



## **National Electricity Amendment (Market participant suspension) Rule 2016 No. 11**

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;
- (g) the National Electricity (Northern Territory)(National Uniform Legislation) Act 2015; and
- (h) 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 (Market participant suspension) Rule 2016 No. 11**

### **1 Title of Rule**

This Rule is the *National Electricity Amendment (Market participant suspension) Rule 2016 No.11*.

### **2 Commencement**

This Rule commences operation on 1 January 2017.

### **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.

## Schedule 1            Amendment to the National Electricity Rules

(Clause 3)

### [1] Clause 3.3.1            Market participant criteria

Omit clause 3.3.1(b), including the note, and substitute "[Deleted]".

### [2] Clause 3.15.21        Default procedure

Omit clause 3.15.21(c) and substitute:

- (c) If a *default event* that is not an *external administration default event* is not remedied by 1.00 pm (*Sydney time*) the next *day* following the date of issue of the *default notice* or any later deadline agreed to in writing by *AEMO*, or if *AEMO* receives notice from the *defaulting Market Participant* that it is not likely to remedy the default, then *AEMO* may issue a *suspension notice*. For the avoidance of doubt, nothing in paragraphs (c1) to (c6) limits *AEMO*'s discretion in relation to issuing a *suspension notice* under this paragraph (c).
- (c1) If an *external administration default event* is not remedied by 1.00 pm (*Sydney time*) the next *day* following the date of issue of the *default notice* or any later deadline agreed to in writing by *AEMO*, or if *AEMO* receives notice from the *defaulting Market Participant* that it is not likely to remedy the default, then *AEMO* must:
  - (1) issue a *suspension notice* to the *defaulting Market Participant* under which the *Market Participant* is suspended from all activities in relation to each category of *Market Participant* for which it is registered (each a *registration category*); or
  - (2) make a *non-suspension decision* in relation to all activities in relation to each *registration category* of the *Market Participant*; or
  - (3) issue a *suspension notice* to the *defaulting Market Participant* under which the *Market Participant* is suspended from some specified activities or *registration categories* of the *Market Participant* and make a *non-suspension decision* in relation to the activities or *registration categories* that are not the subject of the suspension notice issued under this subparagraph (3).
- (c2) *AEMO* may only make a *non-suspension decision* in relation to any activities or *registration categories* of a *defaulting Market Participant* if:
  - (1) the external administrator has requested or consented to the *non-suspension decision* and has undertaken that the *defaulting Market Participant* will meet its relevant liabilities under the *Rules*; and

- (2) taking into account the following matters, *AEMO* considers that the *defaulting Market Participant* should not be suspended in relation to that activity or *registration category*:
  - (i) the likelihood that the *defaulting Market Participant* will comply with its obligations under the *Rules* relevant to that registration;
  - (ii) in the case where the *defaulting Market Participant* is a *Market Generator*, *Market Small Generator Aggregator* or *Market Network Service Provider*, the potential impact of the suspension of that registration on the *reliability* of the *power system*;
  - (iii) in the case where the *Market Participant* is not in a category referred to in subparagraph (ii), the potential impact of the suspension of that registration on the *reliability* of the *power system* if *AEMO* considers that matter to be relevant; and
  - (iv) any other matters *AEMO* considers relevant to the making of the *non-suspension decision*.
- (c3) *AEMO* may make a *non-suspension decision* conditional on the *defaulting Market Participant* continuing to satisfy specified obligations including, without limitation, conditions relating to compliance with the *Rules*.
- (c4) A *defaulting Market Participant* must comply with any conditions specified in a *non-suspension decision*.
- (c5) Promptly after making a *non-suspension decision* in relation to a *defaulting Market Participant*, *AEMO* must:
  - (1) notify the *defaulting Market Participant* of its decision and any conditions that must be satisfied by the *defaulting Market Participant* if the *non-suspension decision* is to remain in effect; and
  - (2) *publish* a notice specifying:
    - (i) that an *external administration default event* has occurred in respect of the *defaulting Market Participant*;
    - (ii) that *AEMO* has made a *non-suspension decision* in accordance with paragraph (c2);
    - (iii) the *registration categories* of the *defaulting Market Participant* affected by the *non-suspension decision* and the activities (or subset of activities) of those

*registration categories* that are the subject of the *non-suspension decision*; and

- (iv) that despite the *non-suspension decision*, *AEMO* may issue a *suspension notice* in relation to the *registration categories* and activities covered by the *non-suspension decision* in the circumstances set out in subparagraphs (c6)(1) to (3).

(c6) Despite paragraph (c), if at any time after the issue of a *non-suspension decision*:

- (1) *AEMO* considers that the *defaulting Market Participant* has failed to satisfy any of the conditions that apply to the *non-suspension decision*;
- (2) a further *default event* occurs in respect of the *defaulting Market Participant*; or
- (3) *AEMO* is not satisfied that the *defaulting Market Participant* will meet its relevant liabilities under the *Rules*,

then *AEMO* may immediately issue a *suspension notice* to the *defaulting Market Participant* in relation to the *registration categories* and activities of the *defaulting Market Participant* covered by that *non-suspension decision*.

## **Schedule 2          Amendment to the National Electricity Rules**

(Clause 4)

### **[1] Chapter 10          New Definitions**

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

#### ***external administration default event***

A *default event* of a type referred to in subparagraphs 3.15.21(a)(10) or (11).

#### ***non-suspension decision***

A decision made by *AEMO* under clause 3.15.21(c1)(2) or (3) not to suspend some or all of the activities of a *defaulting Market Participant* following an *external administration default event*.

#### ***registration category***

Has the meaning given in clause 3.15.21(c1)(1).

### **[2] Chapter 10          Substituted Definitions**

In Chapter 10, substitute the following definitions:

#### ***suspension notice***

A notice issued by *AEMO* to a *defaulting Market Participant* pursuant to clause 3.15.21(c) or (c1) under which *AEMO* notifies the *defaulting Market Participant*:

- (a) of the date and time from which it is suspended from specified activities;
- (b) the *registration categories* of the *defaulting Market Participant* to which the suspension relates; and
- (c) in respect of the *registration categories* referred to in paragraph (b), the activities (or subset of activities) of the *Market Participant* that have been suspended.

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[END OF RULE AS MADE]

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