



Draft National Electricity Amendment (Bidding in good faith) Rule 2015

under the National Electricity Law to the extent 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

Draft National Electricity Amendment (Bidding in good faith) Rule 2015

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Bidding in good faith) Rule 2015*.

2 Commencement

This Rule commences operation on [COMMENCEMENT_DATE].

3 Amendment of the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.1.4 Market Design Principles

Omit clause 3.1.4(a)(2), and substitute:

- (2) maximum level of *market* transparency in the interests of achieving a very high degree of *market* efficiency, including by providing accurate, reliable and timely forecast information to *Market Participants*, in order to allow for responses that reflect underlying conditions of supply and demand;

[2] Clause 3.8.22 Rebidding

Omit clause 3.8.22 in its entirety, and substitute:

3.8.22 Rebidding

- (a) Prices for each *price band* that are specified in *dispatch bids*, *dispatch offers* and *market ancillary service offers* are firm and no changes to the price for any *price band* are to be accepted under any circumstances.
- (b) Subject to clauses 3.8.3A, 3.8.7A, 3.8.19(a) and 3.8.22A, a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may submit a *rebid* to vary:
 - (1) its *available capacity*, *daily energy constraints*, *dispatch inflexibilities* and *ramp rates of generating units*, *scheduled network services* and *scheduled loads*; and
 - (2) the *response breakpoints*, *enablement limits* and response limits of *market ancillary services*,

previously notified in a *dispatch offer*, a *dispatch bid* or a previous *rebid*.
- (c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must provide:
 - (1) all *rebids* to *AEMO* electronically unless otherwise approved by *AEMO*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (2) to *AEMO*, at the same time as the *rebid* is made:

- (i) a brief, verifiable and specific reason for the *rebid*; and
- (ii) the time at which the event(s) or other occurrence(s) adduced by the relevant *Generator* or *Market Participant* as the reason for the *rebid*, occurred;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

Note

Clause 3.8.22(c)(2) applies in respect of any *rebid* submitted during the *late rebidding period*.

- (2a) to the *AER*, in respect of any *rebid* made during the *late rebidding period* (unless an exemption granted under paragraph (ca) applies), a more detailed report (a *late rebid report*), to be submitted within the time after the *rebid* specified in, and otherwise to be prepared in accordance with, guidelines published by the *AER*, explaining:
 - (i) the material conditions and circumstances giving rise to the *rebid*;
 - (ii) the *Generator's* or *Market Participant's* reasons for making the *rebid*;
 - (iii) the time at which the relevant event(s) or other occurrence(s) occurred; and
 - (iv) the time at which the *Generator* or *Market Participant* first became aware of the relevant event(s) or other occurrence(s); and

Note

This AEMC will be recommending to the COAG Energy Council that this clause be classified as a civil penalty provision under the National Electricity (South Australia) Regulations.

- (3) to the *AER*, upon written request, in accordance with guidelines published by the *AER*, such additional information to substantiate and verify the reason for a *rebid* as the *AER* may require from time to time.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (ca) The *AER* may, in accordance with guidelines published by the *AER*, exempt a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*, or a class of *Generators* or *Market Participants*, from the obligation to submit a *late rebid report* under paragraph (c)(2a), subject to such conditions as the *AER* deems appropriate.
- (d) The *AER* must provide information provided to it in accordance with paragraph (c)(2a) or (c)(3) to any *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* that requests such information, except to the extent that the information can be reasonably claimed to be *confidential information*.
- (e) The guidelines referred to in paragraphs (c)(2a), (c)(3) and (ca) must be developed in accordance with the *Rules consultation procedures* and must include:
 - (1) the amount of detail to be included in the information provided to *AEMO* under paragraph (c)(2);
 - (1a) the format and prescribed content of the *late rebid reports* to be provided to the *AER* under paragraph (c)(2a);
 - (1b) criteria for the *AER* to grant any exemption under paragraph (ca) from the requirement to provide a *late rebid report*; and
 - (2) procedures for handling claims by *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* in accordance with paragraph (d) or clause 3.8.19(b)(2) that the information provided to the *AER* by such *Generators* or *Market Participants* under those clauses is *confidential information*.
- (f) The *AER* must *publish* the guidelines developed under this clause 3.8.22 and may amend such guidelines from time to time.
- (g) *AEMO* must:
 - (1) subject to the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* complying with paragraphs (c)(1) and (c)(2)(i) and (ii), accept the *rebid*; and
 - (2) *publish*, in accordance with clause 3.13.4(p), the time the *rebid* was made and the reason provided by the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* under paragraph (c)(2)(i).

