

NEM GENERATOR TRANSFER GUIDE

Purpose

AEMO has prepared this document to provide information about the process for becoming a registered as a participant in the National Electricity Market, as at the date of publication.

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1. Introduction

Italicised words in this Guide are defined in the National Electricity Rules (**Rules**).

1.1 Purpose of this Guide

The purpose of this Guide is to summarise the procedure to be used by *AEMO* to approve transfer of registration as a Generator for a generating facility from one person to another in accordance with rule 2.9A of the *Rules*.

1.2 Requirement to register

Section 11 of the National Electricity Law states that:

- (1) “A person must not engage in the activity of owning, controlling or operating a generating system connected to the interconnected transmission or distribution system unless –
 - (a) The person is a Registered participant in relation to that activity; or
 - (b) The person is the subject of a derogation that exempts the person, or is otherwise exempted by AEMO, from the requirement to be a Registered participant in relation to that activity under this Law and the *Rules*.”

A body corporate that fails to register may be liable for a maximum penalty of \$100,000 and \$10,000 for every day during which the breach continues and a natural person may be liable for a maximum penalty of \$20,000 and \$2,000 for every day during which the breach continues (section 58 National Electricity Law).

1.3 Transfer of Registration

The following definitions provided under rule 2.9A of the *Rules*, apply to this Guide and the relevant application form:

Transferor means a *Registered Participant* wishing to transfer its registration to another person in accordance with rule 2.9A of the *Rules*.

Transferee means the person to whom a *Registered Participant* wishes to transfer its registration in accordance with rule 2.9A of the *Rules*.

AEMO must determine to transfer the registration if it is reasonably satisfied that:

1. the Transferor is not in breach of any of its obligations under the Rules;
2. with the exception of any requirements that apply to the classification of facilities to which the application relates, the Transferee meets the eligibility requirement specified in the Rules for the category of Registered Participant to which the application relates;

3. the classification of the facilities to which the application relates has previously been approved by AEMO in accordance with the Rules;
4. the performance standards applicable to the facilities to which the application relates have previously been registered by AEMO in accordance with the Rules;
5. if the application relates to the transfer of registration in one of the categories of Market Participant, the Transferee is and will be able to fulfil the applicable financial obligations under Chapter 3 of the Rules; and
6. the Transferee has demonstrated an ability to comply with the Rules.

If AEMO approves the application to transfer, then AEMO may impose such terms and conditions as AEMO considers appropriate, or vary the terms and conditions of the registration on its transfer.

1.4 Previous Registration Information

The transfer of registration process relies on registration information provided when a *facility* was previously registered. For this reason, Transferees should be familiar with the information that has been previously provided to AEMO by a Transferor. AEMO will not be providing the Transferee with any information about an existing registration.

The Transferee needs to obtain all necessary information about the *facilities* to which the transfer application relates and the basis on which the Transferor was registered, including any conditions relating to that registration, from the Transferor. Transferees should also refer to the information requirements in the application forms and guides for a *Generator*.

1.5 Fees

1.5.1 Registration Fee

All applicants for registration must pay a registration fee in accordance with AEMO's current published fee schedule.

Registration of an *Intermediary* and any associated exemptions is a single registration process, requiring a single fee.

The registration fee can be paid by cheque (payable to AEMO Limited) or by direct deposit. You should provide a remittance advice from your bank if you have paid by direct deposit. Please contact the Registration Desk if you wish to pay by direct deposit or require a tax invoice from AEMO.

1.5.2 Participant Fees

Clause 2.11.1(b)(2) of the *Rules* provides that *participant fees* should recover the budgeted revenue requirements for AEMO. Clause 2.11.1(b)(3) provides that the components of *Participant fees* charged to each *Registered Participant* should be reflective of the extent to

which the budgeted revenue requirements for *AEMO* involve that *Registered Participant*. You should refer to the *AEMO* website for a summary of the *Participant fees* that are currently applicable to your registration category.

1.5.3 Separate Application Forms

There is a separate application form for each of the Transferor and Transferee.

Note that these application forms can only be used where there is to be no change to the way in which the underlying facilities are classified, otherwise the application must be treated as a fresh application for registration.

