



National Electricity Amendment (Small Generation Aggregator Framework) Rule 2012 No. 8

under the National Electricity Law to the extent as applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (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 (Small Generation Aggregator Framework) Rule 2012 No. 8

1 Title of Rule

This Rule is the *National Electricity Amendment (Small Generation Aggregator Framework) Rule 2012 No.8*.

2 Commencement

This Rule commences operation on 1 January 2013.

3 Amendment of the National Electricity Rules

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

4 Amendment of the National Electricity Rules

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

5 Savings and Transitional Amendments to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 2.2.1 Registration as a Generator

After clause 2.2.1(c), insert:

Note:

A person who is exempt from registration as a *Generator*, may register with AEMO as a *Small Generation Aggregator* under rule 2.3A.

[2] New Rule 2.3A Small Generation Aggregator

After clause 2.3.5(i), insert:

2.3A Small Generation Aggregator

2.3A.1 Registration

- (a) A person who intends to supply electricity from one or more *small generating units* to a *transmission or distribution system* may, upon application for registration by that person in accordance with rule 2.9, be registered by AEMO as a *Small Generation Aggregator*.
- (b) To be eligible for registration as a *Small Generation Aggregator*, a person must satisfy AEMO that the person intends to classify, within a reasonable amount of time, one or more *small generating units* each as a *market generating unit*, with each *market generating unit* having a separate *connection point*.
- (c) A person must not engage in the activity of selling electricity directly to the *market* at any *connection point*, unless that person is registered by AEMO as a *Market Participant* and that *connection point* is classified as one of that person's *market connection points*.
- (d) A person must not classify a *small generating unit* as a *market generating unit* for electricity supplied from 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 supply electricity in the *spot market* in relation to that *connection point*.
- (e) A *Market Small Generation Aggregator* must classify each *small generating unit* from which it proposes to supply electricity as a *market generating unit*, with each *market generating unit* having a separate *connection point*.
- (f) A *Market Small Generation Aggregator's* activities only relate to *small generating units* it has classified as *market generating units*,

and only while it is also registered with *AEMO* as a *Small Generation Aggregator*.

- (g) A *Market Small Generation Aggregator* must sell all *sent out generation* through the *spot market* and accept payments from *AEMO* for all *sent out generation* at the *spot price* applicable at the *connection point* for which it is *financially responsible* as determined for each *trading interval* in accordance with the provisions of Chapter 3.
- (h) A *Market Small Generation Aggregator* must purchase all electricity *supplied* through the *national grid* to the *Market Small Generation Aggregator* at that *connection point* from the *spot market* and make payments to *AEMO* for such electricity *supplied* at the *connection point* for which it is *financially responsible* as determined for each *trading interval* in accordance with the provisions of Chapter 3.

[3] Clause 2.4.1 Registration as a category of Market Participant

After clause 2.4.1(a)(1), insert:

(1A) *Market Small Generation Aggregator*;

[4] Clause 2.4.2 Eligibility

In clause 2.4.2(c)(2), omit "or".

[5] Clause 2.4.2 Eligibility

After clause 2.4.2(c)(2), insert:

(2A) as a *Small Generation Aggregator*, for registration as a *Market Small Generation Aggregator*; or

[6] Clause 2.10.1 Notification of intention

In clause 2.10.1(d)(2), omit "supplied" and substitute "*supplied*".

[7] Clause 2.10.1 Notification of intention

After clause 2.10.1(d), insert:

- (d1) *AEMO* may reject a notice from a *Market Small Generation Aggregator* which states that it wishes to terminate its classification of a *small generating unit* as a *market generating unit*, or otherwise cease to be a *Market Small Generation Aggregator* in relation to any of its *market generating units*, unless *AEMO* is satisfied that:
 - (1) another person has classified the *small generating unit* as one of its *market generating units* and that person is registered as a

Small Generation Aggregator and a Market Small Generation Aggregator;

- (2) the relevant *Local Retailer* has agreed or is otherwise required by laws of the relevant *participating jurisdiction* to assume responsibility for payments with *AEMO* for electricity supplied to the *connection points* of the *market generating units*; or
- (3) the *small generating unit* at that *connection point* will be *disconnected* on and from the date specified in the notice, and, after having regard to any relevant guidelines and procedures specified by the relevant *participating jurisdictions* to *AEMO*, *disconnection* is appropriate.

