



National Electricity Amendment (Cost Recovery for Other Services Directions) Rule 2010 No. 5

under the National Electricity Law as applied by:

- (a) the National Electricity (South Australia) Act 1996;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria; and
- (g) the Australian Energy Market Act 2004 of the Commonwealth.

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

John Tamblyn
Chairman
Australian Energy Market Commission

National Electricity Amendment (Cost Recovery for Other Services Directions) Rule 2010 No. 5

1 Title of Rule

This Rule is the *National Electricity Amendment (Cost Recovery for Other Services Directions) Rule 2010 No.5*.

2 Commencement

This Rule commences operation on 1 July 2011.

3 Amendment of the National Electricity Rules

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

4 Savings and Transitional Amendments to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

Schedule 1 Amendments of the National Electricity Rules

(Schedule 1)

[1] Clause 3.15.7 Payment to Directed Participants

Omit clause 3.15.7(d) and substitute:

- (d) If at the time *AEMO* issues a *direction*:
- (1) the *Directed Participant* had submitted a *dispatch bid*, *dispatch offer* or *rebid* acknowledged by *AEMO* in accordance with clause 3.8.8 for *dispatch* of the service that is to be *dispatched* in accordance with the *direction*; and
 - (2) the *direction* was issued because *AEMO* was prevented from *dispatching* the *Directed Participant's plant* in accordance with that *dispatch bid*, *dispatch offer* or *rebid* due to a failure of the *central dispatch* process,

the *Directed Participant* is entitled to receive compensation for the provision of that service at a price equal to the price in that *dispatch bid*, *dispatch offer* or *rebid* acknowledged by *AEMO* in accordance with clause 3.8.8, as the case may be.

[2] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

After clause 3.15.7A(a), insert:

- (a1) In this clause 3.15.7A, a *direction* is a *direction* for services other than *energy* and *market ancillary services* to the extent that the need for the *direction* could not have been avoided by the *central dispatch* process had there been a *dispatch bid*, *dispatch offer* or *rebid* made consistent with the requirements of clauses 3.8.6, 3.8.6A, 3.8.7, 3.8.7A or 3.8.8(d) (whichever is applicable) for *dispatch* of *plant* relevant to that *direction* for one or more of the following services:
- (1) *energy*; and
 - (2) any one service of the *market ancillary services*.
- (a2) For the avoidance of doubt, any component of a *direction* that satisfies this clause 3.15.7(a1) is to be considered for compensation under this clause 3.15.7A, and clause 3.15.7B, as the case may be. Any other component of the *direction* that does not satisfy clause 3.15.7(a1) is to be considered for compensation under clause 3.15.7, and clause 3.15.7B, as the case may be.

[3] Clause 3.15.8 Funding of Compensation for Directions

Omit clause 3.15.8(g) and substitute:

- (g) Any compensation payable by *AEMO* under clause 3.12.2 and 3.15.7 not recovered under clauses 3.15.8(b) and 3.15.8(e) must be recovered from *Market Customers* and *Market Generators*. *AEMO* must, in accordance with the *intervention settlement timetable*, calculate a figure for each *Market Customer* and each *Market Generator* in each *region* applying the following formula:

$$MCP = \frac{TGE - TCE}{RATGE - RATCE} \times \frac{RB}{\Sigma RB} \times CRA \times -1$$

Where

MCP is the amount payable or receivable by a *Market Customer* or *Market Generator* under this clause 3.15.8(g);

TGE is the generator energy figures for the *Market Generator* in that *region* of the relevant *trading interval* for the period of the *direction*;

TCE is the customer energy figures for the *Market Customer* in that *region* of the relevant *trading interval* for the period of the *direction*;

RATGE is the aggregate of the generator energy figures for all *Market Generators* in that *region* of the relevant *trading interval* for the period of the *direction*;

RATCE is the aggregate of the customer energy figures for all *Market Customers* in that *region* of the relevant *trading interval* for the period of the *direction*;

RB is the regional benefit determined by *AEMO* under clause 3.15.8(b1) at the time of issuing the *direction*; and

CRA is the *compensation recovery amount*.

- (h) In clause 3.15.8(g):
- (1) **customer energy** in respect of a *Market Customer* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Customer's* relevant connection points;
 - (2) a *connection point* is a "relevant connection point" of a *Market Customer* if:

- (i) the *Market Customer* is *financially responsible* for the *connection point*; and
 - (ii) the *load* at that *connection point* has been classified (or is deemed to be classified) as a *market load*;
- (3) **generator energy** in respect of a *Market Generator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Generator's* applicable connection points, provided that, if the sum of those figures is negative, then the *Market Generator's* generator energy for that *trading interval* is zero; and
- (4) a *connection point* is an "applicable connection point" of a *Market Generator* if:
 - (i) the *Market Generator* is financially responsible for the *connection point*; and
 - (ii) the *connection point* connects a *market generating unit* to the *national grid*.

Schedule 2 Savings and Transitional Amendments to the National Electricity Rules

(Schedule 2)

[1] Chapter 11 Savings and transitional rules

After rule 11.33, insert:

Part ZD Cost Recovery for Other Services Directions

11.34 Rules consequent on making of the National Electricity Amendment (Cost Recovery for Other Services Directions) Rule 2010

11.34.1 Definitions

For the purposes of this rule 11.34:

Amending Rule means the National Electricity Amendment (Cost Recovery for Other Services Directions) Rule 2010.

commencement date means the date on which the Amending Rule commences operation.

current funding of compensation means any process initiated under the *Rules* or action taken which relies on or is referenced to old clause 3.15.7(d) or old clause 3.15.8(g) and is not completed by the commencement date.

new clause 3.15.7(d) means clause 3.15.7(d) of the *Rules* after the commencement date.

new clauses 3.15.7A(a1) and (a2) means clauses 3.15.7A(a1) and (a2) of the *Rules* after the commencement date.

new clause 3.15.8(g) and (h) means clauses 3.15.8(g) and (h) of the *Rules* after the commencement date.

old clause 3.15.7(d) means clause 3.15.7(d) of the *Rules* and all definitions in, and relevant provisions of, the *Rules* as in force immediately before the commencement date.

old clause 3.15.8(g) means clause 3.15.8(g) of the *Rules* and all definitions in, and relevant provisions of, the *Rules* as in force immediately before the commencement date.

11.34.2 Period when Amending Rules applies to funding of compensation

- (a) From the commencement date, in respect of any current funding of compensation:
 - (1) new clause 3.15.7(d), new clauses 3.15.7A(a1) and (a2) and new clauses 3.15.8(g) and (h) have no effect; and
 - (2) old clause 3.15.7(d) and old clause 3.15.8(g) continue to apply.

[END OF RULE AS MADE]
