



National Electricity Amendment (Enhancing operational resilience in relation to indistinct events) Rule 2022 No. 1

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015 of the Northern Territory; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

Anna Collyer
Chairperson
Australian Energy Market Commission

National Electricity Amendment (Enhancing operational resilience in relation to indistinct events) Rule 2022 No. 1

1 Title of Rule

This Rule is the *National Electricity Amendment (Enhancing operational resilience in relation to indistinct events) Rule 2022 No. 1*.

2 Commencement

Schedule 1 of this Rule commences operation on 9 March 2023.

Schedule 2 of this Rule commences operation on 3 June 2024, immediately after the commencement of Schedules 1 to 6 of the National Electricity Amendment (Integrating energy storage systems into the NEM) Rule 2021 No.13.

Schedule 3 of this Rule commences operation on 10 March 2022.

3 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

4 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

5 Savings and Transitional Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 4.2.3 Credible and non-credible contingency events and protected events

Omit clause 4.2.3(a) and substitute:

- (a) A *contingency event* means an event on the *power system* which *AEMO* expects would be likely to involve:
 - (1) the failure or removal from operational service of *plant*; or
 - (2) a sudden and unplanned change to the level of output, consumption or power flow of *plant*.

[2] Clause 4.2.3A Re-classifying contingency events

In the heading of clause 4.2.3A, omit "Re-classifying" and substitute "Reclassifying".

[3] Clause 4.2.3A Re-classifying contingency events

In clause 4.2.3A(b)(1), omit "a *contingency event*" and substitute "the *power system*".

[4] Clause 4.2.3A Re-classifying contingency events

In clause 4.2.3A(b)(2), omit "any *non-credible contingency event* which is more" and substitute "whether a *non-credible contingency event* is more".

[5] Clause 4.2.3A Re-classifying contingency events

In clause 4.2.3A(c), omit "a *non-credible contingency event* which is more" and substitute "that a *non-credible contingency event* is more".

[6] Clause 4.2.3A Re-classifying contingency events

In clause 4.2.3A(c)(2), omit "relevant".

[7] Clause 4.2.3A Re-classifying contingency events

Omit clause 4.2.3A(c)(3) and substitute:

- (3) whether *AEMO* has reclassified the *non-credible contingency event* as a *credible contingency event* under clause 4.2.3A(g), and, if so, any additional measures implemented to maintain *power system security*;

[8] Clause 4.2.3A Re-classifying contingency events

In clause 4.2.3A(d), omit "have a material effect on the likely occurrence" and substitute "increase the likelihood".

[9] Clause 4.2.3A Re-classifying contingency events

Omit clause 4.2.3A(e) and substitute:

- (e) If *AEMO* identifies that a *non-credible contingency event* is more likely to occur because of *abnormal conditions* it must, on a regular basis while the *abnormal conditions* exist, consider whether the *abnormal conditions* make the occurrence of that *non-credible contingency event* reasonably possible, having regard to all the facts and circumstances identified in accordance with clause 4.2.3A(b).

[10] Clause 4.2.3A Re-classifying contingency events

In clause 4.2.3A(f), omit "clause 4.2.3B" and substitute "clause 4.2.3B(a)(1)".

[11] Clause 4.2.3A Re-classifying contingency events

In clause 4.2.3A(f), omit the note.

[12] Clause 4.2.3A Re-classifying contingency events

Omit clause 4.2.3A(g) and substitute:

- (g) If, after undertaking a consideration in accordance with clause 4.2.3A(e), *AEMO* decides that the existence of the *abnormal conditions* make the occurrence of a *non-credible contingency event* reasonably possible, it must:
 - (1) reclassify that event to be a *credible contingency event* and must notify *Market Participants* as soon as practicable; and
 - (2) determine, having regard to the *reclassification criteria*, what measures it will implement to maintain *power system security*.

[13] Clause 4.2.3A Re-classifying contingency events

In clause 4.2.3A(h), omit "*AEMO* may reclassify that *credible contingency event* to be a *non-credible contingency event*. If *AEMO* does so, it must notify" and substitute "*AEMO* must reclassify that *credible contingency event* to be a *non-credible contingency event* and notify".

[14] Clause 4.2.3A Re-classifying contingency events

Omit clause 4.2.3A(i) and substitute:

- (i) Every six months, *AEMO* must issue a report setting out its reasons for all decisions to reclassify *non-credible contingency events* to be *credible contingency events* under clause 4.2.3A(g) during the relevant period. The report must include:
 - (1) an explanation of how *AEMO* applied the *reclassification criteria* for each reclassification decision;

- (2) *AEMO's* appraisal of:
 - (i) the appropriateness and effectiveness of the *reclassification criteria* and the measures implemented to maintain *power system security* as a result of reclassification decisions; and
 - (ii) any need to review and amend the *reclassification criteria* before the next review under clause 4.2.3B(b); and
- (3) *AEMO's* analysis of reclassification trends during the relevant period.

[15] Clause 4.2.3A Re-classifying contingency events

After clause 4.2.3A(i), insert new clauses 4.2.3A(j) and 4.2.3A(k) as follows:

- (j) As soon as reasonably practicable after an event that *AEMO* reclassified to be a *credible contingency event* under clause 4.2.3A(g) where, in relation to that event, the measures implemented could not reasonably have been expected having regard to the *reclassification criteria*, *AEMO* must prepare and *publish* a report with information for *Market Participants* about the basis on which *AEMO* determined the measures implemented.
- (k) A report under paragraph (j) must include:
 - (1) a list of the notices relating to the event given by *AEMO* under this clause;
 - (2) information about the risk the *abnormal condition* posed to the *power system*;
 - (3) an explanation of the basis on which *AEMO* determined the measures implemented; and
 - (4) other explanatory information or material *AEMO* considers appropriate.

