

## **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) Clauses 2.2 to 2.7 set out the *Registered Participant* categories and requirements which a person must satisfy in order to be registered by NEMMCO in relation to each of those *Registered Participant* categories.
- (e) Each prospective *Registered Participant* must apply to NEMMCO for registration in accordance with clause 2.9.
- (f) Each *Registered Participant* must pay to NEMMCO the prescribed fees determined in accordance with the provisions of clause 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 NEMMCO 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 clause 2.9, be registered by NEMMCO as a *Generator*.
- (c) NEMMCO may, in accordance with guidelines issued from time to time by NEMMCO, exempt a person or class of persons from the requirement to register as a *Generator*, subject to such conditions as NEMMCO deems appropriate, where (in NEMMCO's opinion) an exemption is not inconsistent with the *market objective*.
- (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) having obtained NEMMCO's approval to do so, classify each of the *generating units* which form part of the *generating system* it owns, operates or controls or from which it otherwise sources electricity as either a *scheduled generating unit* or a *non-scheduled generating unit*; and

- (2) satisfy *NEMMCO* that those *generating units* and the *connection points* for those *generating units* comply with the relevant technical requirements set out in Chapter 5.
- (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 *NEMMCO* 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) Unless *NEMMCO* approves its classification as a *non-scheduled generating unit* under the provisions of clause 2.2.3(b), 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 may only be classified as a *scheduled generating unit* and not as a *non-scheduled generating unit*.
- (b) A person must not classify a *generating unit* as a *scheduled generating unit* unless it has obtained the approval of *NEMMCO* to do so. *NEMMCO* 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, *NEMMCO* may approve the classification on such terms and conditions as *NEMMCO* considers appropriate.
- (c) A person must comply with any terms and conditions imposed by *NEMMCO* as part of an approval under clause 2.2.2(b1).
- (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 *NEMMCO* under the provisions of Chapter 3.
- (g) As described in Chapter 3, a *Scheduled Generator* must notify *NEMMCO* of the availability of each *scheduled generating unit* in respect of each *trading interval*.
- (h) A *Scheduled Generator* may submit to *NEMMCO* a schedule of *dispatch offers* for each *scheduled generating unit* in respect of each *trading interval* for *dispatch* by *NEMMCO*.

### 2.2.3 Non-Scheduled Generator

- (a) Unless *NEMMCO* approves its classification as a *scheduled generating unit* under the provisions of clause 2.2.2(b), 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)) may only be classified as a *non-scheduled generating unit* and not as a *scheduled generating unit*.
- (b) A person must not classify a *generating unit* as a *non-scheduled generating unit* unless it has obtained the approval of *NEMMCO* to do so. *NEMMCO* 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;
  - (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*; or
  - (3) the output of the *generating unit* is *intermittent*.
- (c) If, in relation to an application under clause 2.2.3(b), in *NEMMCO*'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* for that *generating unit*, *NEMMCO* may approve the classification on such terms and conditions as *NEMMCO* considers reasonably necessary.
- (d) A person must comply with any terms and conditions imposed by *NEMMCO* under clause 2.2.3(c).
- (e) **[Deleted]**
- (f) A *Generator* is taken to be a *Non-Scheduled Generator* only in so far as its activities relate to any *non-scheduled generating unit*.
- (g) 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 *NEMMCO*.

### 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 *NEMMCO* 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.
- (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 *NEMMCO* for such electricity supplied at the *connection point* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

## 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 *NEMMCO* 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 *NEMMCO* 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 *NEMMCO* and specify the *market ancillary services* which the *Market Generator* wishes to provide using the relevant *generating unit*.
- (c) *NEMMCO* 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 *NEMMCO*'s reasonable opinion, the application:
  - (1) is incomplete; or
  - (2) contains information upon which *NEMMCO* requires clarification.
- (d) If the further information or clarification required pursuant to clause 2.2.6(c) is not provided to *NEMMCO*'s satisfaction within 15 *business days* of the request, then the *Market Generator* will be deemed to have withdrawn the application.
- (e) If *NEMMCO* 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 *NEMMCO* must approve the classification in respect of the particular *market ancillary services*.
- (f) If *NEMMCO* approves the classification of a *generating unit* as an *ancillary service generating unit*, then *NEMMCO* may impose on the relevant *Market Generator* such terms and conditions as *NEMMCO* 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 *NEMMCO* under clause 2.2.6(f);

- (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 NEMMCO under the provisions of Chapter 3 and in accordance with the *market ancillary service specification*;
  - (3) may submit to NEMMCO *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 NEMMCO in accordance with the *Rules*.
- (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.
  - (i) A *Market Generator* is not entitled to receive payment from NEMMCO 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*.

