



National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011 No. 9

under the National Electricity Law as applied by:

- (a) the National Electricity (South Australia) Act 1996;
- (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 (Application and Operation of Administered Price Periods) Rule 2011 No. 9

1 Title of Rule

This Rule is the *National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011 No.9*.

2 Commencement

Schedules 1 and 3 of this Rule commence operation on 10 November 2011.

Schedule 2 of this Rule commences operation on 2 July 2012.

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 Amendments of the National Electricity Rules

(Clause 3)

[1] References to market ancillary service prices in various clauses

In each of clauses 3.8.24(b), 3.9.2A(d), 3.13.7(e)(3) and 3.13.7(e)(4), omit "*market ancillary service prices*" wherever occurring and substitute "*ancillary service prices*" in each case.

[2] Clause 3.9.2B Pricing where AEMO determines a manifestly incorrect input

In clause 3.9.2B(e)(1), omit "*market ancillary services prices*" and substitute "*ancillary service prices*".

[3] Clause 3.14.1 Cumulative Price Threshold and Administered Price Cap

In clause 3.14.1(a), omit "and *market ancillary service prices*" and substitute ", *dispatch prices* and *ancillary service prices*".

[4] Clause 3.14.2 Application of Administered Price Cap

Omit clause 3.14.2(c) and substitute:

- (c) Each of the following periods is an *administered price period* in a *region*:
 - (1) a *trading interval*, where the sum of the *spot prices* in the previous 336 *trading intervals*, calculated as if this clause did not apply, exceeds the *cumulative price threshold*;
 - (1A) a *dispatch interval*, where the sum of the *ancillary service prices* for a *market ancillary service* in the previous 2016 *dispatch intervals*, calculated as if this clause did not apply, exceeds 6 times the *cumulative price threshold*;
 - (2) a *trading interval* in a *trading day* in which a prior *trading interval* is an *administered price period*;
 - (2A) a *dispatch interval* in a *trading day* in which a prior *dispatch interval* is an *administered price period*; or
 - (2B) a *dispatch interval* within a *trading interval* that is an *administered price period*.
 - (3) [Deleted]

[5] Clause 3.14.2 Application of Administered Price Cap

In clause 3.14.2(d1), omit "clauses 3.14.2(c)(1), (2) or (3)" and substitute "clause 3.14.2(c)(1) or (2)".

[6] Clause 3.14.2 Application of Administered Price Cap

In clause 3.14.2(d2), omit "for a *market ancillary service*" and substitute "for any *market ancillary service*".

[7] Clause 3.15.7 Payment to Directed Participants

In clause 3.15.7(c), omit "*market ancillary service prices*" and substitute "*ancillary service prices*".

[8] Clause 3.15.10 Administered price, market price cap or market floor price compensation payments

In clause 3.15.10(c), omit "15 *business days*" and substitute "25 *business days*".

[9] Clause 9.45.2 Administered Price Cap (clause 3.14.1)

Omit clause 9.45.2, including the heading, and substitute "[Deleted]".

Schedule 2 Amendments of the National Electricity Rules

(Clause 4)

[1] Clause 3.9.5 Application of the Market Price Cap

Omit clause 3.9.5(c) and substitute:

- (c) If the *dispatch price* at any *regional reference node* is set to the *market price cap* under clause 3.9.2 or clause 3.9.5 then *dispatch prices* at all other *regional reference nodes connected by a regulated interconnector or regulated interconnectors* that have an *energy flow* towards that *regional reference node* must not exceed the *market price cap* divided by the average *loss factor* that applies for *energy flow* in that direction for that *dispatch interval* and determined in accordance with clause 3.9.5(d).

