

INTERVENTION, DIRECTION AND CLAUSE 4.8.9 INSTRUCTIONS

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Glossary

- a) In this document, a word or phrase *in this style* has the same meaning as given to that term in the NER.
- b) In this document, capitalised words or phrases or acronyms have the meaning set out opposite those words, phrases, or acronyms in the table below or in SO_OP 2000 Glossary.
- c) Unless the context otherwise requires, this document will be interpreted in accordance with Schedule 2 of the *National Electricity Law*.

Table 1 Glossary

| Term | Meaning |
|------|---------|
| | |
| | |

1 Introduction

- a) This Procedure is made in accordance with clause 4.8.9 of the NER.
- b) AEMO nominates this Procedure to be a *power system operating procedure* under clause 4.10.1(a)(5) of the NER.
- c) If there is any inconsistency between this Procedure and the NER, the NER will prevail to the extent of that inconsistency.

2 Purpose

The purpose of this Procedure is to provide information about how AEMO manages situations that require AEMO to issue a *direction*, or *clause 4.8.9 instructions*.

3 Application

This Procedure applies to AEMO and all *Registered Participants*.

4 Related Policies and Procedures

Table 2 Related policies and procedures

| Number | Title |
|------------|----------------------------------------------------------------|
| | Intervention Pricing Methodology |
| SO_OP_3715 | Power System Security Guidelines |
| SO_OP_3717 | Procedure for the Dispatch and Activation of Reserve Contracts |

5 AEMO Actions when issuing a Direction or Clause 4.8.9 Instruction

Where AEMO considers that it might have to intervene in the *market* by issuing a *direction* or *clause 4.8.9 instruction*, AEMO will:

- 1) Publish a Market Notice of the possibility that AEMO might have to issue a *direction* or *clause 4.8.9 instruction* so that there is an opportunity for a response from *Registered Participants* to alleviate that need.
- 2) Determine and *publish* the latest time for intervention.
- 3) Determine which *Registered Participant* should be the subject of a *direction* or *clause 4.8.9 instruction*.
 - If a *direction* is to be issued, if reasonably practicable, the determination will aim to minimise the effect on *interconnector* flows and minimise the number of *Affected Participants*
- 4) Issue a *direction* or *clause 4.8.9 instruction* verbally to the relevant *Registered Participant*, confirming whether it is a *direction* or *clause 4.8.9 instruction*.
- 5) Issue a Participant Notice confirming the *direction* or *clause 4.8.9 instruction*.
- 6) Issue a Market Notice advising that AEMO has issued a *direction* or *clause 4.8.9 instruction*.
- 7) Revoke the *direction* or *clause 4.8.9 instruction* as soon as it is no longer required.

5.1 Content of Directions and Clause 4.8.9 Instructions

A *direction* or *clause 4.8.9 instruction* will specify the physical deliverable requirement only without specifying whether a change in *energy generation* or consumption, or some other action, is required.

Consistent with clause 4.8.9(c), the *direction* or *clause 4.8.9 instruction* will be subject to the *Registered Participant's* best endeavours to comply with it, unless compliance would be a hazard to public safety, or materially risk damaging equipment, or contravene any other law.

When issuing a *clause 4.8.9 instruction* to shed *load* AEMO will instruct a TNSP to shed and restore *load* according to the Sensitive Loads and Priority Load Shedding Schedule procedure for the applicable *region*.

5.2 Sensitive Loads

Where a *direction* or *clause 4.8.9 instruction* requires *load shedding*, AEMO will comply with clause 4.3.2 concerning *sensitive loads*, by ensuring that any such *direction* or *clause 4.8.9 instruction* is consistent with the *load shedding procedures*.

6 Compliance with Directions and Clause 4.8.9 Instructions

In essence, clause 4.8.9(c) and (c1) of the NER require a *Registered Participant* to whom a *direction* or *clause 4.8.9 instruction* is addressed to use its best endeavours to comply with it unless compliance would be a hazard to public safety or materially risk damaging equipment or contravene any other law.

The onus is on the affected *Registered Participant* to notify AEMO immediately of such an inability to comply under clause 4.8.9(d) of the NER and to deliver a report to AEMO and the AER within 2 *business days* of the issue of the *direction* or *clause 4.8.9 instruction*, detailing the reasons for not complying together with all relevant facts.

7 Intervention Pricing

Where a direction has been issued, AEMO will apply intervention pricing in accordance with the Intervention Pricing Methodology.¹

¹ Available at: <http://www.aemo.com.au/Electricity/Market-Operations/Dispatch/Intervention-Pricing-Methodology>.