[8] Rule 2.12 Interpretation of References to Various Registered Participants

After rule 2.12(b)(1), insert:

- (1A) a "*Small Generation Aggregator*" applies to a person registered as a "*Small Generation Aggregator*" only in so far as it is applicable to matters connected with the person's *small generating units* or *market generating units*;

[9] Rule 2.12 Interpretation of References to Various Registered Participants

After rule 2.12(b)(7)(i), insert:

- (i1) where that person is registered as a *Market Small Generation Aggregator*, in so far as it is applicable to matters connected with the person's *market generating units*; and

[10] Clause 3.6.3 Distribution losses

In clause 3.6.3(b1), after "*Generator*", insert ", or a *Small Generation Aggregator*".

[11] Clause 3.13.14 Carbon Dioxide Equivalent Intensity Index

After clause 3.13.14(a), insert:

- (a1) For the purposes of this clause, reference to a *market generating unit* is not taken to include a *small generating unit*.

[12] Clause 3.15.6A Ancillary service transactions

Omit clause 3.15.6A(d) and substitute:

In each *trading interval*, in relation to each *Market Generator* and each *Market Small Generation Aggregator*, an ancillary services transaction occurs, which results in a *trading amount* for the *Market Generator* or the *Market Small Generation Aggregator* determined in accordance with the following formula:

$$TA = \frac{TSRP}{2} \times \frac{TGE + TSGE}{ATGE + ATSGE} \times -1$$

where:

TA (in \$)	=	the <i>trading amount</i> to be determined (which is a negative number);
TSRP (in \$)	=	the total of all amounts payable by AEMO in respect of the <i>trading interval</i> under <i>ancillary services agreements</i> in respect of the provision of <i>system restart ancillary services</i> ;
TGE (in MWh)	=	the <i>generator energy</i> for the <i>Market Generator</i> for the <i>trading interval</i> ;
TSGE (in MWh)	=	the <i>small generator energy</i> for the <i>Market Small Generator Aggregator</i> for the <i>trading interval</i> ;
ATGE (in MWh)	=	the aggregate of the <i>generator energy</i> figures for all <i>Market Generators</i> for the <i>trading interval</i> ; and
ATSGE (in MWh)	=	the aggregate of the <i>small generator energy</i> figures for all <i>Market Small Generator Aggregators</i> for the <i>trading interval</i> .

[13] Clause 3.15.6A Ancillary service transactions

In clause 3.15.6A(f)(3), omit "*generator energy for the Market Generators*" and substitute "*generator energy for the Market Generators and small generator energy for the Market Small Generation Aggregators*".

[14] Clause 3.15.6A Ancillary service transactions

In clause 3.15.6A(f), omit the paragraph before the formula, the formula and the formula definitions, and substitute:

In each *trading interval*, in relation to each *Market Generator* and each *Market Small Generation Aggregator* in a given *region*, an ancillary services transaction occurs, which results in a *trading amount* for that *Market Generator* and that *Market Small Generation Aggregator* determined in accordance with the following formula:

$$TA = RTCRSP \times \frac{TGE + TSGE}{RATGE + RATSGE} \times -1$$

where:

TA (in \$)	=	the <i>trading amount</i> to be determined (which is a negative number);
RTCRSP (in \$)	=	the total of all amounts calculated by <i>AEMO</i> as appropriate to recover from the given <i>region</i> as calculated in this clause 3.15.6A(f) for the <i>fast raise service</i> , <i>slow raise service</i> or <i>delayed raise service</i> in respect of <i>dispatch intervals</i> which fall in the <i>trading interval</i> ;
TGE (in MWh)	=	the <i>generator energy</i> for the <i>Market Generator</i> in that <i>region</i> for the <i>trading interval</i> ;
TSGE (in MWh)	=	the <i>small generator energy</i> for the <i>Market Small Generator Aggregator</i> in that <i>region</i> for the <i>trading interval</i> ;
RATGE (in MWh)	=	the aggregate of the <i>generator energy</i> figures for all <i>Market Generators</i> in that <i>region</i> for the <i>trading interval</i> ; and
RATSGE (in MWh)	=	the aggregate of the <i>small generator energy</i> figures for all <i>Market Small Generator Aggregators</i> in that <i>region</i> for the <i>trading interval</i> .

