

# NEM SMALL GENERATION AGGREGATOR REGISTRATION GUIDE

## Important Notice

AEMO has prepared this Guide to provide information about about the process for becoming registered as a Small Generation Aggregator and Market Small Generation Aggregator 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**).

Except where otherwise specified, references to *Small Generation Aggregators* are taken to include *Market Small Generation Aggregators* because a person must register in both categories before selling electricity from *small generating units* directly to the *market*. A *Small Generation Aggregator* is referred to as a *Market Small Generation Aggregator* in relation to its activities as a *Market Participant*. To avoid duplication of processes, it will not be possible to register as a *Small Generation Aggregator* without also becoming registered as a *Market Small Generation Aggregator*.

## 1.1 Purpose of this Guide

The purpose of this Guide is to summarise the requirements and process for becoming registered by AEMO as a *Small Generation Aggregator*.

## 1.2 Requirement to register as a Small Generation Aggregator

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 *Small Generation Aggregator* is a *Registered Participant* who may supply electricity from one or more *small generating units* classified as *market generating units* to a *transmission or distribution system* (clause 2.3A.1 of the *Rules*).

The only category of *Small Generation Aggregator* registration is a *Market Small Generation Aggregator* (clause 2.3A.1 of the *Rules*). To be eligible for registration as a *Small Generation Aggregator*, a person must satisfy AEMO that the person intends to classify, within a reasonable period of time, one or more *small generating units* each as a *market generating unit* with a separate *connection point*.

A *small generating unit* must have a *nameplate rating* under 30MW and the owner, operator and controller must have an exemption under clause 2.2.1(c) of the *Rules* from the requirement to register as a *Generator* in respect of that unit.

Under clause 2.3A.1 of the *Rules* a *Small Generation Aggregator* must:

- sell all *sent out generation* through the *spot market* and accept payments from AEMO for that sent out generation at the relevant *spot price* for all *market connection points* it is *financially responsible* for; and

- purchase all electricity supplied through the *national grid* to the *Market Small Generation Aggregator* from the *spot market* and make payments to AEMO for electricity supplied at the *market connection points* it is *financially responsible* for.

### 1.3 Registration as an Intending Participant

Clause 2.7 of the *Rules* allows a person to register with AEMO as an *Intending Participant* if it can reasonably satisfy AEMO that it intends to carry out an activity in respect of which it must, or may, be registered as a *Registered Participant*. A person who intends to act as a *Small Generation Aggregator* may elect to register with AEMO as an *Intending Participant* if that person can satisfy AEMO that the relevant requirements have been met. Please see the Intending Participant Registration Guide if you would like to register as an *Intending Participant*.

### 1.4 Fees

#### 1.4.1 Registration Fee

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

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.

#### 1.4.2 Participant Fees

AEMO charges *Participant fees* to recover its budgeted revenue requirements. In accordance with clause 2.11.1 of the *Rules*, 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*.

AEMO will recover *Participant fees* from *Market Small Generation Aggregators* from a date to be notified by AEMO under clause 11.52.2 of the *Rules*. *Market Small Generation Aggregators* will initially be charged *Participant fees* on the same basis as *Market Customers*, until AEMO determines a revised structure of *Participant fees* to provide specifically for *Market Small Generation Aggregators*. You should refer to the AEMO website for the current structure of *Participant fees*.

#### 1.4.3 Energy Charges

These are calculated by multiplying half-hourly consumption (or if electricity is on-sold, the consumption of the persons for whom that electricity was purchased in the *market*) by the relevant *spot price* and the relevant *transmission loss factor*. *Market Small Generation Aggregators* must pay AEMO for electricity supplied at each *connection point* as determined for each *trading interval* in accordance with Chapter 3 of the *Rules*.

#### 1.4.4 Ancillary Services Charges

This is a charge that recovers the cost of *ancillary services*, such as frequency and network control that may vary from week to week. The recovery mechanisms for these services are summarised on the *AEMO* website.

### 1.5 Other documents to be submitted with the Registration application

#### 1.5.1 Recipient Created Tax Invoices

You must submit with your Application a completed agreement for *AEMO* to issue Recipient Created Tax Invoices (RCTI), available on the *AEMO* website, under the “GST Information Note for New Registrations” tab in the “Registration Information” section.

