# **Applicant Capability Declaration – Integrated Resource Provider who is a Small Resource Aggregator – classifying ancillary service units**

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| **Applicant Name:** |  | | |
| **Applicant ABN:** |  | **Applicant ACN:** |  |
| **DUID** |  | | |

As a duly authorised representative of the Applicant, I acknowledge that I have read and understand the following statements:

1. AEMO relies on timely and accurate information and responses from all Registered Participants in line with their obligations under the National Electricity Rules (NER). Failure to do this can cause power system security breaches, reliability issues and significant additional costs for the market.
2. The Australian Energy Regulator (AER) monitors and enforces compliance with the NER and AEMO may report identified or suspected non-conformance to the AER.
3. As examples, some of the high-level general capabilities required for Integrated Resource Providers, Small Resource Aggregators (Small Resource Aggregators) to meet their NER obligations are:

* understanding bidding, rebidding and dispatch concepts and systems, including:
  + formulating and submitting dispatch bids
  + understanding the relationship between dispatch bids and dispatch targets
  + receiving and following electronic or verbal dispatch instructions
  + a 24/7 point of operational contact to immediately respond to verbal dispatch instructions
  + use of NEM Market Management System (MMS) bidding systems for Small Resource Aggregators, including the MMS portal.
  + awareness of the power system operating procedures on the AEMO website.
* understanding telemetry and communications systems requirements.
* monitoring and maintaining the relevant plant and equipment to ensure compliance with relevant performance standards and performance parameters, and requirements identified, in the Market Ancillary Services Specification (MASS) in respect of *ancillary service units* (ASU) (if applicable).
* if applicable, awareness, management and communication to AEMO of circumstances in respect of ASUs, including amendments to plant, that could affect AEMO’s management of power system security;
* submitting information to AEMO’s Demand Side Participation Information (DSPI) portal as required in accordance with AEMO’s DSPI Guidelines; and
* understanding of settlements and prudential information and requirements within the settlement timetable.

1. The operation of the NEM power system requires participants to have robust communication mechanisms and 24-hour operational response capabilities in place prior to registration. Some of the key Small Resource Aggregator obligations in the NER include:

* NER clause 2.3D.1 allows Small Resource Aggregators to provide market ancillary services (as ancillary service providers). Small Resource Aggregators may apply to AEMO for approval to:
  + - classify the plant at a small resource connection point as an ancillary service unit in accordance with NER clause 2.3.5.
    - aggregate their ancillary services units in accordance with NER clause 3.8.3(a1).
* NER clause 2.3D.1(f)(2) requires ancillary service providers to have adequate communications and/or telemetry in place to support the issuing of dispatch instructions in respect of the relevant plant and outlined in the MASS. These instructions may be electronic or verbal.
* NER clauses 4.9.3A requires ancillary service providers, to ensure that appropriate personnel or electronic facilities are always available to receive and immediately act upon dispatch instructions from AEMO (24/7 operational coverage)[[1]](#footnote-2).
* clause 4.11.3 of the NER –which requires all Market Participants (including Small Resource Aggregators*)* to:
  + - nominate personnel who will receive and act on operational communications;
    - maintain up-to-date contact details of nominated operational personnel with AEMO;
    - provide two independent telephone system numbers for each nominated operational personnel and control centre (mobile phone numbers only are not acceptable);
    - maintain both independent telephone systems in good repair and investigate communication faults within 4 hours; and
    - establish and maintain a form of electronic mail facility as approved by AEMO
  + Accordingly, the Small Resource Aggregator must provide the details which are required in the Application Form.

1. This document is not an exhaustive list of obligations placed on Small Resource Aggregators by the NER, but it identifies some general capabilities Applicants require to meet their NER obligations.[[2]](#footnote-3) Each Small Resource Aggregator is responsible for maintaining awareness of its legal and regulatory obligations as a Small Resource Aggregator (as these apply from time to time) and for ensuring they are able to comply with them.

I declare that prior to applying for registration, the Applicant has established and will maintain, at all times while registered as a Small Resource Aggregator, all necessary capabilities for compliance with the NER as a Small Resource Aggregator in the NEM. I also understand that failure to meet NER obligations may result in consequences including restrictions on the Applicant’s activities and enforcement action by the AER.

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(insert name)

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(insert title)

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Signature Date

1. Example 1: appropriate systems are in place to receive and follow dispatch instructions via bidding systems and backup by AEMO’s MMS portal.

   Example 2: necessary arrangements are in place to find out when the ancillary services are enabled for the relevant ASU by AEMO’s market systems. [↑](#footnote-ref-2)
2. The compliance requirements outlined in this declaration and in AER’s *Summer Readiness Checklist* are intended to give a high-level summary of certain key requirements of the NER. [↑](#footnote-ref-3)