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Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box A2449
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submissions@aemc.gov.au

Dear Dr Tamblyn

**AEMC Rule Change - NEM Reliability Settings: Information, Safety
Net and Directions Rule 2008**

The NGF is broadly supportive of the existing energy limitation assessment process NEMMCO has established, as it is useful for some stakeholders. While this Rule change proposal largely formalises this process, it imposes further obligations on generation participants. The NGF does not support any additional obligations for data provision, and recommends these should be removed from the Rule change. We also note individual members have commented on specific aspects of the Rule.

The NGF provides the following comments on the drafting aspects of the above Rule Change proposal. In our view these proposed changes will clarify the meaning of the provisions.

3.7B(a)

To clarify the purpose of this provision, delete the word “a quantified” and insert the words “that quantifies” so that the clause reads “...and other interested persons an analysis that quantifies the impact of energy constraints on energy availability over a 24 month period under a range of scenarios.”

3.7B(b)(3)

Insert the words “for each region” at the end of that sub clause, consistent with the intent of this provision.

3.7B(f)(2)

The obligation of a generator to provide “an estimate of anticipated generation...for each month...” should be changed to read “an estimate of the total anticipated generation...for each month...”, ie the information is to be provided at a level of detail no greater than a monthly aggregate.

3.7B(j)

A generator is required to re-submit a *GELF* due to a material change to an energy constraint. However, there is no time period specified within which a generator must re-submit the *GELF* to *NEMMCO*. We suggest that the clause should be changed to read “.... the *Scheduled Generator* must revise and re-submit the *GELF* in accordance with that paragraph as soon as practical”.

3.7B(l)

This clause sets out the obligation upon *NEMMCO* to publish the *EAAP* guidelines and specifies what is to be included in those guidelines. However, the obligation upon *NEMMCO* is to only “identify” those matters required to be included in the *EAAP* guidelines. Accordingly, we suggest replacement of the word “identify” with the word “define” in subparagraphs (1) through to (8) save for subparagraph (4). This will require *NEMMCO* to do more than simply identify the required matters and provide more detail of those matters.

3.7B(s)

This clause requires *NEMMCO* to provide to a generator an estimate of the “likely utilisation” of the units for the period of the *EAAP*. The term “utilisation” is a term not used within the Rules. All the more, it is unclear how the utilisation for the period of *EAAP* is to be provided to a generator? For example, could *NEMMCO* simply advise a generator that for the period of the *EAAP* it will be utilised 90% of that time? For this reason we recommend that “likely utilisation” is replaced with the words “total energy production indicated by the *NEMMCO* analysis”.

3.20.3(i)

This clause may be interpreted as creating a right for *NEMMCO* to compel a *Scheduled Generator* or *Market Participant* to enter into a *scheduled reserve contract*. This issue arises from the use of the word “requests”. Our understanding is that *NEMMCO* will effectively tender for reserve capacity and as a result of that tender will then select *Market Participants* from that tender within whom it wishes to contract for reserve capacity. Against this framework we consider that the use of the word “requests” in (i) and (j) is inappropriate and an alternative could be to commence (i) with the words “if *NEMMCO* seeks to enter into a *scheduled reserve contract* in relation to a *scheduled generating unit*.. “.

3.20.7

The Report required to be published by *NEMMCO* upon exercising its reserve powers only requires it to “outline” the matters set out in subparagraphs (1) through to (6). Accordingly we suggest delete the word “outlining” and replace it with the word “detailing”. If this change is implemented then the opening words of (3) namely, “details of” should be deleted.

On a presentational issue, we note that a substantive part of this Rule change is either simply moving existing provisions of the Rules to other parts of the Rules or making changes to include new proposed definitions. However the approach adopted by the Commission in producing the markup of the Rule Change proposal would indicate that there have been significant changes to the Rules. This has meant that it is a time consuming task in differentiating text that has been moved and genuine changes to the Rules. We would suggest that in future for rule changes of this nature that the Commission publish a Concordia that sets out which clauses have been moved and to where and which clauses have been changed. An example is attached for the Commissions reference.