[3] Clause 3.8.22A Variation of offer, bid or rebid

Omit clause 3.8.22A in its entirety and the heading, and substitute:

3.8.22A Offers, bids and rebids must not be false or misleading

- (a) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must not make a *dispatch offer*, *dispatch bid* or *rebid* that is false, misleading or likely to mislead.
- (b) Without limiting paragraph (a), a *dispatch offer*, *dispatch bid* or *rebid* is taken to be false or misleading if, at the time of making such an offer, bid or *rebid*, a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant*:
- (1) does not have a genuine intention to honour; and
 - (2) does not have a reasonable basis to represent to other *Market Participants*, through the *pre-dispatch schedules published* by *AEMO*, that it will honour,
- that offer, bid or *rebid* if the material conditions and circumstances upon which the offer, bid or *rebid* are based remain unchanged until the relevant *dispatch interval*.
- (b1) In any proceeding in which a contravention of paragraph (a) is alleged, in determining whether a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* had a reasonable basis to represent to other *Market Participants* that it would honour a *dispatch offer*, *dispatch bid* or *rebid*, a court must have regard to the market design principle set out in clause 3.1.4(a)(2).
- (c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may be taken to have contravened paragraph (a) notwithstanding that, after all the evidence has been considered, the false or misleading character of the *dispatch offer*, *dispatch bid* or *rebid* (including the absence of either of the matters referred to in subparagraphs (b)(1) and (2)) is ascertainable only by inference from:
- (1) other *dispatch offers*, *dispatch bids* or *rebids* made by the *Generator* or *Market Participant*, or in relation to which the *Generator* or *Market Participant* had substantial control or influence;
 - (2) other conduct (including any pattern of conduct), knowledge, belief or intention of the relevant *Generator* or *Market Participant*;
 - (3) the conduct (including any pattern of conduct), knowledge, belief or intention of any other person;
 - (4) information published by *AEMO* to the relevant *Generator* or *Market Participant*; or
 - (5) any other relevant circumstances.

- (d) A *rebid* must be made as soon as reasonably practicable after the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* becomes aware of the change in material conditions and circumstances on the basis of which it decides to vary its *dispatch offer* or *dispatch bid*.
- (e) In any proceeding in which a contravention of paragraph (d) is alleged, in determining whether the *Generator* or *Market Participant* made a *rebid* as soon as reasonably practicable, a court must have regard to:
 - (1) the market design principle set out in clause 3.1.4(a)(2); and
 - (2) whether the *rebid* was made in sufficient time to allow reasonable opportunity for other *Market Participants* to respond (including by making responsive *rebids*, by bringing one or more *generating units* into operation or increasing or decreasing the *loading level* of any *generating units*, or by adjusting the *loading level* of any *load*) prior to:
 - (i) the commencement of the *trading interval* to which the *rebid* relates; or
 - (ii) the commencement of any *dispatch interval* within that *trading interval*.

Note

The AEMC will be recommending to the COAG Energy Council that clause 3.8.22A continue to be classified as a rebidding civil penalty provision for the purposes of the National Electricity Law. (See clause 6(2) of the National Electricity (South Australia) Regulations.)

[4] Chapter 10 New Definitions

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

late rebid report

A report provided by a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* to the AER pursuant to clause 3.8.22(c)(2a).

late rebidding period

In respect of a *trading interval*, the period beginning 15 minutes before the commencement of the *trading interval*.

[5] Chapter 10 Substituted definitions

In chapter 10, substitute the following definition:

rebid

A variation to a bid or offer made in accordance with clause 3.8.22(b).