## 2.3 Customer

### 2.3.1 Registration as a Customer

- (a) A *Customer* is a person so registered by NEMMCO 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 NEMMCO (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 *retailer of last resort*.
- (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 NEMMCO 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 NEMMCO 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*.
- (d) [Deleted]

### 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*.
- (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*.
- (e) [Deleted]

### 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 NEMMCO 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 NEMMCO for electricity supplied at the *connection point* as determined for each *trading interval* in accordance with provisions of Chapter 3.
- (d) A *Market Customer* may request NEMMCO to classify any of its *market loads* as a *scheduled load*.
- (e) NEMMCO 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 *NEMMCO* 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*.

### 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 *NEMMCO* 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 *NEMMCO* and specify the *market ancillary services* which the *Market Customer* wishes to provide using the relevant *market load*.
- (c) *NEMMCO* 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 *NEMMCO*'s reasonable opinion, the application:
  - (1) is incomplete; or
  - (2) contains information upon which *NEMMCO* requires classification.
- (d) If the further information or clarification required pursuant to clause 2.3.5(c) is not provided to *NEMMCO*'s satisfaction within 15 *business days* of the request, then the *Market Customer* will be deemed to have withdrawn the application.
- (e) If *NEMMCO* 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 *NEMMCO* must approve the classification in respect of the particular *market ancillary services*.
- (f) If *NEMMCO* approves the classification of a *market load* as an *ancillary service load*, then *NEMMCO* may impose on the relevant *Market Customer* such terms and conditions as *NEMMCO* 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 *NEMMCO* under clause 2.3.5(f);
  - (2) must ensure that the *market ancillary services* provided using the relevant *ancillary services load* are provided in accordance with the coordinated *central dispatch* process operated by *NEMMCO* under the provisions of Chapter 3 and in accordance with the *market ancillary service specification*;
  - (3) may submit to *NEMMCO* *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 *NEMMCO* in accordance with the *Rules*.
- (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.
- (i) A *Market Customer* is not entitled to receive payment from *NEMMCO* 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*.

## 2.4 Market Participant

### 2.4.1 Registration as a category of Market Participant

- (a) A *Market Participant* is a person registered by *NEMMCO* as any one or more of the following categories:
  - (1) *Market Customer*;
  - (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 *NEMMCO* if that *Market Participant* satisfies the relevant *prudential requirements* set out in Chapter 3 applicable to the relevant trading activity.
- (d) [Deleted]
- (e) [Deleted]

### 2.4.2 Eligibility

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

- (a) satisfy *NEMMCO* that it is and will be able to satisfy the *prudential requirements* as set out in clause 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 *NEMMCO* that it meets any relevant requirements imposed by its *Jurisdictional Regulator*;
- (c) satisfy *NEMMCO* 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*; or
  - (3) as a *Network Service Provider*, for registration as a *Market Network Service Provider*;
- (d) satisfy *NEMMCO* 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 clause 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 *NEMMCO* 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 *market 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 *Jurisdictional Regulators*.
- (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 *Jurisdictional Regulators* for 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*.
- (h) **[Deleted]**

## 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 *prescribed distribution 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 *prescribed distribution 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 *prescribed distribution service* and the *Rules* do not entitle a *Network Service Provider* to impose charges for any *market network service* under the provisions of Chapter 6 or Chapter 6A, as the case may be.
- (c) If an existing *network service* ceases to be classified as a *market network service* it may at the discretion of the *AER* or *Jurisdictional Regulator* (whichever is relevant) be determined to be a *prescribed transmission service* or *prescribed distribution service* in which case the relevant *total revenue cap*, *revenue cap* or *price cap* may be adjusted in accordance with Chapter 6 or Chapter 6A (as the case may be) to include to an appropriate extent the relevant *network elements* which provided those *network services*.
- (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) NEMMCO may impose on a *Scheduled Network Service Provider* such terms and conditions as NEMMCO 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 NEMMCO under clause 2.5.3(d);
  - (2) must ensure that the *scheduled network services* are provided in accordance with the co-ordinated *central dispatch* process operated by NEMMCO under the provisions of Chapter 3;
  - (3) must ensure that NEMMCO is notified of the availability of the *scheduled network services* in accordance with the provisions of Chapter 3; and
  - (4) must submit to NEMMCO a schedule of *dispatch offers* for the *scheduled network services* in accordance with the provisions of Chapter 3.