[15] Clause 3.15.6A Ancillary service transactions

In clause 3.15.6A(i)(1), omit "*Market Generator* or *Market Customer*" wherever occurring and substitute "*Market Generator*, *Market Small Generation Aggregator* or *Market Customer*".

[16] Clause 3.15.6A Ancillary service transactions

In clause 3.15.6A(o)(3), omit "and" where lastly occurring.

[17] Clause 3.15.6A Ancillary service transactions

In 3.15.6A(o)(4), omit "." and substitute:

- ;
- (5) '*small generator energy*' in respect of a *Market Small Generation Aggregator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Small Generation Aggregator's* applicable *connection points*, provided that, if the sum of those figures is negative, then the *Market Small Generation Aggregator's small generator energy* for that *trading interval* is zero; and
 - (6) a *connection point* is an applicable *connection point* of a *Market Small Generator Aggregator* if:
 - (A) the *Market Small Generator Aggregator* is *financially responsible* for the *connection point*; and
 - (B) the *connection point* connects a *small generating unit* classified as a *market generating unit* to the *national grid*.

[18] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(f)(3), omit "TCE, TGE, AGE, ATCE, ATGE or AAGE" and substitute "TCE, TGE, TSGE, AGE, ATCE, ATGE, ATSGE or AAGE".

[19] Clause 3.15.8 Funding of Compensation for directions

Omit clause 3.15.8(g) and substitute:

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*, *Market Generators* and *Market Small Generation Aggregators*. *AEMO* must, in accordance with the *intervention settlement timetable*, calculate a figure for each *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* in each *region* applying the following formula:

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

where:

MCP	=	the amount payable or receivable by a <i>Market Customer, Market Generator</i> or <i>Market Small Generation Aggregator</i> under this clause 3.15.8(g);
TGE	=	the generator energy for the <i>Market Generator</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
TSGE	=	the small generator energy for the <i>Market Small Generation Aggregator</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
TCE	=	the customer energy for the <i>Market Customer</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
RATGE	=	the aggregate of the generator energy for all <i>Market Generators</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
RATSGE	=	the aggregate of the small generator energy for all <i>Market Small Generation Aggregation</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
RATCE	=	the aggregate of the customer energy for all <i>Market Customers</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ;
RB	=	the regional benefit determined by <i>AEMO</i> under clause 3.15.8(b1) at the time of issuing the <i>direction</i> ; and
CRA	=	the <i>compensation recovery amount</i> .

[20] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(h)(3), omit "and" where lastly occurring.

[21] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(h)(4), omit "." and substitute:

- ;
- (5) **small generator energy** in respect of a *Market Small Generation Aggregator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Small Generation Aggregator's* applicable connection points, provided that, if the sum of those figures is negative, then the *Market Small Generation Aggregator's* small generator energy for that *trading interval* is zero; and
 - (6) a *connection point* is an "applicable connection point" of a *Market Small Generation Aggregator* if:
 - (i) the *Market Small Generation Aggregator* is *financially responsible* for the *connection point*; and
 - (ii) the *connection point* connects a *small generating unit* classified as a *market generating unit* to the *national grid*.

[22] Clause 3.15.10C Intervention Settlements

In clauses 3.15.10C(a)(4), 3.15.10C(a)(7) and 3.15.10C(c)(3)(iii), omit "*Market Customer* and *Market Generator*" and substitute "*Market Customer*, *Market Generator* and *Market Small Generation Aggregator*".

[23] Clause 3.15.10C Intervention Settlements

In clauses 3.15.10C(b)(7)(i) and 3.15.10C(b)(7)(ii), omit "*Market Customer* or *Market Generator*" and substitute "*Market Customer*, *Market Generator* or *Market Small Generation Aggregator*".

[24] New clause 5A.A.3 Market Small Generation Aggregator deemed to be agent of a retail customer

After clause 5A.A.2, insert:

5A.A.3 Small Generation Aggregator deemed to be agent of a retail customer

A *Market Small Generation Aggregator* is deemed to be the agent of a retail customer, where there is an agreement between the *Market Small Generation Aggregator* and the retail customer relating to the retail customer's *small generating unit* under which the *Market Small Generation Aggregator* is *financially responsible* for the *market connection point* at which the *small generating unit* is connected to the *national grid*.