1.6 Application to be submitted to AEMO Registration Desk

Please return the completed Application by Transferor for Transfer of Registration as a Generator, Application by the Transferee for Transfer of Registration as a Generator, Application for Exemption from Registration as a Generator (if applicable), and the registration fee, to:

Australian Energy Market Operator Ltd
Registration Desk
Level 2, 20 Bond St
Sydney NSW 2000

Postal Address:
GPO Box 2008
Melbourne VIC 3001

Information & Support Hub: 1300 236 600
Fax: (03) 9609 8080
Email: registration.desk@aemo.com.au

2. Registration Procedure

Chapter 2 of the *Rules* deals with the registration of a Generator. Broadly, the transfer of registration process consists of the following steps:

- Step 1** You submit the Application by Transferor for Transfer of Registration, Application by Transferee for Transfer or Registration as a Generator and the Application for Exemption from Registration as a Generator (if applicable) and the registration fee (referred to as '**Application**').
- Step 2** AEMO will review the Application and respond to you within 5 *business days* of receipt of the Application.
- Step 3** AEMO may request additional information or clarification of the information contained in the Application. If such a request is made, you must supply the additional information or clarification within 15 *business days* of AEMO's request.
- Step 4** Within 15 *business days* of receiving the Application, or within 15 *business days* of receiving the requested additional information or clarification, AEMO will notify you of AEMO's determination and, if AEMO rejects your Application, the reasons for rejecting it.

AEMO's notification under Step 4 will also include:

- any conditions of registration, if applicable, that AEMO considers reasonably necessary. See Appendices 2 and 6 of the NEM Generator Registration Guide for information on conditions that may be imposed; and
- an effective date of registration. This date will be determined taking into account AEMO's software change management process and, in the case of *scheduled generating units* and *semi-scheduled generating units*, the expected commissioning date of critical telemetry required for the issuing of *dispatch instructions* and the auditing of responses.

3. Explanation of Transfer of Registration Application Forms

3.1 Application by the Transferor for Transfer of Registration as a Generator

This application form is divided into the following sections:

- Section A – Application for Transfer of Registration; and
- Section B – Transferor Contact Details.
- Section C - Metering

3.1.1 Section A - Application for Transfer of Registration

The Transferor must formally apply to transfer registration to the Transferee.

The form must be signed by an authorised representative as a declaration. The Transferor must also declare that it is not in breach of any of its obligations under *Rules* that relate to the *generating units* being transferred. If any current breach exists, then pursuant to clause 2.9A.3(c) *AEMO* must reject the application to transfer registration.

3.1.2 Section B - Transferor Contact Details

The Transferor must provide contact details to assist with communication between *AEMO* and the Transferor. The Transferor must provide contact details for their head office and any branch offices, and the relevant personnel listed.

You will need to submit additional pages to include all of your contact details. Please clearly mark these as 'Attachment to Section B' and number each page consecutively.

3.1.3 Section C – Metering

The Transferor must advise if there has been any changes to the *metering installation* since they registered the facility in the *NEM*. If there have been no changes to the *metering installation* then the Transferor only need provide the Connection Point NMIs and *metering installation* test results that show compliance with S7.2.3 and S7.3 of the *Rules*.

If there have been any changes to the *metering installation* since the Transferor registered the facility in the *NEM* (or the Transferor is unsure) then a completed Connection Point Registration Checklist must be completed to satisfy the minimum requirements for the registration of the Metering Connection Points as required under Chapter 7 of the *Rules*.

See Section 3.2.11 of the *NEM Generator Registration Guide* for further information on completing this checklist.

3.2 Please clearly mark all attachments as ‘Attachment to Section C’ and number each page consecutively. Application by the Transferee for Transfer of Registration as a Generator

The application is divided into the following sections:

- Section A - Application for Transfer of Registration
- Section B – Transferee Contact Details
- Section C – Generating Unit Information
- Section D – Information Required for AEMO's systems.

3.2.1 Section A - Application for Registration as a Generator

3.2.1.1 Transferee Details and declaration

The Transferee must formally apply to be registered and authorise *AEMO* to contact other parties, if necessary, to verify the information that you have provided.

The form must be signed by an authorised representative as a declaration.

3.2.1.2 Consent to Act as an Intermediary

If the Transferee will be continuing that arrangement, then the Transferee must consent to act as Intermediary. See also section 1.6.1.

