *AEMO* for electricity *supplied* to that *connection point*; or
 - (3) the *load* at that *connection point* will be *disconnected* on and from the date specified and, taking into consideration any relevant guidelines and procedures specified by the relevant *participating jurisdiction* to *AEMO*, that *disconnection* is not inappropriate.
- (d1) *AEMO* may reject a notice from a *Market Small Generation Aggregator* which states that it wishes to terminate its classification of a *small generating unit* as a *market generating unit*, or otherwise cease to be a *Market Small Generation Aggregator* in relation to any of its *market generating units*, unless *AEMO* is satisfied that:

- (1) another person has classified the *small generating unit* as one of its *market generating units* and that person is registered as a *Small Generation Aggregator* and a *Market Small Generation Aggregator*;
 - (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments with *AEMO* for electricity supplied to the *connection points* of the *market generating units*; or
 - (3) the *small generating unit* at that *connection point* will be *disconnected* on and from the date specified in the notice, and, after having regard to any relevant guidelines and procedures specified by the relevant *participating jurisdictions* to *AEMO*, *disconnection* is appropriate.
- (e) Upon receiving a notice which complies with clause 2.10.1 from a person who wishes to cease to be registered in any category of *Market Participant*, or to terminate the classification of any of its *market loads*, *market generating units*, or *market network services*, *AEMO* must deliver a notice to the *AER* and the *AEMC* and notify all *Registered Participants* stating that:
- (1) *AEMO* has received a notice under clause 2.10.1(a); and
 - (2) the person who gave the notice has stated that, from the date specified in the notice, the person intends to cease *supplying* or acquiring electricity or trading directly in the *market* and whether entirely or in relation to certain *connection points* or *market network services*.
- (f) If a *Market Customer* that is a *retailer* gives a notice under this clause, *AEMO* must, before deciding whether to reject the notice under paragraph (d), consult with the *AER*.

2.10.2 Ceasing Participation

- (a) A *Market Participant* must cease all trading in the *market* as specified in a notice that is properly given under clause 2.10.1(a) and is not rejected under clause 2.10.1(d).

Note

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

- (b) A person ceases to be a *Registered Participant* for the purposes of the *Rules* when all payments due to be paid to or by it under the *Rules* have been made.
- (c) The fact that a person has ceased to be registered in any category of *Registered Participant* or has terminated any classifications contemplated under this Chapter does not affect any obligation or liability of that person

under the *Rules* which arose prior to the cessation of its registration or the termination of the classification.

2.10.3 Liability after cessation

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

2.11 Participant Fees

2.11.1 Development of Participant fee structure

- (a) *AEMO* must develop, review and publish, in consultation with *Registered Participants* and *interested parties* and such other persons as *AEMO* thinks appropriate, in accordance with the *Rules consultation procedures*, the structure (including the introduction and determination) of *Participant fees* for such periods as *AEMO* considers appropriate.
- (ab) In determining *Participant fees*, *AEMO* must have regard to the *national electricity objective*.
- (b) The structure of *Participant fees* must, to the extent practicable, be consistent with the following principles:
 - (1) the structure of *Participant fees* should be simple;
 - (2) *Participant fees* should recover the budgeted revenue requirements for *AEMO* determined under clause 2.11.3 on a basis where:
 - (i) the following principles are relevant to the recovery of recurrent expenditure:
 - (A) if *AEMO* recovers an excess of revenue over expenditure from the provision of a particular service in a financial year, it may roll over the excess to a later financial year (or later financial years) so as to reduce revenue requirements in the later financial year (or years);
 - (B) *AEMO* may recover a shortfall of revenue as against expenditure for the provision of a particular service in a later financial year or later financial years;
 - (C) *AEMO* may take any other action it considers desirable to smooth the impact of actual or anticipated cost variations on the users of a service provided by *AEMO*;
 - (ii) capital expenditures (incurred after *market commencement*) are recovered through the depreciation or amortisation of the assets acquired by the capital expenditure in a manner that is consistent with generally accepted accounting principles;

- (iii) costs of transition are recovered over a period of 4 years from the *changeover date*.
 - (iv) notwithstanding clauses 2.11.1(b)(2)(i), (ii) and (iii), expenditure incurred by, and depreciation and amortisation charged to, *AEMO* associated with a *declared NEM project* are recovered from the start date and over the period determined for that *declared NEM project* under clauses 2.11.1(bb) or 2.11.1(bd). Amounts associated with a *declared NEM project* determined in accordance with this clause are to be recovered through an additional *Participant fee* determined in accordance with clauses 2.11.1(bb) or 2.11.1(bd) until the next general determination of all *Participant fees* is made under clause 2.11.1(a);
- (3) the components of *Participant fees* charged to each *Registered Participant* should be reflective of the extent to which the budgeted revenue requirements for *AEMO* involve that *Registered Participant*;
- (4) *Participant fees* should not unreasonably discriminate against a category or categories of *Registered Participants*; and
- (5) the fixed component of *Participant fees* for a *Market Customer* who:
 - (i) is registered with *AEMO* solely for the purpose of providing *market ancillary services*; and
 - (ii) does not classify any of its *market loads* as a *scheduled load*,
may be zero.
- (ba) *AEMO* may determine any of the following projects to be a *declared NEM project*:
 - (1) a major reform or development (including an anticipated reform or development) of the *market*; or
 - (2) a major change (including an anticipated change) to a function, responsibility, obligation or power of *AEMO* under the *Rules*; or
 - (3) a major change (including an anticipated change) to any of the computer software or systems that *AEMO* uses in the performance of any of its functions, responsibilities, obligations or powers under the *Rules*.
- (bb) When *AEMO* determines a project to be a *declared NEM project* under clause 2.11.1(ba), it must also determine the start date for recovery and the period or periods over which recovery will occur for the *declared NEM project*. *AEMO* must also determine the structure of an additional *Participant fee* to be used in the recovery of costs associated with a *declared NEM project* until the next general determination of all *Participant fees* is made under clause 2.11.1(a).

