



National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011 No. 6

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 Pierce
Chairman
Australian Energy Market Commission

National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011 No. 6

1 Title of Rule

This Rule is the *National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011 No.6*.

2 Commencement

This Rule commences operation on 30 June 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.

5 Notes

Notes in Schedule 2 do not form part of this Rule.

Schedule 1 Amendments of the National Electricity Rules

(Clause 3)

[1] Clause 2.2.7 Semi-Scheduled Generator

Omit clause 2.2.7(i)(1) and substitute:

- (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] Clause 3.6.2 Intra-regional losses

Omit clause 3.6.2(b)(2) and substitute:

- (2) will be either:
 - (i) two *intra-regional loss factors* where *AEMO* determines, in accordance with the methodology determined under clause 3.6.2(d), that one *intra-regional loss factor* does not, as closely as is reasonably practicable, describe the average of the *marginal electrical energy losses* for electricity transmitted between a *transmission network connection point* and the *regional reference node* for the *active energy generation* and consumption at that *transmission network connection point*; or
 - (ii) one static *intra-regional loss factor* in all other circumstances;
- (2A) must be determined in accordance with the methodology determined by *AEMO* under clause 3.6.2(d) for each *transmission network connection point*;
- (2B) apply for a *financial year*; and

[3] Clause 3.6.2 Intra-regional losses

After clause 3.6.2(b), insert:

- (b1) If *AEMO* determines two *intra-regional loss factors* for a *transmission network connection point* under clause 3.6.2(b)(2), *AEMO* must apply the *intra-regional loss factors* in *central dispatch*

and *spot market transactions* in accordance with the procedure determined by *AEMO* under clause 3.6.2(d1).

[4] Clause 3.6.2 Intra-regional losses

After clause 3.6.2(d) insert:

- (d1) *AEMO* must determine, *publish* and maintain, in consultation with *Registered Participants*, a procedure that includes a description of the manner in which *AEMO* will, if two *intra-regional loss factors* apply to a *transmission network connection point*, apply two *intra-regional loss factors* in *central dispatch* and *spot market transactions*. The procedure determined under this paragraph (d1) must describe how *AEMO* will identify and measure the *generation* and *load* at each *transmission network connection point* and apply the relevant *intra-regional loss factor* against that *generation* or *load*.

[5] Clause 3.6.2 Intra-regional losses

In clause 3.6.2(e)(5), omit "The *intra-regional loss factor* for each" and substitute "An *intra-regional loss factor* for a".

[6] Clause 3.6.2 Intra-regional losses

In clauses 3.6.2(e)(6), (i), (j), (l) and (m), omit "the *intra-regional loss factor*" wherever occurring and substitute "an *intra-regional loss factor*" in each case.

[7] Clause 3.6.2 Intra-regional losses

In clause 3.6.2(k), omit "the *intra-regional loss factor*" where first occurring and substitute "an *intra-regional loss factor*".

[8] Clause 3.8.3 Bid and offer aggregation guidelines

Omit clause 3.8.3(b)(1) and substitute:

- (1) aggregated *generating units* or *loads* must be:
- (i) *connected* at a single site with the same *intra-regional loss factor* or, 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*; and
 - (ii) operated by a single *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*;

[9] Various clauses

In clauses 3.8.6(c), (e) and (h)(3), clause 3.8.6A(h), clauses 3.8.7(f) and (h), clause 3.9.1(c), clause 3.12.2(a)(2) and clause 3.15.6(a) insert "relevant" before "*intra-regional loss factor*" wherever occurring.

[10] Various clauses

After each of clauses 3.8.6, 3.8.6A, 3.8.7, 3.9.1(c), 3.12.2(a)(2) and 3.15.6(a), insert:

Note

Where two *intra-regional loss factors* are determined for a *transmission network connection point* under clause 3.6.2(b)(2), *AEMO* will determine the relevant *intra-regional loss factor* for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).

Schedule 2 Savings and Transitional Amendments to the National Electricity Rules

(Clause 4)

[1] Chapter 11 Savings and Transitional Rules

After rule 11.39, insert:

Part ZK Application of Dual Marginal Loss Factors

Note

Part ZJ of Chapter 11 (including rule 11.40) will be inserted by the *National Electricity Amendment (Network Support and Control Ancillary Services) Rule 2011 No.2* which commences on 5 April 2012.

11.41 Rules consequential on the making of the National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011

11.41.1 Definitions

For the purposes of this rule 11.41:

Amending Rule means the National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011.

commencement date means the date that the Amending Rule commences operation.

relevant financial year means the *financial year* that commences on 1 July 2011.

11.41.2 Amendments to loss factor methodology

If *AEMO*, prior to the commencement date and for the purpose of amending the methodology referred to in clause 3.6.2(d) as a result of the Amending Rule, has taken steps equivalent to those required by the *Rules consultation procedures*, then it will be taken to have complied with those steps for the purposes of clause 3.6.2(d).

11.41.3 Procedure applying dual intra-regional loss factors in central dispatch and spot market transactions

- (a) Despite clause 3.6.2(d1), *AEMO* may determine a procedure for the purpose of that clause without consulting with *Registered Participants*.

- (b) By no later than 30 June 2012, *AEMO* must determine and publish a procedure for the purpose of clause 3.6.2(d1) following consultation with *Registered Participants*.

11.41.4 Publication of intra-regional loss factors

- (a) Clause 3.6.2(f1) does not apply in respect of the *intra-regional loss factors* for the relevant financial year and any *intra-regional loss factors published* by *AEMO* on 1 April 2011 in compliance with clause 3.6.2(f1) will not apply for the relevant financial year unless they are *published* again by *AEMO* in accordance with paragraph (b).
- (b) *AEMO* must *publish* on or before 30 June 2011 the *intra-regional loss factors* revised under clause 3.6.2(f) and to apply for the relevant financial year.
- (c) For the avoidance of doubt, paragraph (b) does not require *AEMO* to recalculate any *intra-regional loss factors* that were previously *published* except where this is necessary as a result of a change to the methodology referred to in clause 3.6.2(d).

[END OF RULE AS MADE]
