

# NEM CUSTOMER REGISTRATION GUIDE

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# Table of Contents

<b>1.</b>	<b>INTRODUCTION</b>	<b>3</b>
<b>1.1</b>	<b>Purpose of this Guide</b>	<b>3</b>
<b>1.2</b>	<b>Requirement to register as a Customer</b>	<b>3</b>
<b>1.3</b>	<b>Registration as an Intending Participant</b>	<b>4</b>
<b>1.4</b>	<b>Fees</b>	<b>4</b>
1.4.1	Registration Fee	4
1.4.2	Participant Fees	4
1.4.3	Energy Charges	4
1.4.4	Ancillary Service Charges	4
<b>1.5</b>	<b>Further requirements in order to participate in Settlements Residue Auctions</b>	<b>5</b>
<b>1.6</b>	<b>Other documents to be submitted with the Registration application</b>	<b>5</b>
1.6.1	Recipient Created Tax Invoices	5
1.6.2	Austraclear	5
<b>1.7</b>	<b>Application to be submitted to AEMO Registration Desk</b>	<b>5</b>
<b>2.</b>	<b>REGISTRATION PROCEDURE</b>	<b>6</b>
<b>3.</b>	<b>EXPLANATION OF APPLICATION FOR REGISTRATION AS A CUSTOMER IN THE NEM</b>	<b>6</b>
<b>3.1</b>	<b>Section A - Application for Registration as a Customer</b>	<b>7</b>
<b>3.2</b>	<b>Section B - Contact Details</b>	<b>9</b>
<b>3.3</b>	<b>Section C – Categories</b>	<b>9</b>
<b>3.4</b>	<b>Section D – Information required for AEMO’s systems</b>	<b>9</b>
3.4.1	Austraclear	9
3.4.2	Participant ID	9
3.4.3	MarketNet Connections	10
<b>3.5</b>	<b>Section E – Information on Scheduled Loads</b>	<b>10</b>
<b>3.6</b>	<b>Section F – Information on Market Ancillary Service Loads</b>	<b>10</b>
<b>3.7</b>	<b>Section G – Technical Requirements</b>	<b>12</b>

# 1. Introduction

*Italicised* words in this Guide are defined in the National Electricity Rules (**Rules**).

## 1.1 Purpose of this Guide

The purpose of this Guide is to summarise the procedure to be used by *AEMO* in registering an applicant as a *Customer*.

## 1.2 Requirement to register as a Customer

Section 11 of the National Electricity Law states that:

- (4) “A person must not engage in the activity of purchasing electricity directly through a wholesale exchange 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 *Customer* is a category of registration in which a person may engage in the activity of purchasing electricity *supplied* through a *transmission* or *distribution* system to a *connection point* (clause 2.3.1 of the *Rules*).

There are three categories of *Customer* registration:

- *First-Tier Customer* (clause 2.3.2 of the *Rules*);
- *Second-Tier Customer* (clause 2.3.3 of the *Rules*); and
- *Market Customer* (clause 2.3.4 of the *Rules*).

To be eligible for registration as a *Customer*, a person must satisfy *AEMO* that the person intends to classify, within a reasonable period of time, its electricity purchased at one or more *connection points* as a:

- *first-tier load*;
- *second-tier load*;
- *market load*; or
- *intending load*;

or must be seeking registration for the purpose of acting as a *retailer of last resort* (clause 2.3.1(b) of the *Rules*).

A *Customer* is taken to be a *Market Customer* where its activities relate to a *market load* and they will purchase all electricity from the *spot market*. *First-Tier Customers* and *Second-Tier*

*Customers* must not participate in the *spot market* for any of their *first-tier loads* or *second-tier loads*. *Customers* who are also *Local Retailers* must classify any *connection point* that connects their *local area* to another part of the *power system* as a *market load* and will be classified as *Market Customers*.

### **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 *Customer* 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**

Clause 2.11.1(b)(2) of the *Rules* provides that *Participant fees* should recover the budgeted revenue requirements for *AEMO*. Clause 2.11.1(b)(3) provides that 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*. You should refer to the *AEMO* website for a summary of the *Participant fees* that are currently applicable to *Customers*.

#### **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 Customers* 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 Service Charges**

This is a charge for both *market ancillary services* and *non-market 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 Further requirements in order to participate in Settlements Residue Auctions

AEMO may only enter into a *settlement residue distribution agreement (SRD agreement)*, in which AEMO agrees to distribute a portion of the *settlements residues*, to persons (called *eligible persons*) who are registered as a *Trader, Market Customer, or Generator*, and satisfy the criteria specified in the *auction rules*.