#### 1.5.2 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.

You will need to supply your Austraclear membership number with your application.

### 1.6 Application to be submitted to AEMO Registration Desk

Please return the completed application together with the registration fee and all supporting documents to:

Registration Desk AEMO Limited  
Level 2  
20 Bond Street  
Sydney NSW 2000

Phone: 1300 236 600  
(International callers dial +61 3 9609 8000)  
Fax: (03) 9232 1454  
Email: [registration.desk@aemo.com.au](mailto:registration.desk@aemo.com.au)

## 2. Registration Procedure

Chapter 2 of the *Rules* deals with the registration of a *Small Generation Aggregator* and a *Market Small Generation Aggregator*.

Each prospective *Small Generation Aggregator* must apply to *AEMO* for registration by using the relevant application form. The registration process consists of the following steps:

- Step 1** You submit the application, an Austraclear membership number, completed RCTI agreement, any other documents to be submitted with the application and the registration fee in accordance with AEMO's current published fee schedule.
- Step 2** AEMO will review the application and respond to you within 5 *business days* of receipt of the application (clause 2.9.1(b) of the *Rules*).
- 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 (clause 2.9.1(c) of the *Rules*).
- Step 4** Within 15 *business days* of receiving the application, or within 15 *business days* of receiving the requested additional information or clarification if later, AEMO will notify you of AEMO's determination and, if AEMO rejects your application, the reasons for rejecting it (clause 2.9.2(a) of the *Rules*).

### 3. Explanation of Application for Registration

The application form is divided into the following sections:

- Section A - Application for Registration as a Small Generation Aggregator;
- Section B - Contact Details;
- Section C - Categories;
- Section D - Information required for AEMO's systems;

Below is an explanation of how to complete Sections A to G of the application, including a description of the attachments that are required.

#### 3.1 Section A - Application for Registration as a Small Generation Aggregator

##### (a) Formal application and declaration

You must formally apply for registration and authorise AEMO to contact other parties, if necessary, to verify the information that you have provided with your application.

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

##### (b) Additional Material

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 any requirements currently imposed by the *Jurisdictional Regulator* who will have jurisdiction over your proposed activities as a *Small Generation Aggregator*. 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 relevant exemptions or derogations; and
- details of any non-compliance with jurisdictional regulatory obligations.

3. Financial viability – In order to be registered as a *Market Participant*, to meet the prudential requirements in clause 3.3 of the *Rules*, you must include an explanation of any financial links with parent or other organisations.

If you are required to comply with the prudential requirements in the *Rules* and cannot establish that you satisfy the *acceptable credit criteria*, you must provide *credit support*. If this is the case, contact *AEMO's* Registration Desk.

4. Organisational capability - To show that you are in a position to control the design, construction, maintenance, operation, business and administrative processes applicable to your activity as a *Small Generation Aggregator* 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 if this is not included in your organisational chart;
- 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;
- 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



- an explanation of arrangements with parent or other organisations that impact on or improve your ability to comply with the *Rules*.
5. Eligibility to Register – to show that you meet the eligibility requirements to register as a *Small Generation Aggregator* under clause 2.3A.1 of the *Rules*, you should enclose:
- evidence that you intend to classify, within a reasonable period of time, one or more *small generating units* each as a market generating unit, with each *market generating unit* having a separate *connection point*.
  - if this evidence is not available, a business plan or strategy containing enough detail to enable *AEMO* to be satisfied that you intend to classify, within a reasonable period of time, one or more *small generating units* each as a *market generating unit*, with each *market generating unit* having a separate *connection point*.or

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

### 3.2 Section B - Contact Details

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 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.

### 3.3 Section C – Categories

In Section C you must indicate the category of *Small Generation Aggregator* registration you are applying for, being:

- *Market Small Generation Aggregator*

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

### 3.4 Section D – Information required for AEMO's 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 Market Systems – Gaining Access*, available from the *AEMO* website ([Systems Access](#) page).

No attachments are required for Section D.

#### 3.4.1 Austraclear

Please provide your Austraclear Membership Number.

### **3.4.2 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.

### **3.4.3 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.