3.2.1.3 Additional Material

The Transferee will need to provide evidence of its ability to meet the relevant requirements in the *Rules*.

You need to attach the following additional material:

1. Evidence of partnership status

If you are applying for registration on behalf of a partnership, you must provide evidence of the legitimacy of the partnership, such as a partnership agreement.

2. Jurisdictional Regulatory compliance

You must show that you comply with the requirements currently imposed by the *Jurisdictional Regulator* who has jurisdiction over your activities. You must confirm that you have either met your jurisdictional requirements, you are exempt from jurisdictional requirements, or that no jurisdictional requirements apply in your case. You should enclose the following:

- a copy of your current electricity licence or approval applicable in one or more *NEM* jurisdiction(s), or evidence of exemption, such as a letter from the relevant *Jurisdictional Regulator* explaining that no jurisdictional requirement exists, or copies of relevant exemptions or derogations;
- details of any non-compliance with jurisdictional regulatory obligations; and
- if you are already a *Registered Participant* in the *NEM* details of any non-compliance with the *Rules*.

3. Financial viability

You must be able to meet your financial obligations to *AEMO* and satisfy the prudential requirements as set out in clause 3.3 of the *Rules*. You must include:

- copies of your most recent audited financial statements; and
- an explanation of any financial links with parent or other organisations.

You might be required to provide credit support to cover, for example, the value of commissioning supplies and auxiliary supplies during plant outages or periods of infrequent generation. Further information regarding the amount of credit support is available from the document “Credit Limits Methodology” which is on the *AEMO* website.

Credit support instruments must conform strictly to the format for financial guarantees available on the *AEMO* website.

Credit support providers must meet the criteria of clause 3.3.3 of the *Rules*. Guarantees from parent or affiliated companies are unlikely to satisfy the criteria.

4. Organisational capability

You must show that you are in a position to control the design, construction, maintenance, operation, business and administrative processes applicable to your generating activities and that responsible officers” within your organisation are in a position to establish, or have already established, resources, processes and procedures to ensure compliance with the *Rules*. You should enclose:

- an organisation chart demonstrating that resources have been allocated to the intended *NEM* activities, for example wholesale trading, operations management, settlements and risk management, or other evidence that you have access to necessary expertise to carry out these functions;
- a brief resume of the relevant experience of key managers and their responsibilities;
- evidence of business and administrative processes such as:
 - > demonstration that *NEM*-related policies and procedures are in place or under development (do not submit the document to *AEMO*, simply advise that it exists)

- > IT systems to support *NEM* activities;
- evidence of experience in a comparable electricity market structure, such as:
 - > copies of electricity licences held in related markets
 - > duration of activity in those markets
 - > sales volumes and number of customers, and
 - > details of any non-compliance with regulatory obligations in that market;
- an explanation of arrangements with parent or other organisations that impact on or improve your ability to comply with the *Rules*.

5. Registration Fee - See Section 1.5.1.

Please clearly mark all attachments as '**Attachment to Section A**' and number each page consecutively.

3.2.2 Section B – Transferee Contact details

In Section B you must provide contact details to assist with communication between *AEMO* and your organisation. You must provide contact details for your head office and any branch offices, your control room and trading room, and relevant personnel.

You will need to submit additional pages to include all of your contact details. Please clearly mark these as '**Attachment to Section B**' and number each page consecutively.

3.2.3 Section C – Generating Unit Information

In Section C you must identify the *generating units* that are to be transferred to you. You need to provide sufficient information to clearly identify the *generating units* being transferred, such as descriptions or diagrams as well as:

- the *dispatchable unit ID (DUID)* for any *market generating units, scheduled generating units, or semi-scheduled generating units*;
- *generating unit nameplate ratings* and maximum capacities;
- if the technical requirements of Schedule 5.2 of the *Rules* do not apply as per clause S5.2.1(b) of the *Rules*, you must demonstrate that you are exempt by supplying
 - > evidence to support that you are eligible for exemption from registration (refer to Appendix 5 of the Generator Registration Guide); and
 - > a letter from the connecting *Network Service Provider* confirming the *generating unit* is unlikely to cause a material degradation of quality of supply to other *Network Users*;