You should be aware that registration as a *Market Customer* will not, of itself, enable you to participate in an *auction*. To participate in an *auction* you must also enter into an *auction participation agreement*.

Clause 3.2 of the *auction rules* specifies that AEMO will only enter into an *auction participation agreement* with a person that:

- is registered as a *Trader, Generator or Market Customer*,
- is not registered as a *Transmission Network Service Provider*, and
- would not be a “retail client”, as defined in section 761G(7) of the *Corporations Act 2001 (Cth)*, if that person entered into a *SRD agreement* with AEMO;

Therefore, when you submit your *auction participation agreement* you also need to show that you are not a “retail client”. AEMO has developed a guide to explain what evidence you need to produce to establish that you are not a “retail client” (**Retail Client Guide**). The Retail Client Guide, and the *auction rules* (including the *auction participation agreement* included as Schedule 1 to the *auction rules*) are available on the AEMO website under the “SRA” tab in the “Settlements” section.

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

### 1.6.1 Recipient Created Tax Invoices

If you are registering as a *Market Customer*, you must submit your Application with a completed Agreement for AEMO to Issue Recipient Created Tax Invoices, available on the AEMO website, under the “GST Information Note for New Registrations” tab in the “Registration Information” section.

### 1.6.2 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.

If you are registering as a *Market Customer*, you will need to apply to Austraclear for membership and supply your membership number with your application.

## 1.7 Application to be submitted to AEMO Registration Desk

Please return the completed Application together with the registration fee to:

AEMO Onboarding  
Level 2  
20 Bond Street  
Sydney NSW 2000

Phone: 1300 236 600  
(International callers dial +61 3 9609 8000)  
Fax: (02) 9232 1454  
Email: onboarding@aemo.com.au

## 2. Registration Procedure

Chapter 2 of the *Rules* deals with the registration of a *Customer*.

Each prospective *Customer* 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, any other documents to be submitted with the application and the registration fee in accordance with *AEMO*'s current published fee schedule and, if you are registering as a *Market Customer*, an Austraclear membership number.
- 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, *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 as a Customer in the NEM

The application form is divided into the following sections:

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

- Section E - Information on Scheduled Loads;
- Section F - Information on Ancillary Service Loads; and
- Section G - Technical Requirements.

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 Customer

#### (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 requirements currently imposed by the *Jurisdictional Regulator* who has jurisdiction over your activities. 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 exemption, such as a letter from the relevant *Jurisdictional Regulator* explaining that no jurisdictional requirement exists, or copies of relevant exemptions or derogations; and
- details of any non-compliance with jurisdictional regulatory obligations.

3. Financial viability - If you are registering 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 *Customer* 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 *Customer* under clause 2.3.1 of the *Rules*, you should enclose:
- evidence that you intend to classify, within a reasonable period of time, the electricity purchased at one or more *connection points* as a *first-tier load*, a *second-tier load*, a *market load* or an *intending load*; or
  - 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, your electricity purchased at one or more *connection points* as a *first-tier load*, a *second-tier load*, a *market load* or an *intending load*; or
  - if registration is for the purpose of acting as a *retailer of last resort*, evidence that you have been appointed as the *retailer of last resort* in the relevant *participating jurisdiction*.

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 *Customer* registration you are applying for, being one of:

- *first-tier load*;
- *second-tier load*;
- *market load*;
- *intending load*; or

or must be seeking registration for the purpose of acting as a *retailer of last resort* (clause 2.3.1(b) of the *Rules*).

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.

### 3.5 Section E – Information on Scheduled Loads

If you are registering as a *Market Customer*, you can request that AEMO classify any of your *market loads* as *scheduled loads* so that you can then submit *dispatch bids*. The information about *loads* will be used to establish standing data for processes such as the *short-term PASA* and the *medium-term PASA* and for validation of bids.

If you want to classify any of your *market loads* as a *scheduled load* you must complete Section E.

A *scheduled load* must be able to be switched on or off as appropriate in accordance with submitted bids. Before classifying your *market load* as a *scheduled load*, AEMO must be satisfied that the *scheduled load's* facility can comply with AEMO's *dispatch* instructions.

