

**NOTICE UNDER NATIONAL ELECTRICITY CODE**

NOTICE is hereby given pursuant to clause 9.1.1(h) of the National Electricity Code approved under section 6 of the National Electricity Law which forms the Schedule to the *National Electricity (South Australia) Act 1996* that Schedule 9G (Ancillary Services Provisions) of the National Electricity Code is amended.

The Schedule 9G amendments to the National Electricity Code commence at the beginning of 30 June 1999.

The ACCC has granted interim authorisation in respect of these amendments by a letter dated 9 June 1999, which authorisation the ACCC has advised constitutes an approval on an interim basis of these amendments in accordance with clause 9.1.1(e) of the National Electricity Code.

As required by clause 9.1.1(h) of the National Electricity Code, copies of:

- (1) the notice from the ACT Minister notifying the Schedule 9G amendments to NECA; and
- (2) the ACCC's letter dated 9 June 1999

are set out below.

Both these amendments and a copy of the ACCC's letter of 9 June 1999 are set out in full in the document entitled "Ancillary Services Derogation" which can be viewed on the Internet website of National Electricity Code Administrator Limited (ACN 073 942 775) ("NECA") at [www.neca.com.au](http://www.neca.com.au) under "The Code" section of that website.

The National Electricity Code can be viewed on the NECA Internet website at [www.neca.com.au](http://www.neca.com.au) and at the offices of NECA and the National Electricity Market Management Company Limited (ACN 072 010 327). A list of addresses where the Code can be viewed is available on the NECA website.

Dated: 25 June 1999

**NATIONAL ELECTRICITY CODE**  
**AMENDMENTS TO CHAPTER 9**  
**CLAUSE 9.1.1.**

**AUSTRALIAN CAPITAL TERRITORY**

With effect from the beginning of 30 June 1999, I make the changes set out in Attachment A to Schedule 9G of the National Electricity Code as it applies to the Australian Capital Territory.

***Brendan Smyth*** MLA  
Minister for Urban Services

Date: 24 June 1999

**Attachment A – Amendments to Schedule 9G of the Code****1 Item 1 of Schedule 9G:**

Delete the words before “*NEMMCO*”.

**2 Item 2 of Schedule 9G:**

Replace the words “1 July 1999” with the following:

“the earlier of:

- (a) the date on which the new *ancillary services* arrangements resulting from the report contemplated by clause 3.11.1(c) take effect; and
- (b) 31 December 2000.”

**3 Item 5.2(a) of Schedule 9G:**

Add the words “or under paragraph 5.11” at the end.

**4 Item 5.4(d)(6) of Schedule 9G:**

Delete the words after “*service*”.

**5 Item 5.11 of Schedule 9G:**

Insert the following new sub-paragraphs at the end of clause 5.11:

“(d) The Invitation to Tender issued by *NEMMCO* on 10 May 1999 (as amended) (called the “**Second ITT**”) is a call for offers under paragraph 5.4 notwithstanding anything else in this *Code* or the fact that the description and the procedure contemplated by paragraph 5.3 did not exist at the time the Second ITT was issued.

(e) Notwithstanding anything else in this *Code*:

(1) the description of each *ancillary service* included in the Second ITT is deemed to be the description contemplated by paragraph 5.3; and

(2) the quantities specified as indicative *NEMMCO* requirements in attachment A to the Second ITT in respect of the *power system* other than the *Queensland system* (as defined in clause 9.32.1) are taken to have been determined by applying a procedure developed under paragraph 5.3.

(f) Subject to paragraph (g), *NEMMCO* may at any time give an instruction to a *Scheduled Generator* in relation to any of its *scheduled generating units* nominating that:

(1) the *generating unit's excitation control system voltage* set-point be set to give a nominated *voltage*; or

(2) the *generating unit* be operated to provide or absorb a nominated *reactive power* flow at the generator terminals for that *generating unit*.

(g) Unless otherwise provided under an agreement for the provision of *ancillary services* or a *connection agreement*, NEMMCO may not give an instruction under paragraph (f) that requires a *generating unit* to provide or absorb a *reactive power* flow at the generator terminals for that *generating unit* which is outside the mandatory capability for that *generating unit*. The mandatory capability for a *generating unit* is the *reactive power* output and absorption capability determined in accordance with the first or second paragraph of clause S5.2.5.1 (as applicable and as modified by any relevant derogation) for that *generating unit* coincident with rated real power output of that *generating unit* and, to avoid doubt, that *reactive power* output and absorption capability applies at all levels of real power output including those below rated real power output.

(h) An instruction under this clause is a *dispatch instruction* for the purposes of this *Code* and in particular clause 4.9.8."

## 6 New Item 6A of Schedule 9G;

Insert the following new Item 6A into Schedule 9G immediately following the existing Item 5:

### "6A Report

The report contemplated by clause 3.11.1(c) must be provided to NECA by 30 June 2000."

## 7 Item 6.2 of Schedule 9G:

- 7.1 Delete "x -1" in the formula.
- 7.2 In the formula, replace "BPGE" with "TIGE" and "ABPGE" with "ATIGE".
- 7.3 Insert the following sentence at the end:

"This clause 6.2 only applies to *trading intervals* which occur prior to the end of 30 June 2000 and references in this clause 6.2 to a "*trading interval*" are to be interpreted accordingly. In this clause 6.2:

(1) "TASP" does not include amounts payable in under agreements entered into by NEMMCO in respect of the *Queensland system* or compensation payable under paragraph 5.8 for a direction in respect of the *Queensland system*; and

(2) "*trading interval gross energy*" for a *Market Participant* does not include the *adjusted gross energy* figures for any *connection point* located in Queensland."