## 2.5A Trader

- (a) A *Trader* is a person so registered by NEMMCO in order to participate in *auctions* under clause 3.18.
- (b) A person who is registered by NEMMCO as a *Trader* is:
  - (1) a *Registered Participant* for the purposes of the *National Electricity Law* and clauses 2.9, 2.10, 2.11, 3.13.5A, 3.18, 8.2 and 8.9 and clause 2.5A(b)(3);
  - (2) to be treated as a *Market Participant* for the purposes of clauses 3.3.1 and clause 3.15 (as applied and modified by clause 3.18.4) provided that a person who is registered by NEMMCO as a *Trader* is not to be regarded as a *Market Participant* for the purposes of clause 3.15.1(b); and
  - (3) entitled to receive any information which NEMMCO 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*.

## 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 NEMMCO under clause 4.3.3 to carry out some or all of NEMMCO'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 *NEMMCO* 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 clause 2.9, be registered by *NEMMCO* as an *Intending Participant* if that person can reasonably satisfy *NEMMCO* that it intends to carry out an activity in respect of which it must or may be registered as a *Registered Participant*.
- (b) *NEMMCO* may from time to time require a person registered by *NEMMCO* as an *Intending Participant* to satisfy *NEMMCO* that it continues to meet the criteria for registration in clause 2.7(a). If the *Intending Participant* is unable to satisfy *NEMMCO* that it continues to meet those criteria then it will cease to be registered as an *Intending Participant* on the date specified by *NEMMCO* 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 *NEMMCO* (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 clauses 2.2 to 2.7 unless the *Registered Participant* is registered by *NEMMCO* 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 clauses 2.2 to 2.7 provided that the *Registered Participant* is registered by *NEMMCO* in relation to each of the relevant *Registered Participant* categories.

### **2.8.2 [Deleted]**

## **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 *NEMMCO* in the form prescribed by *NEMMCO*.
- (b) *NEMMCO* 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 *NEMMCO*'s reasonable opinion, the application:

- (1) is incomplete; or
- (2) contains information upon which *NEMMCO* requires clarification,
- (c) If the further information or clarification required pursuant to clause 2.9.1(b) is not provided to *NEMMCO*'s satisfaction within 15 *business days* of the request, the person will be deemed to have withdrawn the application.

## 2.9.2 Admission as a Registered Participant

- (a) *NEMMCO* must, within 15 *business days* after receiving the application or after receiving the further information or clarification required under clause 2.9.1(b), whichever is the later, give notice to the applicant that the applicant is to be admitted in the category of *Registered Participant* applied for if *NEMMCO* is reasonably satisfied that:
  - (1) the applicant meets any 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 its financial obligations under Chapter 3 including the *prudential requirements* set out in clause 3.3; and
  - (3) the applicant will be able to comply with the *Rules*.
- (b) If *NEMMCO* is not reasonably satisfied that an applicant satisfies the requirements set out in clause 2.9.2(a), *NEMMCO* must, within 15 *business days* after receiving the application or after receiving the further information or clarification required under clause 2.9.1(b), whichever is the later, notify the applicant that it is not qualified to be registered as a *Registered Participant* in the relevant category and provide reasons for that determination.
- (c) [Deleted]

## 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 *NEMMCO* or the *AER* respectively for an exemption from that requirement to register.
- (b) *NEMMCO* or the *AER* (as the case may be) must allow that exemption if:
  - (1) the *applicant* notifies *NEMMCO* 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 *NEMMCO* 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 *NEMMCO* or the *AER*; and
  - (3) [Deleted]
  - (4) *NEMMCO* or the *AER* (as the case may be) notifies the *applicant* that it approves of the *intermediary*.
- (c) *NEMMCO* or the *AER* (as the case may be) must approve an *intermediary* if the *applicant* establishes to *NEMMCO*'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 *NEMMCO* 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, *NEMMCO* 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) *NEMMCO* 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 *NEMMCO*, whereupon *NEMMCO* must advise the *AER* that such notice has been given.
- (f) At 4.30 am, 2 *business days* after *NEMMCO* 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 *NEMMCO* 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 *NEMMCO* 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*.

## **2.10 Ceasing to be a Registered Participant**

### **2.10.1 Notification of intention**

- (a) A person may notify *NEMMCO* 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 *NEMMCO* 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) *NEMMCO* 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 *NEMMCO* 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 *NEMMCO* 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 *NEMMCO*, that *disconnection* is not inappropriate.
- (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*, *NEMMCO* must deliver a notice to the *AER* and the *AEMC* and notify all *Registered Participants* stating that:
  - (1) *NEMMCO* 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*.

