



## **National Electricity Amendment (Improved RERT Flexibility and Short-notice Reserve Contracts) Rule 2009 No. 19**

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 National Electricity (New South Wales) Act 1997 of New South Wales;
- (d) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (e) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (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 (Improved RERT Flexibility and Short-notice Reserve Contracts) Rule 2009 No. 19**

### **1. Title of Rule**

This Rule is the *National Electricity Amendment (Improved RERT Flexibility and Short-notice Reserve Contracts) Rule 2009 No. 19*.

### **2. Commencement**

This Rule commences operation on 15 October 2009.

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

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

## **Schedule 1      Amendment of National Electricity Rules**

(Clause 3)

### **[1]    Clause 3.20.2 Reliability and emergency reserve trader**

In clause 3.20.2(a), after "*supply*" insert "and, where practicable, take all reasonable actions to maintain *power system security*".

### **[2]    Clause 3.20.3 Reserve contracts**

In clause 3.20.3(b), after "for the *region*", insert "and, where practicable, to maintain *power system security*".

### **[3]    Clause 3.20.3 Reserve contracts**

In clause 3.20.3(d), after "*supply*", insert "and, where practicable, to maintain *power system security*. For the avoidance of doubt, *AEMO* may negotiate with potential tenderers in relation to *reserve contracts* at any time".

### **[4]    Clause 3.20.7 AEMO's exercise of the RERT**

In clause 3.20.7(a), after "such *unscheduled reserves*", insert "to ensure that the reliability of *supply* in a *region* or *regions* meets the relevant *power system security and reliability standards* and, where practicable, to maintain *power system security*".

### **[5]    Clause 3.20.8 RERT Guidelines**

After clause 3.20.8(a)(4) insert:

- (4A) the process *AEMO* should undertake in contracting for *reserves* in relation to long, medium and short notice situations as described in the *RERT guidelines* to ensure reliability of *supply* and, where practicable, to maintain *power system security*;

### **[6]    Chapter 11 Savings and transitional rules**

After rule 11.30, insert:

## Part ZA Reliability and emergency reserve trader (2009 amendments)

### 11.31 Rules consequent on the making of the National Electricity Amendment (Improved RERT Flexibility and Short-notice Reserve Contracts) Rule 2009

#### 11.31.1 Definitions

For the purposes of this rule 11.31:

**Amending Rule** means the National Electricity Amendment (Improved RERT Flexibility and Short-notice Reserve Contracts) Rule 2009.

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

#### 11.31.2 Purpose

The purpose of this rule 11.31 is to provide transitional arrangements to facilitate *AEMO* contracting for *reserves* in relation to long, medium and short notice situations to ensure reliability of *supply* and, where practicable, to maintain *power system security*.

#### 11.31.3 Amendments to Reliability Panel's RERT Guidelines

- (a) Within two weeks of the commencement date, the *Reliability Panel* must, in respect of its *RERT guidelines* referred to in clause 3.20.8(c), develop and *publish* interim amendments with respect to matters relevant to *AEMO* contracting for *reserves* in relation to long, medium and short notice situations to ensure reliability of *supply* and, where practicable, to maintain *power system security*.
- (b) All relevant actions taken by the *Reliability Panel* up to two weeks after the commencement date for the purposes of developing and *publishing* the interim amendments to the *RERT guidelines* as required by paragraph (a) are taken to satisfy the equivalent actions required for the *RERT guidelines* under clause 3.20.8(b). For the avoidance of doubt, the *Reliability Panel* is not required to develop and *publish* the interim amendments to the *RERT guidelines* in accordance with clauses 8.8.3(d)-(1).
- (c) The interim amendments published under paragraph (a) will cease to apply when the *Reliability Panel* publishes amendments to its *RERT guidelines* in accordance with paragraph (d) of this clause but, for so

long as they apply, references in rule 3.20 to the *RERT guidelines* are taken to include references to those interim amendments.

- (d) The *Reliability Panel* must, in respect of the *RERT guidelines* referred to in clause 3.20.8 and in accordance with that clause, develop and *publish* amendments by 30 June 2010 with respect to matters relevant to *AEMO* contracting for *reserves* in relation to long, medium and short notice situations as described in the *RERT guidelines* to ensure reliability of *supply* and, where practicable, to maintain *power system security*.

#### **11.31.4 Amendments to AEMO's RERT procedures for exercising the RERT**

- (a) Within four weeks of the commencement date, *AEMO* must, in respect of its procedures referred to in clause 3.20.7(e), develop and *publish* interim amendments with respect to measures to contract for *reserves* in relation to long, medium and short notice situations as described in interim amendments to the *RERT guidelines published* in accordance with clause 11.31.3(a), to ensure reliability of *supply* and, where practicable, to maintain *power system security*.
- (b) For the purposes of clause 11.31.4(a):
  - (1) *AEMO* is not required to develop, *publish* or amend the interim amendments to its relevant procedures in accordance with the *Rules consultation procedures*;
  - (2) the interim amendments to *AEMO's* relevant procedures must take into account the *RERT principles* and interim amendments to the *RERT guidelines* referred to in paragraph (a);
  - (3) the interim amendments to the relevant procedures will cease to apply when *AEMO publishes* amendments to its procedures for the exercise of the *RERT* as required by paragraph (c); and
  - (4) for so long as those interim amendments to the relevant procedures apply, references in rule 3.20 to the procedures referred to in clause 3.20.7(e) are taken to include references to those interim amendments.
- (c) *AEMO* must, in respect of its procedures referred to in clause 3.20.7(e) and in accordance with that clause, develop and *publish*

amendments by 30 November 2010, with respect to measures to contract for *reserves* in relation to long, medium and short notice situations, as described in amendments to the *RERT guidelines published* in accordance with clause 11.31.3(d), to ensure reliability of *supply* and, where practicable, to maintain *power system security*.

**[7] Chapter 11 Savings and transitional rules**

In Chapter 11, omit clauses 11.21.3 and 11.21.4 in their entirety and substitute “[Deleted]”.

END OF RULE AS MADE

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