[2] Clause 3.9.6A Application of the Market Floor Price

Omit clause 3.9.6A(c) and substitute:

- (c) If the *dispatch price* at any *regional reference node* is set to the *market floor price* under clause 3.9.6A then *dispatch prices* at all other *regional reference nodes connected by a regulated interconnector or regulated interconnectors* that have an *energy flow* away from that *regional reference node* must be equal to or greater than the *market floor price* multiplied by the average *loss factor* that applies for *energy flow* in that direction for that *dispatch interval* and determined in accordance with clause 3.9.6A(d).

[3] Clause 3.14.2 Application of Administered Price Cap

Omit clause 3.14.2(e)(2) and substitute:

- (2) at any *regional reference node* is set to the *administered price cap* under clause 3.14.2(d1)(1), then *dispatch prices* at all other *regional reference nodes connected by a regulated interconnector or regulated interconnectors* that have an *energy flow* towards that *regional reference node* must not exceed the *administered price cap* divided by the average *loss factor* that applies for *energy flow* in that direction for that *dispatch interval* and determined in accordance with clause 3.14.2(e)(5).

[4] Clause 3.14.2 Application of Administered Price Cap

Omit clause 3.14.2(e)(4) and substitute:

- (4) at any *regional reference node* is set to the *administered floor price* under clause 3.14.2(d1)(2), then *dispatch prices* at all

other *regional reference nodes* connected by a *regulated interconnector* or *regulated interconnectors* that have an *energy flow* away from that *regional reference node* must be equal to or greater than the *administered floor price* multiplied by the average *loss factor* that applies for *energy flow* in that direction for that *dispatch interval* and determined in accordance with clause 3.14.2(e)(5).

[5] **Clause 3.14.5 Pricing during market suspension**

Omit clause 3.14.5(m) and substitute:

- (m) If a *spot price* is set in accordance with clause 3.14.5(g) or clause 3.14.5(j) at a *regional reference node* (**suspension node**), then *spot prices* at all other *regional reference nodes* connected by an *interconnector* that has an actual flow towards the suspension node must not exceed the *spot price* in the *suspended region* divided by the average *loss factor* that applies for *energy flow* in that direction for that *trading interval*.

Schedule 3 Savings and Transitional Amendments to the National Electricity Rules

(Clause 5)

[1] Chapter 11 Savings and Transitional Rules

After Part ZL, insert:

Part ZM Application and Operation of Administered Price Periods

11.43 Rules consequential on the making of National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011

11.43.1 Definitions

For the purposes of this rule 11.43:

Amending Rule means the National Electricity Amendment (Application and Operation of Administered Price Periods) Rule 2011.

APC Schedule means the schedule the *AEMC* is required to publish under clause 3.14.1(a).

commencement date means the date Schedules 1 and 3 of the Amending Rule commence operation.

First APC Schedule means the Administered Price Cap Schedule dated 20 May 2008 published by the *AEMC* under clause 3.14.1(a).

11.43.2 Administered Price Cap Schedule

- (a) As soon as practicable, but in any event within 20 *business days* of the commencement date, the *AEMC* must amend the First APC Schedule in accordance with paragraph (b) and publish the amended APC Schedule on its website.
- (b) The *AEMC* must amend the First APC Schedule by:
 - (1) omitting "20 May 2008" and substituting the date on which the amended APC Schedule is published by the *AEMC*;
 - (2) omitting "and market ancillary service prices" and substituting ", *dispatch prices* and *ancillary service prices*";
 - (3) omitting "This schedule will become effective" and substituting "The *administered price cap* specified in this schedule became effective"; and

- (4) including at the end of the Schedule notes to the effect that:
 - (i) the First APC Schedule developed and published by the *AEMC* under clause 3.14.1(a) was dated 20 May 2008; and
 - (ii) the First APC Schedule was varied by the *AEMC* pursuant to the Amending Rule.
- (c) The requirement in clause 3.14.1(a) that the *AEMC* comply with the *Rules consultation procedures* when developing, authorising and *publishing* an APC Schedule does not apply to amendments made to the APC Schedule in accordance with this clause 11.43.2.

[END OF RULE AS MADE]
