



Proposed National Electricity Amendment (Confidentiality Arrangements in Respect of Information Required for Power System Studies) Rule 2009

Request for Submissions on a Specific Issue Explanatory Note

22 January 2009

Request for Submissions

The Australian Energy Market Commission (the Commission) invites written submissions and comments from interested parties on a specific issue raised by the National Generator Forum's (NGF) Confidentiality Arrangements in Respect of Information Required for Power System Studies Rule change proposal ("the proposal"). Details on this issue are set out below. Submissions should not address any other matter concerning the proposal.

Submissions must be received by **6 February 2009** and should be forwarded to submissions@aemc.gov.au. Submissions must only address the specific issue that is outlined in this explanatory note and should cite the reference **ERC0062** on their cover page.

Background

On 8 April 2008, the NGF submitted a Rule change proposal ("the proposal") to the Commission regarding confidentiality arrangements in respect of information provided to NEMMCO. The proposal is primarily in response to the National Electricity Amendment (Technical Standards For Wind Generation and Other Generator Connections) Rule 2007 No. 2 ("the March 2007 Rule change").

On 25 September 2008, the Commission published its draft Rule and its associated determination on the proposal.

On 22 January 2009, the Commission published a Notice under section 107A of the National Electricity Law. That notice seeks further public consultation on the specific issue identified below and extends the time period for the Commission to make its final Rule and associated determination on this Rule change proposal until 19 February 2009. The Commission considers that the specific issue raised is of sufficient complexity to warrant this extension of time.

Specific Issue

The purpose of the proposed Rule is to ensure NEMMCO may provide information to any Registered Participant to enable power system modelling to take place for the efficient planning and operation of the National Electricity Market (NEM). Currently NEMMCO holds the relevant information some of which was provided to NEMMCO on a confidential basis after 15 March 2007 for another purpose under the National Electricity Rules. As such, NEMMCO would not be able to provide to a Registered Participant (if requested) all the relevant information for developing a comprehensive power system model.

To overcome this problem, the Commission invites submissions on whether the proposed Rule's transitional arrangements should place an obligation on Generators to provide NEMMCO with a releasable user guide within three months from the date on which the proposed Rule commences operation, with two exceptions. The first exception would be where information of a type required for a releasable user guide was provided to NEMMCO before 15 March 2007 and it was specifically permitted to release this information under the Rules. The second exception would be for information provided to NEMMCO after 15 March 2007 where the relevant Generator provides its written consent to NEMMCO to provide to Registered Participants (in response to a request under the Rules) information of a type required for a releasable user guide which NEMMCO already holds at the date of the commencement of the proposed Rule.

Background on the issue and the proposed transitional arrangements

In the draft Rule determination, the Commission noted that the proposed obligation to provide a releasable user guide would not be retrospective in operation and would only apply to Generators connecting to the NEM from the commencement of the final Rule. The intent was not to compel the disclosure of information that was provided previously to NEMMCO in good faith. A number of stakeholder submissions raised concerns that the transitional arrangements stating information provided to NEMMCO since the March 2007 Rule change contains confidential information and should not be disclosed in a releasable user guide.

The Commission is concerned that without the proposed transitional arrangements, NEMMCO could only release power system modelling information that would be incomplete and, therefore, not of the quality required to undertake adequate power system studies. Further, even if NEMMCO sought the agreement of the relevant Generator to use the information that it already holds, NEMMCO might not receive the required consent in a number of cases. This could result in efficiency, safety and reliability issues for the electricity power system and NEM operation.

To resolve the issue of incomplete modelling data, it is proposed to include the proposed transitional arrangements in the final Rule to require Generators to provide NEMMCO with information of a type required in a releasable user guide with the exceptions outlined below to avoid unnecessary duplication and administrative cost on Generators.

For information that was provided to NEMMCO prior to 15 March 2007, the commencement date of the March 2007 Rule change, there were no restrictions on what information NEMMCO was allowed to disclose to Registered Participants for the purpose of modelling the operation of the power system, to the extent reasonably necessary to enable a Network User to develop an application to connect. Therefore, the suggested drafting of the transitional arrangements has been amended to state that information received by NEMMCO prior to this date can be deemed information of the type to be included in a releasable user guide. For information received after this date until commencement of this amending Rule, either the Generator must provide a releasable user guide within three months, or provide NEMMCO with written consent for NEMMCO to use relevant information that it holds at the commencement date of the Amending Rule.

