

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 Derogation) of the National Electricity Code is amended.

These amendments to the National Electricity Code commence on 31 December 2000.

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

- 1 the notice from the Honourable Brendan Smyth MLA, notifying the National Electricity Code Administrator Limited (ACN 073 942 775) ("**NECA**") of the amendments to Schedule 9G; and
- 2 the ACCC's letter dated 30 November 2000 providing authorisation for these amendments, are set out below.

Both these amendments and a copy of the ACCC's letter of 30 November 2000 are set out in full in the document entitled "Extension of Schedule 9G and Clause 9.35.7 of the Code" which can be viewed on the Internet website of NECA at 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 and at the offices of NECA and 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: 21 December 2000

NATIONAL ELECTRICITY CODE

AMENDMENTS TO CHAPTER 9

CLAUSE 9.1.1

AUSTRALIAN CAPITAL TERRITORY

With effect from the beginning of 31 December 2000, 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**
Deputy Chief Minister

Date 7 December 2000

ATTACHMENT A – AMENDMENTS TO SCHEDULE 9 G OF THE CODE**1 PARAGRAPH 1 OF SCHEDULE 9G**

Amend paragraph 1 in the manner indicated below:

“1. Purpose of Derogation

- (a) *NEMMCO* is to acquire and *Code Participants* are to provide *ancillary services* in accordance with this Schedule 9G.
- (b) For the period of this derogation, this Schedule 9G applies, on the basis specified below, in place of the relevant clauses of the Code.”

2 PARAGRAPH 2 OF SCHEDULE 9G

Amend paragraph 2 in the manner indicated below:

“2. Period of Derogation

This Schedule 9G commences on the *Code commencement date* and (except for paragraphs 5.11 and 6AA) expires at the end of the earlier of:

- (a) the date which *NEMMCO* notifies *Market Participants* as the date on which the new ancillary services arrangements resulting from the report of the *Code Change Panel* in relation to Ancillary Services dated August 2000 take effect; and
- (b) 31 August 2001.”

3 PARAGRAPH 3 OF SCHEDULE 9G

Replace the definition of “*rapid generating unit unloading*” with the following:

“in respect of a *generating unit*, means the service of rapidly reducing the electrical output of the *generating unit* within nominated time frames in response to:

- (a) a locally sensed increase in electrical frequency; or
- (b) an instruction or electronic signal from *NEMMCO*.”

4 PARAGRAPH 5.5(g)(3) OF SCHEDULE 9G

Delete the words “plus any *excess generation* payments made by the *Code Participant* under the *Code* as a result of providing the *ancillary service* concerned” at the end.

5 PARAGRAPH 5.8(d)(3) OF SCHEDULE 9G

Delete the words “plus any *excess generation* payments made by the *Code Participant* under the *Code* as a result of complying with the direction” at the end.

ATTACHMENT A – AMENDMENTS TO SCHEDULE 9 G OF THE CODE**6 NEW PARAGRAPH 6AA OF SCHEDULE 9G**

Insert the following new paragraph after the existing paragraph 5.11:

“6AA Further transitional arrangements

- (a) The Invitation to Tender issued by *NEMMCO* on 18 October 2000 (as amended from time to time) (called the “**Third 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 Third ITT was issued.
- (b) Notwithstanding anything else in this *Code*:
 - (1) the description of each *ancillary service* included in the Third ITT is deemed to be the description contemplated by paragraph 5.3;
 - (2) the quantities specified as indicative *NEMMCO* requirements in schedule A to the Third ITT in respect of the *power system* are taken to have been determined by applying a procedure developed under paragraph 5.3; and
 - (3) any agreement under which *NEMMCO* acquires *system restart*, *reactive power service* used for network control, or *load shedding service* used for network control entered into as a result of the Third ITT and which indicates that it continues after the expiration of this schedule 9G is taken to have been entered into as a result of a call for offers under the new arrangements for acquiring non-market ancillary services resulting from the report of the *Code Change Panel* in relation to Ancillary Services dated August 2000.”

7 NEW PARAGRAPH 6.2A(e) OF SCHEDULE 9G

Insert the following new paragraph 6.2A(e) after the existing paragraph 6.2A(d):

“(e) From the beginning of the *interconnection date* (as defined in clause 9.32.1):

- (1) the following words in the definition of “TASP” in paragraph 6.2A(b) are deleted:

“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*”; and
- (2) paragraphs 6.2A(d)(2)(C) and 6.2A(d)(4)(C) are deleted

Our Ref: C2000-
Contact Officer: Kaye Johnston
Contact Phone: 02 6243 1258

30 November 2000

Mr Stephen Kelly
Managing Director
National Electricity Code Administrator Limited
Level 5
41 Currie Street
ADELAIDE SA 5000

Dear Stephen

Applications for Authorisation – Extension to Chapter 9 Ancillary services arrangements

Application Nos: A90762 – A90764

On 21 November 2000 the Commission received applications for authorisation (Nos A90762, A90763 and A90764) of amendments to the National Electricity Code from NECA on behalf of the Ministers of the NEM jurisdictions. The proposed amendments allow for an extension of the existing Chapter 9 ancillary service arrangements (Schedule 9G and Clause 9.35.7), until the earlier of the commencement of the new ancillary service arrangements or 31 August 2001. As part of the application the Ministers requested the Commission grant interim authorisation to the amendments.

Pursuant to subsection 91(2) of the *Trade Practices Act* (the Act), the Commission hereby grants interim authorisation for the applications A90762, A90763 and A90764.

These interim authorisations take effect from Wednesday 29 November 2000 and will lapse when the Commission reaches a final determination in regard to each application. Please note that under subsection 91(2) of the 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 1254 or Kaye Johnston on (02) 6243 1258.

Yours sincerely

Paul Bilyk
A/g General Manager
Regulatory Affairs – Electricity