If you have any questions, please contact the undersigned on 02 6243 5120.

Yours faithfully

John Boshier
Executive Director
National Generators Forum

Attachment A

Table of Amendments to the National Electricity Rules Version 19

Old Provision Number	Description of how the provision has changed	New Provision Number (if applicable)
1.11	Amended	
3.2.5	Deleted	
3.7.2(f)(1)	Amended	
3.7.3(d)(2)	Amended	
3.7.3(h)(1)	Amended	
3.7B	Added	
3.8.1(b)(11)	Amended	
3.8.12	Amended	
3.8.14	Amended	
3.9.2(e)(2)	Amended	
3.9.3	Amended	
3.9.4(c1)(1)	Amended	
3.12.1	Amended	3.20.3
3.12.8	Amended	3.20.6
3.12.10	Amended	3.12.1
3.12.11	Amended	3.12.2
3.12.11A	Amended	3.12.3
3.12A.5	Amended	
3.13.3(u)	Added	
3.13.3(v)	Added	
3.13.4(f)(1)	Amended	
3.13.4(f)(5)	Amended	
3.13.4(f)(5A)(iv)	Amended	
3.13.4(f)(5B)(iv)	Amended	
3.13.4(y)	Added	

3.13.6	Amended/Deleted	3.20.7
3.13.6A(6)	Amended	
3.13.6A(7)	Amended	
3.15.6	Amended	
3.15.7B(c)(1)	Amended	
3.15.7B(d)(2)	Amended	
3.15.8(a)(1)(i)	Amended	
3.15.8(a)(2)(i)	Amended	
3.15.8(a)(2)(iii)	Amended	
3.15.8(e)(1)(i)	Amended	
3.15.8(e)(2)(i)	Amended	
3.15.8(e)(2)(iii)	Amended	
3.15.8(g)	Amended	
3.15.9	Amended/Deleted	3.20.5
3.15.10C(a)(1)	Amended	
3.15.10C(a)(3)(i)	Amended	
3.15.10C(a)(3)(iii)	Amended	
3.15.10C(b)	Amended	
3.15.10C(b)(2)	Amended	
3.15.10C(b)(3)	Amended	
3.15.10C(b)(6)	Amended	
3.20.1	Added	
3.20.2	Added	
3.20.3(a)	Added	
3.20.3(b)	Amended	3.12.1(c)
3.20.3(c)	Added	
3.20.3(d)	Added	
3.20.3(e)	Added	

3.20.3(f)	Amended	3.12.1(d)
3.20.3(g)	Amended	3.12.1(e)
3.20.3(h)	Amended	3.12.1(f)
3.20.3(i)	Amended	3.12.1(h)
3.20.3(j)	Added	
3.20.4	Added	
3.20.5(a)	Amended	3.15.9(a)
3.20.5(b)	Amended	3.15.9(b)
3.20.5(c)	Amended	3.15.9(c)
3.20.5(d)	Amended	3.15.9(d)
3.20.5(e)	Amended	3.15.9(e)
3.20.5(f)	Amended	3.15.9(f)
3.20.5(g)	Amended	3.15.9(k)
3.20.5(h)	Amended	3.15.9(m)
3.20.6(a)	Amended	3.12.8(a)
3.20.6(b)	Amended	3.12.8(b)
3.20.7(a)	Amended	3.13.6(a)
3.20.7(b)	Amended	3.13.6(a1)
3.20.7(c)	Amended	3.13.6(b)
3.20.8(a)	Amended	4.8.6(a)
3.20.8(b)	Amended	4.8.6(b)
3.20.8(c)	Amended	4.8.6(b1)
3.20.8(d)	Amended	4.8.6(b2)
3.20.8(e)	Amended	4.8.6(c)
3.20.8(f)	Amended	4.8.6(e)
3.20.8(g)	Added	
3.20.9	Added	
3.20.10	Added	

4.3.1(l)	Amended	
4.8.5A	Amended	
4.8.5B	Amended	
4.8.6	Amended/Deleted	3.20.8
4.8.9	Amended	