Implementation of the proposed transitional arrangements

To ensure NEMMCO may use information it received before and after the 15 March 2007 for the purpose of providing a releasable user guide to Registered Participants, the Commission proposes to insert a new rule 11.25 for implementing the proposed transitional arrangements for the *National Electricity Amendment (Confidentiality Arrangements in Respect of Information Required for Power System Studies) Rule 2009*.

The Commission's proposed transitional arrangements are set out in the following draft provisions.

Draft Provisions for the transitional arrangements

Proposed Rule 11.25 Transitional provision for information

- (a) For the purposes of rule 11.25:

Amending Rule means the National Electricity Amendment (Confidentiality Arrangements in Respect of Information Required for Power System Studies) Rule 2009.

Commencement date of the Amending Rule means the date of commencement of the National Electricity Amendment (Confidentiality Arrangements in Respect of Information Required for Power System Studies) Rule 2009.

- (b) A *Generator* must provide *NEMMCO* with a *releasable user guide* by 29 May 2009 except in relation to the following:
- (i) information provided to *NEMMCO* before 15 March 2007 that *NEMMCO* holds at the commencement date of the Amending Rule of a type required in a *releasable user guide* is deemed to be *releasable user guide* information for the purposes of clause 3.13.3(l); and
 - (ii) information provided to *NEMMCO* after 15 March 2007 where the relevant *Generator*, being the provider identified in clause 3.13.3(12), provides its written consent to *NEMMCO* for *NEMMCO* to use information that *NEMMCO* holds at the commencement date of the Amending Rule of a type required in a *releasable user guide* for the purposes of clause 3.13.3(l).
- (c) *Releasable user guide* information provided to *NEMMCO* under rule 11.25(b) is deemed to be *releasable user guide* information provided under clause S5.2.4(b)(8).
- (d) *NEMMCO* must implement any changes to its systems needed to comply with its obligation under the Amending Rule within 12 months of the commencement date of the Amending Rule.

For context only, set out below are the relevant draft provisions referred to in the draft transitional arrangements.

Proposed clause 3.13.3(l):

- (l) If *NEMMCO* holds information requested under clause 3.13.3(k), *NEMMCO* must provide the requested information to the *Registered Participant* as soon as practicable, subject to the following conditions:
- (1) If *NEMMCO* holds and is required under this paragraph (l) to provide a *releasable user guide* that *NEMMCO* received under clause S5.2.4(b)(8), *NEMMCO* must provide the *releasable user guide* to the *Registered Participant* in an unaltered form.
 - (2) If *NEMMCO* holds and is required under this paragraph (l) to provide a form of the source code that *NEMMCO* received under clause S5.2.4(b)(6) or from any other source, *NEMMCO* must provide that information:
 - (i) only in the form of, at *NEMMCO*'s discretion:
 - (A) compiled information (such as, for example, compiled Fortran code in object code or dynamic link library (DLL) form);

- (B) encrypted information; or
 - (C) a secured format agreed by the provider of the source code,
unless *NEMMCO* has the written consent of the person who provided the information to *NEMMCO* to provide it in another form; and
- (ii) in a form that can be interpreted by a software simulation product nominated by *NEMMCO*.
- (3) Any information provided by *NEMMCO* under clause 3.13.3(1) to a *Registered Participant* is *confidential information*.

Proposed clause 3.13.3(12):

- (12) For the purposes of clause 3.13.3(1), the provider of the source code information is:
 - (1) the *Generator*, if the information was received from a *Generator* under clause S5.2.4(b)(6) or S5.2.4(d); or
 - (2) the *Generator*, if the information was provided to *NEMMCO* by a *Network Service Provider* and that same *Network Service Provider* advises *NEMMCO* that the provider of the information is the *Generator*; or
 - (3) the relevant *Network Service Provider*, if that same *Network Service Provider* advises *NEMMCO* that the provider of the information is itself; or
 - (4) otherwise, the relevant *Transmission Network Service Provider*.

Proposed clause S5.2.4(b)(8):

- (8) to *NEMMCO* and the relevant *Network Service Providers* (including the relevant *Transmission Network Service Provider* in respect of an *embedded generating unit*) a *releasable user guide* in relation to the model in subparagraphs (5) and (6).