[16] Clause 4.2.3B Criteria for reclassifying contingency events

In the heading of clause 4.2.3B, omit "**re-classifying**" and substitute "**reclassifying and responding to**".

[17] Clause 4.2.3B Criteria for reclassifying contingency events

Omit clause 4.2.3B(a) and substitute:

- (a) *AEMO* must develop *reclassification criteria* setting out:

- (1) criteria that it must use when considering whether the existence of *abnormal conditions* makes the occurrence of a *non-credible contingency event* reasonably possible under clause 4.2.3A(e); and
- (2) information about measures that *AEMO* may implement to maintain *power system security* as a result of reclassification decisions including:
 - (i) the risks to the *power system* of different *abnormal conditions* that the measures may seek to address;
 - (ii) the *network elements* or other *plant* in relation to which measures may be implemented in response to different *abnormal conditions*; and
 - (iii) other measures or a range of measures that *AEMO* is likely to consider in different *abnormal conditions*.

[18] Clause 4.2.3B Criteria for reclassifying contingency events

In clause 4.2.3B(b), omit "criteria established under clause 4.2.3B(a)" and substitute "*reclassification criteria*".

[19] Clause 4.2.3B Criteria for reclassifying contingency events

In clause 4.2.3B(c), omit "criteria established under clause 4.2.3B(a)" and substitute "*reclassification criteria*".

[20] Clause 4.2.3B Criteria for reclassifying contingency events

In clause 4.2.3B(d), omit "establishing, reviewing or amending the criteria under this clause," and substitute "reviewing or amending the *reclassification criteria*,".

[21] Clause 4.2.3B Criteria for reclassifying contingency events

In clause 4.2.3B(d)(1), omit "*Transmission Network Service Providers*" and substitute "*Network Service Providers*".

[22] Clause 4.2.3B Criteria for reclassifying contingency events

In clause 4.2.3B(d)(2), omit "criteria" and substitute "*reclassification criteria*".

[23] Clause 4.2.3B Criteria for reclassifying contingency events

Omit clause 4.2.3B(d)(3) and substitute:

- (3) *publish the reclassification criteria* on its website as soon as practicable after the criteria have been developed or amended.

[24] Clause 4.2.6 General principles for maintaining power system security

After clause 4.2.6(g), insert a new clause 4.2.6(h) as follows:

- (h) Where practicable, decisions about reclassification under clause 4.2.3A and the measures to be implemented in response should be reasonably predictable and consistent with the *reclassification criteria*.

[25] Clause 4.8.15 Review of operating incidents

In clause 4.8.15(a)(1)(i), omit "*transmission system*" and substitute "*power system*".

[26] Clause 4.8.15 Review of operating incidents

In clause 4.8.15(ca), omit "re-classification criteria published under clause 4.2.3B" and substitute "*reclassification criteria*".

[27] Clause 5.20A.1 General power system risk review

After clause 5.20A.1(a1)(2), insert a new clause 5.20A.1(a1)(2A) as follows:

- (2A) events for which a report must be published in accordance with clause 4.2.3A(j);

[28] Clause 8.8.1 Purpose of Reliability Panel

In clause 8.8.1(a)(2a), omit "clause 4.2.6(b)" and substitute "*contingency event management*".

[29] Chapter 10 Glossary

In the definition of "*plant*", after paragraph (f), insert a new paragraph (g) as follows:

- (g) In relation to the *power system*, includes all equipment involved in the *generation, transmission or distribution* of electrical energy.

[30] Chapter 10 Glossary

In chapter 10, insert the following new definition in alphabetical order:

reclassification criteria

Has the meaning given to it in clause 4.2.3B(a).

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 4.2.3 Credible and non-credible contingency events and protected events

Omit clause 4.2.3(a) and substitute:

- (a) A ***contingency event*** means an event on the *power system* which *AEMO* expects would be likely to involve:
 - (1) the failure or removal from operational service of *plant*; or
 - (2) a sudden and unplanned change to the level of output, consumption or power flow of *plant*.

Schedule 3 Savings and Transitional Amendment to the National Electricity Rules

(Clause 5)

[1] New Part ZZZZW Enhancing operational resilience in relation to indistinct events

In Chapter 11, after Part ZZZZV, insert a new Part:

Part ZZZZW Enhancing operational resilience in relation to indistinct events

11.147 Rules consequential on the making of the National Electricity Amendment (Enhancing operational resilience in relation to indistinct events) Rule 2022

11.147.1 Definitions

(a) In this rule 11.147:

Amending Rule means the *National Electricity Amendment (Enhancing operational resilience in relation to indistinct events) Rule 2022*.

commencement date means the date of commencement of Schedule 1 of the Amending Rule.

new clause 4.2.3B(d) means clause 4.2.3B(d) as in force on and from the commencement date.

(b) Italicised terms used in this rule 11.147 have the same meaning as in Chapter 10 as in force on and from the commencement date.

11.147.2 Review of AEMO documents

(a) By the commencement date, *AEMO* must review and, where *AEMO* considers it necessary or desirable, amend the *reclassification criteria* and *power system operating procedures* to take into account the Amending Rule.

(b) In reviewing and amending the *reclassification criteria* and *power system operating procedures* under paragraph (a), *AEMO* must comply with the consultation requirements in new clause 4.2.3B(d).

(c) Amendments made in accordance with paragraph (a) must take effect on and from the commencement date.

[END OF RULE AS MADE]
