# **Applicant Capability Declaration**

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| **Applicant Name:** |  |
| **Applicant ABN:** |  |
| **Facility:** |  |

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. The AER has prepared a checklist[[1]](#footnote-1) for market participants to check their preparations against the identified NER obligations. Please refer to this checklist, to ensure you are familiar and prepared to meet your key NER obligations before registration and commissioning.[[2]](#footnote-2)
3. As examples, some of the high-level general capabilities required for Generators to meet their NER obligations are:

* understanding Energy Conversion Models (ECMs);
* understanding bidding, rebidding and dispatch concepts and systems, including:
  + voltage control;
  + receiving and following dispatch targets; and
  + managing generator availability in the NEM Market Management System (MMS), including:
    - submitting and updating PASA information; and
    - for semi-scheduled generating units, use of MMS portal
* managing commissioning and compliance testing requirements;
* understanding Supervisory Control and Data Acquisition (SCADA) signals and systems;
* understanding and managing frequency control and causer pays impacts;
* monitoring and maintaining plant to ensure compliance with registered performance standards;
* awareness, management and communication to AEMO of changes to plant settings, model updates and other circumstances that could affect AEMO’s management of power system security; 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 and commissioning. Some of the key Generator obligations in the NER include:
   * clause 4.11.3 of the NER requires all Generators 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;
   * clause 4.9.2(d) of the NER requires all Generators to ensure that appropriate personnel are available at all times to **receive and immediately act** upon dispatch instructions from AEMO (24/7 operational coverage)[[3]](#footnote-3); and
   * clause 4.9.8(e) of the NER requires Semi-Scheduled Generators to **ensure** that each of its semi-scheduled generating units is at all times able to comply with its latest generation offer.
2. This document is not an exhaustive list of obligations but identifies the general capabilities Applicants require to meet their NER obligations.[[4]](#footnote-4) Each registered Generator is responsible for maintaining current awareness of its regulatory obligations and ensuring it is able to comply with them.

I declare that the Applicant has established prior to registration and commissioning, and will maintain while registered, all necessary capabilities for compliance with the NER as a Generator in the NEM. I also understand that failure to meet NER obligations may result in restrictions on the Applicant’s generation 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. Australian Energy Regulator, *NEM Summer Readiness Checklist - Quarterly Compliance Report - 1 December 2017* (2017) <<https://www.aer.gov.au/system/files/Summer%20Readiness%20Checklist.PDF>>. [↑](#footnote-ref-1)
2. Note the checklist is for guidance only and is not an exhaustive list that guarantees compliance. [↑](#footnote-ref-2)
3. Example 1: operational personnel must be available to adjust voltage set-points on a power station as instructed by AEMO – either locally or remotely – regardless of the day of the week, or the time of the day.

   Example 2: appropriate systems are in place to receive and follow dispatch instructions via bidding systems and backup by AEMO’s MMS portal. [↑](#footnote-ref-3)
4. The compliance requirements outlined in this declaration and in AER’s *Summer Readiness Checklist* are intended to give a basic understanding of key requirements. [↑](#footnote-ref-4)