- if the technical requirements of Schedule 5.2 of the *Rules* do apply, you must submit the *performance standards* for each *generating unit* or *generating system* (as applicable) that have previously been registered by *AEMO* identifying you as the registered *Generator*. If a *performance standards compliance program* has been established, you must also provide the *compliance program*. The *performance standards* for each *generating unit* or *generating system* (as applicable) should not have been varied in any other manner. If a variation is required you will need to submit a new application to be registered as a *Generator* in respect of the relevant units;
- replacement *local black system procedures* for each *generating unit* identifying the Transferee as the registered *Generator* and new contact details;
- the Connection Point NMIs along with *metering installation* test results that show compliance with S7.2.3 and S7.3 of the *Rules*. The *Responsible Person* must also be nominated together with service providers for meter provision and meter data provision; and
- ancillary services generating unit information, including capabilities and confirmation of any providers of communications or telemetry to *AEMO* (such as a Network Service Provider).

AEMO may clarify any of the above information and require evidence to support changes if the information does not correspond to *AEMO*'s records.

Please clearly mark all attachments as '**Attachment to Section C**' and number each page consecutively.

3.2.4 Section D – Information required for *AEMO*'s Market systems

To access *AEMO*'s systems requires specific details, as below. For further information, including connection options and background network information, please refer to the Guide to Information Systems, available from the *AEMO* website

3.2.4.1 Austraclear

Please provide your Austraclear Membership Number

3.2.4.2 Participant ID

You can suggest a Participant ID for your organisation. *AEMO* will advise you of the suitability of this suggestion prior to the establishment of the registration record in *AEMO*'s systems. Please take care in nominating the ID as *AEMO*'s systems do not support changes once IDs have been allocated.

3.2.4.3 Regular Emails

AEMO sends regular emails for several purposes. Please make these email addresses match a role, so you can more easily manage who actually receives these emails and can action them. For example, choosing AEMOdailybulletin@participant.com.au allows you flexibility for distribution to recipient(s), rather than nominating a direct address for the current incumbent responsible for actions arising from *AEMO*'s Daily Bulletin. Note only one email address accepted per item, and individual addresses are not maintained by *AEMO*.

The Daily Bulletin announces events affecting participants, such as connectivity issues, status of MMS, FRC, MSATS, B2B, and preproduction systems, software updates, latest NEM documents and specifications, events, testing and *settlement*.

Change notices announce systems changes potentially affecting participant interfaces. These are part of *AEMO*'s Change Management processes, as described in the IT Change Management Procedures Manual available from the *AEMO* website. Password expiry email notifications are sent when the NEMNet domain account password is due to expire. This acts as a reminder to change your password.

3.2.4.4 MarketNet Connections

AEMO has a private communication network (MarketNet). As part of processing the application for registration, *AEMO* sets up its end of the data network connection. The applicant is responsible for its own end, and the intermediate communications to connect to the *AEMO* end. When *AEMO*'s end is ready, *AEMO*'s network specialist advises the applicant's IT Technical Network Contact.

There are no attachments required for Section D.

4. Other Documents to be submitted by the Transferee

4.1 Application for Exemption of Registration

If the Transferor is acting as an *Intermediary* for a third party who is exempted on this basis, the exemption will lapse on the transfer of registration.

If the transferee is to be the new *Intermediary* then the third party must apply for an exemption from registration on the basis that you will be acting as an *Intermediary* for the third party.

4.2 Recipient Created Tax Invoices

You must submit your Application by Transferee for Transfer of Registration as a Generator with a completed Agreement for AEMO to Issue Recipient Created Tax Invoices, available on the AEMO website..

4.3 Austraclear

AEMO uses an external electronic funds transfer system provided by Austraclear. You will have to apply directly to Austraclear for membership. Membership approvals can take up to five weeks to process and charges are payable direct to Austraclear.

4.4 Credit Support

You should provide credit support instruments (if required) with the application. See section 3.2.1.3 for further details on information required regarding your financial viability.

4.5 Settlement Revision Liability Deed

Under clause 3.15.19 of the *Rules*, AEMO may revise or adjust to a *settlement amount*. If you are to be *financially responsible* for an existing *facility*, you may also accept responsibility for these revisions. You will need to provide AEMO with a NEM Settlements Revision Liability Deed, which is available from the AEMO website.