## 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).
- (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) *NEMMCO* must develop, review and publish, in consultation with *Registered Participants* and *interested parties* and such other persons as *NEMMCO* thinks appropriate, in accordance with the *Rules consultation procedures*, the structure (including the introduction and determination) of *Participant fees* for such periods as *NEMMCO* considers appropriate.
- (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 *NEMMCO* determined under clause 2.11.3 on a basis where:
    - (i) recurring expenditure requirements and payments are recovered in the year of expenditure or payment (or the following year, should there be a revenue shortfall);
    - (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) establishment costs in the nature of:
      - (A) all expenditure (that is not in the nature of capital expenditure) incurred by, and depreciation and amortisation charged to, *NEMMCO* prior to *market commencement*, to the extent that the expenditures have not been funded by the *participating jurisdictions*, are recovered over a period of 10 years from *market commencement*; and
      - (B) **[Deleted]**
      - (C) capital expenditure incurred by *NEMMCO* before *market commencement*, to the extent that the expenditure has not been funded by *participating jurisdictions* or recovered under clause 2.11.1(b)(2)(iii)(A) as depreciation or amortisation, is 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; and
    - (iv) notwithstanding clauses 2.11.1(b)(2)(i), (ii) and (iii), expenditure incurred by, and depreciation and amortisation charged to, *NEMMCO* 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 *NEMMCO* 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 *NEMMCO* 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) *NEMMCO* may determine any of the following projects to be a *declared NEM project*:
    - (1) a major development to the *market*;
    - (2) a major change to a function, responsibility, obligation or power of *NEMMCO* under the *Rules*; or
    - (3) a major change to any of the computer software or systems which *NEMMCO* uses in the performance of any of its functions, responsibilities, obligations or powers under the *Rules*.
  - (bb) When *NEMMCO* 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*. *NEMMCO* 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), *NEMMCO* 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 *NEMMCO* will be entitled to recover through *Participant fees* expenditure incurred by, and depreciation and amortisation charged to, *NEMMCO* in respect of full retail competition. The period or periods over which recovery will occur for this *declared NEM project* will be determined by *NEMMCO* 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 *NEMMCO's* budgeted revenue requirements in relation to its procurement of *non-market ancillary services*;
- (3) *power system operations fees*, to recover *NEMMCO'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 *NEMMCO's* budgeted revenue requirements for the collection, storage and processing of *metering data*;
- (5) *billing and settlements fees*, to recover *NEMMCO's* budgeted revenue requirements as described in clause 2.11.3(b)(4); and
- (6) administration fees, to recover the remainder of *NEMMCO'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) *NEMMCO* must consider other fee structures in existence which it thinks appropriate for comparison purposes.
- (e) *NEMMCO* must publish to *Registered Participants* and to such other persons as *NEMMCO* 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) *NEMMCO* 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*, *NEMMCO* may, alternatively, include the relevant amount in the statements described in clause 3.15.15.
- (c) A *Registered Participant* must pay to *NEMMCO* 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 *NEMMCO's* budgeted revenue requirements by the date specified for payment, whether or not the *Registered Participant* disputes the net amount payable.

## 2.11.3 Budgeted revenue requirements

- (a) *NEMMCO* must prepare and *publish* before the beginning of each *financial year* a budget of the revenue requirements for *NEMMCO* for that *financial year*.
- (b) The budget prepared by *NEMMCO* under clause 2.11.3(a) must take into account and separately identify projected revenue requirements in respect of:
  - (1) *NEMMCO's* procurement of *non-market ancillary services*;

- (2) *NEMMCO'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) *NEMMCO's expenditures in relation to inter-network tests;*
- (3) *NEMMCO's expenditures in the collection, storage and processing of metering data;*
- (4) *NEMMCO's expenditures in the facilitation of the billing and settlement of market transactions;*
- (5) *NEMMCO's other expenditure requirements, operating costs and margin;*
- (6) *NEMMCO's obligation to provide funds to the AEMC to meet the approved Advocacy Panel funding requirements in accordance with clause 8.10.5;*
- (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 clause 3.16 (which requirements must only be recovered from Scheduled Generators and Scheduled Network Service Providers).*

## **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, non-scheduled generating units, market generating units or non-market generating units*;
  - (2) a "*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, 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*;
  - (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
  - (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, 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 clause 2.12, “matter” includes any assets, liabilities, acts, omissions or operations (whether past, present or future).