



**NATIONAL ELECTRICITY CODE
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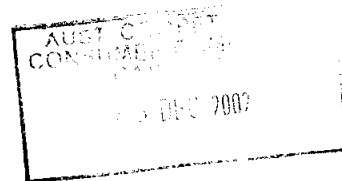
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20 December 2002

Mr S Roberts
General Manager
Regulatory Affairs – Electricity
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FILE No:
DOC:
MARS/PRISM:



Dear Sebastian,

NATIONAL ELECTRICITY CODE: END USER ADVOCACY ETAL.

On 3 October 2002, the Commission made a final determination on the Code changes arising from the NECA/NEMMCO review of directions, the subject of applications for authorisation (Nos A90818, A90819 and A90820). In that determination, the Commission amended the definition of 'Affected Participant' in Chapter 10 of the Code by condition of authorisation C4.40. This amendment was aimed at improving the clarity of the definition but inadvertently introduced other problems.

A minor variation of authorisations A90818, A90819 and A90820 is requested under s91A of the Trade Practices Act 1974 (Cth) ('TPA') to condition of authorisation C4.40 to clarify the meaning of the defined term 'Affected Participant' in Chapter 10 of the Code. It is requested that condition of authorisation C4.40 be varied (by making of the shaded amendments) to read as follows:

C4.40 The definition of "Affected Participant" must be amended to read:

In respect of a particular *direction* or *dispatch* under a *reserve contract*, as the case may be, in an *intervention price trading interval*:

1. a ~~A~~ *Scheduled Generator* or *Scheduled Network Service Provider*, which was not the subject of the *direction* or whose *plant* was not *dispatched* under the *reserve contract*, that had its *dispatched* quantity affected by that *direction* or *dispatch* of *plant* under that *reserve contract*; or
2. a *Scheduled Generator* or *Scheduled Network Service Provider*, which was the subject of the *direction* or whose *plant* was *dispatched* under the *reserve contract*, that had its *dispatched* quantity for other *generating units* or other *services* which were not the subject of that *direction* or which were not *dispatched* under that *reserve contract* affected by that *direction* or *dispatch* of *plant* under that *reserve contract*, however, the *Scheduled Generating Unit* or


Scheduled Network Service Provider is only an Affected Participant in respect of those generating units and services which were not the subject of that direction or were not dispatched under that reserve contract; or

3. an eligible person entitled to receive an amount from NEMMCO pursuant to clause 3.18.1(b)(1) where there has been a change in flow of a *directional interconnector*, for which the *eligible person* holds units for the intervention price trading interval, as a result of the *direction* or the dispatch of plant under thea reserve contract.

The purpose of the variation of the condition requested is to clarify that a scheduled generating unit or scheduled network service provider that is the subject of a direction or whose generating units or network services are dispatched under a reserve contract may nonetheless be an 'Affected Participant' where its dispatch quantity for other generating units or services are affected by the direction or dispatch under a reserve contract, in respect of those other generating units or services. This was always the intent of the proposed arrangements.

As such, NECA considers that the variation of condition of authorisation C4.40 in the manner set out above would not involve a material change in the effect of the Commission's authorisation of the Code amendments for directions, such that these amendments constitute a 'minor variation' as defined in s87D of the TPA. In particular, the minor variation to condition of authorisation C4.40 of the Commission's determination will not, in NECA's opinion, result in either:

- ◆ a reduction in the extent to which the benefit to the public of the authorisation of the amendments to the Code for the review of directions in the NEM outweighs any detriment to the public caused by that authorisation; or
- ◆ a reduction in the benefit to the public that arose from the original authorisation of those amendments to the Code.


for **Stephen Kelly**
Managing Director