[25] Clause 7.3.1 Metering installation components

After clause 7.3.1(i), insert:

Requirements for metering installations for a small generating unit classified as a market generating unit

- (j) In addition to the requirements for *metering installations* for *non-market generating units* in paragraph (i), a *metering installation* for a *small generating unit* classified as a *market generating unit* must:
- (1) be a *metering installation* that is classified as a type 1, 2, 3 or 4 *metering installation*; and
 - (2) be capable of recording *interval energy data* relevant to *settlements*.

[26] Clause 8.2.1 Application and guiding principles

After clause 8.2.1(h)(5B), insert:

- (5C) a decision by *AEMO* to reject a notice from a *Market Small Generation Aggregator* under clause 2.10.1(d1);

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Chapter 10 New definitions

In Chapter 10, insert the following definitions in alphabetical order:

Market Small Generation Aggregator

A person who:

- (a) has classified one or more *small generating units* as a *market generating unit*; and
- (b) is registered by *AEMO* as a *Market Small Generation Aggregator* under Chapter 2.

small generating unit

A *generating unit*:

- (a) with a *nameplate rating* that is less than 30MW; and
- (b) which is owned, controlled or operated by a person that *AEMO* has exempted from the requirement to register as a *Generator* in respect of that *generating unit* in accordance with clause 2.2.1(c).

Small Generation Aggregator

A person who:

- (a) intends to supply, or supplies, electricity from one or more *small generating units* that are connected to a *transmission or distribution system*; and
- (b) is registered by *AEMO* as a *Small Generation Aggregator* under Chapter 2.

[2] Chapter 10 Substituted definitions

In Chapter 10, substitute the following definitions:

Market Participant

A person who is registered by *AEMO* as a *Market Generator*, *Market Customer*, *Market Small Generation Aggregator* or *Market Network Service Provider* under Chapter 2.

Schedule 3 Savings and Transitional Amendments to the National Electricity Rules

(Clause 5)

[1] Chapter 11 Savings and Transitional Rules

After rule 11.51, insert:

Part ZV Small Generation Aggregator Framework

11.52 Rules consequential on the making of the National Electricity Amendment (Small Generation Aggregator Framework) Rule 2012

11.52.1 Definitions

In this rule 11.52:

Amending Rule means the National Electricity Amendment (Small Generation Aggregator Framework) Rule 2012.

Amending Rule commencement date means the date of commencement of the Amending Rule.

customer energy has the same meaning in clause 3.15.6A(o)(3) of new clause 3.15.6A.

small generator energy has the same meaning in clause 3.15.6A(o)(5) of new clause 3.15.6A.

MSGA participant fees and Chapter 3 commencement date has the meaning given to it in clause 11.52.2.

new clause 3.15.6A means clause 3.15.6A of the *Rules* after the Amending Rule commencement date.

new clause 3.15.8 means clause 3.15.8 of the *Rules* after the Amending Rule commencement date.

new clause 3.15.10C means clause 3.15.10C of the *Rules* after the Amending Rule commencement date.

old clause 3.15.6A means clause 3.15.6A of the *Rules* (and all definitions in, and relevant provisions of, the *Rules*) in force immediately prior to the Amending Rule commencement date.

old clause 3.15.8 means clause 3.15.8 of the *Rules* (and all definitions in, and relevant provisions of, the *Rules*) in force immediately prior to the Amending Rule commencement date.

old clause 3.15.10C means clause 3.15.10C of the *Rules* (and all definitions in, and relevant provisions of, the *Rules*) in force immediately prior to the Amending Rule commencement date.

11.52.2 Commencement of participant fees as well as transactions, funding and settlements under Chapter 3 for Market Small Generation Aggregators

- (a) Subject to paragraph (b), the MSGA participant fees and Chapter 3 commencement date is 31 December 2013.
- (b) *AEMO* may determine a MSGA participant fees and Chapter 3 commencement date that is earlier than 31 December 2013 provided that:
 - (1) *AEMO* is able to do all of the following:
 - (i) charge *Participant fees* under this Part; and
 - (ii) determine ancillary services transactions under new clause 3.15.6A; and
 - (iii) include (if required) in a relevant *final statement* amounts calculated under new clause 3.15.10C; and
 - (2) *AEMO publishes* a notice that specifies the earlier MSGA participant fees and Chapter 3 commencement date, which must not be less than 10 *business days* before the specified date.