The information sought in Section E includes:

- **Dispatchable Load ID:** this must be a maximum of eight characters. This will be referred to as the DUID (for Dispatchable Unit ID) in the *market* systems. You can suggest a Dispatchable Load ID for your facilities, however, AEMO will advise you of their suitability. Please take care in nominating this as changes are not supported. There should be one Dispatchable Unit ID for each *scheduled load* in the columns provided. Please increase the number of columns if required.
- **Connection Point ID:** Generally, this will be four characters for *transmission connected loads* and five characters for *distribution connected loads*.
- **Registered Size:** the maximum *power* consumption of the *scheduled load*, in whole MWs, that you wish to be able to bid into the *market*;
- **Normally On/Off:** whether the *load* is normally on or normally off;
- **Facility ID:** this must be a maximum of eight characters.

No attachments are required for Section E.

### 3.6 Section F – Information on Market Ancillary Service Loads

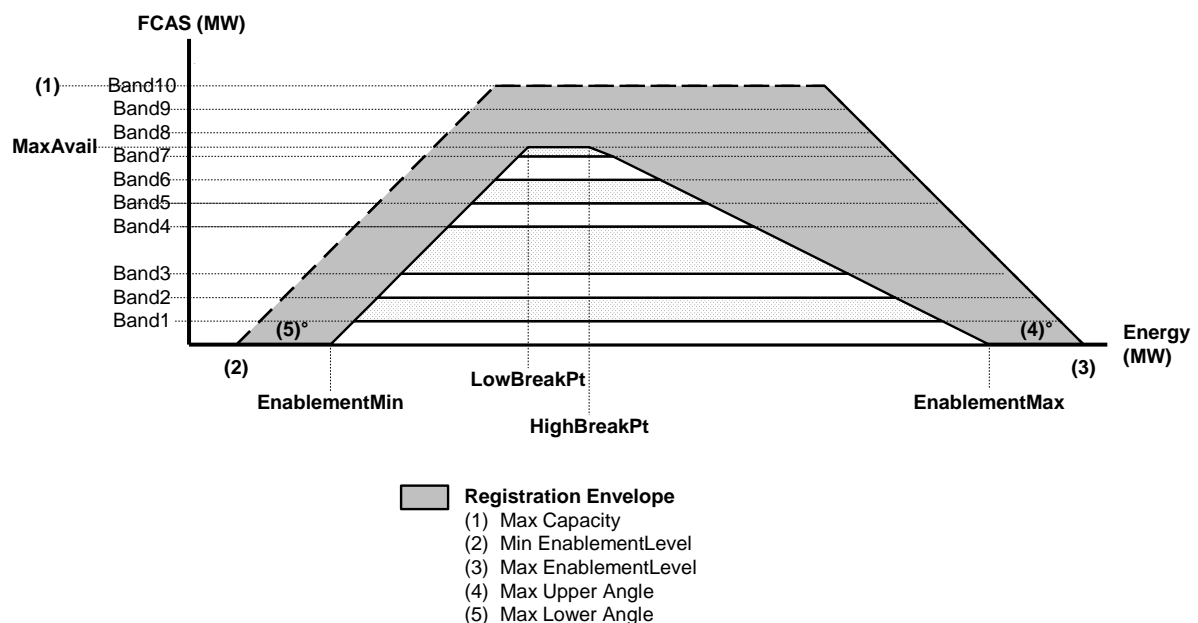
If you are registering as a *Market Customer* and you want to provide *market ancillary services*, you must also apply to AEMO for approval to classify your *market load* as an *ancillary service load*. To do this you need to complete Section F and duplicate it for each *ancillary service load*.

The information sought in Section F for each *ancillary service load* is as follows:

- **Item 1:** Identify the *market load* to be classified as an *ancillary service load*;
- **Item 2:** Indicate which of the eight *market ancillary services* identified in clause 3.11.2 of the *Rules* the *market load* will offer, and the parameters within which each *market ancillary service* can be provided. AEMO will review this information and indicate whether the *market load* can be used to provide the nominated *market ancillary services* in accordance with the *market ancillary service specification*;
- **Item 3:** Provide confirmation of how you determined that the *market load* could provide the *market ancillary services* you want to offer; and
- **Item 4:** Describe the *facilities* you have installed to receive *dispatch* instructions for the enablement of each *market ancillary service*. You must also describe the control and monitoring facilities you have installed for each *market ancillary service* in accordance with the *market ancillary service specification*.

Once registered in MMS, the parameters that you specify will be used to validate the *ancillary service bids* you submit.

The diagram on the following page depicts registered parameters for *market ancillary services*, together with a bid to provide *market ancillary services* within the registered parameters.



No attachments are required for Section F.

### **3.7 Section G – Technical Requirements**

This is only required if you are applying to become a *Market Customer* and you will also be a *Network User*. Please complete and attach the Customer Technical Requirements and Customer Performance Standards documents available on the *AEMO* website in the “Registration” section.