**8 New Item 6.2A of Schedule 9G**

Insert the following new Item 6.2A into Schedule 9G immediately following the existing Item 6.2:

**“6.2A Ancillary services settlements from 1 July 2000**

(a) This clause 6.2A only applies to *trading intervals* which occur after the end of 30 June 2000 and references in this clause 6.2A to a “*trading interval*” are to be interpreted accordingly.

(b) A *Market Generator* is liable to pay to NEMMCO in respect of *ancillary services* each *trading interval* an amount calculated in accordance with the following formula:

$$ASA = \frac{TASP}{2} \times \frac{TGE}{ATGE}$$

ASA (in \$) = the amount the *Market Generator* is liable to pay NEMMCO in respect of *ancillary services* for the *trading interval*;

TASP (in \$) = the total of:

(1) all amounts payable by NEMMCO in respect of the *trading interval* under agreements entered into by NEMMCO for the provision of *ancillary services*; and

(2) all compensation payable in respect of the *trading interval* under paragraph 5.8,

but does not include amounts payable under agreements entered into by NEMMCO for the provision of *ancillary services* in respect of the *Queensland system* or compensation payable under paragraph 5.8 for a direction in respect of the *Queensland system*;

TGE (in MWh) = the *generator energy* for the *Market Generator* for the *trading interval*; and

ATGE (in MWh) = the aggregate of the *generator energy* figures for all *Market Generators* for the *trading interval*.

(c) A *Market Customer* is liable to pay to *NEMMCO* in respect of *ancillary services* each *trading interval* an amount calculated in accordance with the following formula:

$$\text{ASA} = \frac{\text{TASP}}{2} \times \frac{\text{TCE}}{\text{ATCE}}$$

ASA (in \$) = the amount the *Market Customer* is liable to pay *NEMMCO* in respect of *ancillary services* for the *trading interval*;

TASP (in \$) has the meaning given in paragraph (b).

TCE (in MWh) = the *customer energy* for the *Market Customer* for the *trading interval*; and

ATCE (in MWh) = the aggregate of the *customer energy* figures for all *Market Customers* for the *trading interval*.

(d) In this clause 6.2A:

(1) “*generator energy*” in respect of a *Market Generator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Generator’s applicable connection points*, provided that, if the sum of those figures is negative, then the *Market Generator’s generator energy* for that *trading interval* is zero;

(2) a *connection point* is an *applicable connection point* of a *Market Generator* if:

(A) the *Market Generator* is *financially responsible* for the *connection point*; and

(B) the *connection point* connects a *market generating unit* to the *national grid*; and

(C) that *connection point* is not located in Queensland

(3) “*customer energy*” in respect of a *Market Customer* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Customer’s relevant connection points*; and

(4) a *connection point* is a *relevant connection point* of a *Market Customer* if:

(A) the *Market Customer* is *financially responsible* for the *connection point*;

(B) the *load* at that *connection point* has been classified (or is deemed to be classified) as a *market load*; and

(C) that *connection point* is not located in Queensland.”

**9 Item 6.3 of Schedule 9G:**

Insert the words “*trading intervals* which fall within” before the words “that billing period” and insert the words “or 6.2A” at the end.

**Australian Competition and Consumer Commission**

Our Ref: CA 98/22

9 June 1999

Mr Stephen Kelly  
Managing Director  
National Electricity Code Administrator  
Level 4, 41 Currie Street  
ADELAIDE SA 5000

ATTN: Alex Cruickshank

Dear Mr Kelly

**National Electricity Code -  
Applications for authorisation nos: A90671, A90672, and A90673**

I refer to your applications for authorisation of the National Electricity Code, as submitted to the Commission on 28 August 1998 and amended on 16 September, 22 September, 2 October, 6 October, 20 October, 26 October, 5 November and 20 November 1998.

The Commission has been made aware that the condition C3.2 imposed on the interim authorisation granted on 25 November 1998 is unlikely to be met. The South Australian government has requested that the condition be removed. The Commission has agreed to remove the condition.

Pursuant to subsection 91(2) of the Act, the Commission now revokes the interim authorisation dated 25 November 1998 and hereby grants interim authorisation for the applications A90671, A90672 and A90673.

This interim authorisation applies to:

- (a) The National Electricity Code in the form granted interim authorisation on 25 November 1998; and
- (b) all conduct to be engaged in under the National Electricity Code.



These interim authorisations take effect from Wednesday 6 January 1999 and will lapse when the Commission reaches a final determination in regard to each application.

The Commission will endeavour to commence its statutory public consultation process regarding the applications as soon as possible, and hopes to release its draft determination in early 1999. Please note that under subsection 91(2) of the Trade Practices Act, the Commission may revoke an interim authorisation at any time.

If you have any queries about any issue raised in this letter, please contact myself on (02) 6243 1256 or Kaye Johnston on (02) 6243 1258.

Yours sincerely

(SIGNED)

Michael Rawstron  
Senior Assistant Commissioner