11.52.3 Participant fees for Market Small Generation Aggregators

- (a) For the period from the MSGA participant fees and Chapter 3 commencement date until the date that *AEMO publishes* a revised structure of *Participant fees* under rule 2.11, for the purposes of charging a *Market Small Generator Aggregator* a *Participant fee*, in the document titled "Structure of Participant Fees under rule 2.11 of the National Electricity Rules" dated 21 March 2011, references to *Market Customer* will be taken to include *Market Small Generator Aggregator*.
- (b) In *publishing* a revised structure of *Participant fees* under rule 2.11, *AEMO* must take into account the Amending Rule.

11.52.4 Ancillary service transactions, funding of compensation for directions and intervention settlements for directions for Market Small Generation Aggregators

- (a) As soon as practicable after the Amending Rule commencement date:

- (1) *AEMO* must implement a plan to update its process, software or algorithm in regards to the determination by *AEMO* of ancillary service transactions referred to in clause 3.15.6A to take into account the Amending Rule; and
 - (2) *AEMO* must amend the procedure for determining contribution factors as referred to in clause 3.15.6A(j) to take into account the Amending Rule.
- (b) From the Amending Rule commencement date to the MSGA participant fees and Chapter 3 commencement date:
- (1) *AEMO* must determine ancillary service transactions under old clause 3.15.6A, where:
 - (i) *Market Customer* will be taken to include *Market Small Generation Aggregator*; and
 - (ii) customer energy will be taken to include small generator energy;
 - (2) *AEMO* must calculate funding of compensation for *directions* under old clause 3.15.8; and
 - (3) *AEMO* must include in a relevant *final statement* amounts calculated under old clause 3.15.10C.
- (c) *AEMO* may amend the procedure for determining contribution factors as referred to in clause 3.15.6A(j) to take into account the Amending Rule without complying with the *Rules consultation procedures* provided that it:
- (1) *publishes* a notice that the procedure for determining contribution factors as referred to in clause 3.15.6A(j) has been amended to take into account the Amending Rule; and
 - (2) makes available on its website the amended procedure for determining contribution factors as referred to in clause 3.15.6A(j).

11.52.5 Amendments to the carbon dioxide equivalent intensity index procedures

- (a) As soon as practicable after the Amending Rule commencement date, *AEMO* must amend and publish the *carbon dioxide equivalent intensity index procedures* so that a reference to a *market generating unit* is not taken to include a *small generating unit*.
- (b) *AEMO* may amend the *carbon dioxide equivalent intensity index procedures* so that a reference to a *market generating unit* is not taken to include a *small generating unit*, without complying with the *Rules consultation procedures* provided that it:

- (1) *publishes* a notice that a reference to a *market generating unit* in the *carbon dioxide equivalent intensity index procedures* is not taken to include a *small generating unit*; and
- (2) makes available on its website the amended *carbon dioxide equivalent intensity index procedures*.

11.52.6 Amendments of the metrology procedures

- (a) As soon as practicable after the Amending Rule commencement date, *AEMO* must amend the *metrology procedures* to take into account the Amending Rule.
- (b) Only to the extent of amending the *metrology procedures* to take into account the Amending Rule, *AEMO*:
 - (1) is not subject to, or required to comply with, clause 7.1.4(a) and (b);
 - (2) is not required to comply with the *Rules consultation procedures*;
 - (3) must *publish* a notice that the *metrology procedures* has been amended to take into account the Amending Rule; and
 - (4) must make available on its website the amended *metrology procedures*.

11.52.7 Amendments to the Market Settlement and Transfer Solution Procedures

- (a) As soon as practicable after the Amending Rule commencement date, *AEMO* must amend and *publish* the *Market Settlement and Transfer Solution Procedures* to take into account the Amending Rule.
- (b) If, prior to the Amending Rule commencement date, and for the purposes of developing the *Market Settlement and Transfer Solution Procedures* in anticipation of the Amending Rule, *AEMO* undertook a consultation, step, decision or action equivalent to that as required in the *Rules consultation procedures*, then that consultation, step, decision or action is taken to satisfy the equivalent consultation, step, decision or action under the *Rules consultation procedures*.

[END OF RULE AS MADE]