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

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

2.11.2 Payment of Participant fees

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

Note

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

2.11.3 Budgeted revenue requirements

- (a) *AEMO* must prepare and *publish* before the beginning of each *financial year* a budget of the revenue requirements for *AEMO* for that *financial year*.
- (b) The budget prepared by *AEMO* under clause 2.11.3(a) must take into account and separately identify projected revenue requirements in respect of:
 - (1) *AEMO*'s procurement of *non-market ancillary services*;
 - (2) *AEMO*'s expenditures in relation to its *power system* operation activities, including meeting its obligations in terms of *power system security* and the facilitation and operation of the central bidding and dispatch processes in accordance with the *Rules*;
 - (2A) *AEMO*'s expenditures in relation to *inter-network tests*;
 - (3) *AEMO*'s expenditures in the collection, storage and processing of *metering data*;
 - (4) *AEMO*'s expenditures in the facilitation of the billing and *settlement* of *market transactions*;
 - (4A) *AEMO*'s expenditures in carrying out *NTP functions*;

- (4B) *AEMO's* expenditures in carrying out additional advisory functions;
 - (5) *AEMO's* other expenditure requirements, operating costs and margin so far as they relate to the electricity industry;
 - (5A) the proportion of *AEMO's* residual expenditures allocated to the electricity industry under paragraph (c).
 - (6) *AEMO's* consumer advocacy funding obligation under rule 8.10;
 - (7) any revenue shortfall or excess from each of the requirements specified under clause 2.11.3(b)(1)-(5) from the previous *financial year*; and
 - (8) the funding requirements of the *Participant compensation fund* in accordance with rule 3.16 (which requirements must only be recovered from *Scheduled Generators, Semi-Scheduled Generators* and *Scheduled Network Service Providers*).
- (c) *AEMO* must allocate expenditures that cannot be specifically related to electricity activities or gas activities (**residual expenditures**) between the electricity and gas industries in a manner that:
- (1) ensures that the total amount of the residual expenditures is allocated appropriately between the electricity and the gas industries; and
 - (2) ensures that each industry bears an allocation at least equal to the amount by which residual expenditures would be reduced if services were no longer provided to that industry; and
 - (3) promotes the efficient use of electricity and gas services.
- (d) *AEMO's* expenditures in carrying out *declared network functions* are to be recovered through fees charged as a *Transmission Network Service Provider* and not through *participant fees*.

2.12 Interpretation of References to Various Registered Participants

- (a) A person may register in more than one of the categories of *Registered Participant*.
- (b) Notwithstanding anything else in the *Rules*, a reference to:
 - (1) a "*Generator*" applies to a person registered as a *Generator* only in so far as it is applicable to matters connected with the person's *scheduled generating units, semi-scheduled generating units, non-scheduled generating units, market generating units* or *non-market generating units*;
 - (1A) a "*Small Generation Aggregator*" applies to a person registered as a "*Small Generation Aggregator*" only in so far as it is applicable to

matters connected with the person's *small generating units* or *market generating units*;

- (2) a "*Scheduled Generator*", "*Semi-Scheduled Generator*", "*Non-Scheduled Generator*", "*Market Generator*" or "*Non-Market Generator*" applies to a person only in so far as it is applicable to matters connected with the person's *scheduled generating units*, *semi-scheduled generating units*, *non-scheduled generating units*, *market generating units* or *non-market generating units* respectively;
- (3) a "*Customer*" applies to a person registered as a *Customer* only in so far as it is applicable to matters connected with the person's *first-tier loads*, *second-tier loads* or *market loads*;
- (4) a "*First Tier Customer*", "*Second Tier Customer*" or "*Market Customer*" applies to a person only in so far as it is applicable to matters connected with the person's *first-tier loads*, *second-tier loads* or *market loads* respectively;
- (4A) a "*Trader*" applies to a person only in so far as it is applicable to matters connected with the person's activities as a *Trader*;
- (4B) a "*Reallocator*" applies to a person only in so far as it is applicable to matters connected with the person's activities as a *Reallocator*;
- (5) a "*Network Service Provider*" applies to a person registered as a *Network Service Provider* only in so far as it is applicable to matters connected with the person's *network services*, including *market network services* and *scheduled network services*;
- (6) a "*Market Network Service Provider*" or "*Scheduled Network Service Provider*" applies to a person only in so far as it is applicable to matters connected with the person's *market network services* or *scheduled network services* respectively;
- (7) a "*Market Participant*" applies to a person who is a *Market Participant* and:
 - (i) where that person is registered as a *Market Generator*, in so far as it is applicable to matters connected with the person's *market generating units* or *ancillary services generating units*; and
 - (i1) where that person is registered as a *Market Small Generation Aggregator*, in so far as it is applicable to matters connected with the person's *market generating units*; and
 - (ii) where that person is registered as a *Market Customer*, in so far as it is applicable to matters connected with the person's *market loads* or *market ancillary service loads*; and

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