[Draft](#idc3bec155_3632_4938_bbfd_c54aaa41a081_f) National Electricity Amendment ([Bidding in good faith](#idb876a221_72a4_46ad_a034_1b2f8a38ef53_1)) Rule [2015](#id7afb2696_adb1_4e31_980e_06b514fa1dd0_6)

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; and

(g) the Australian Energy Market Act 2004 of the Commonwealth.

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

[John Pierce](#id826b3b56_5c88_482c_85aa_e2e8d1a2802b_3)

[Chairman](#idb915cb41_9175_4bc3_ba35_98305a2639dc_2)

Australian Energy Market Commission

[Draft](#idc3bec155_3632_4938_bbfd_c54aaa41a081_f) National Electricity Amendment ([Bidding in good faith](#idb876a221_72a4_46ad_a034_1b2f8a38ef53_1)) Rule [2015](#id7afb2696_adb1_4e31_980e_06b514fa1dd0_6)

1 **Title of Rule**

This Rule is the [*Draft*](#idc3bec155_3632_4938_bbfd_c54aaa41a081_f) National Electricity Amendment ([*Bidding in good faith*](#idb876a221_72a4_46ad_a034_1b2f8a38ef53_1)) Rule [*2015*](#id7afb2696_adb1_4e31_980e_06b514fa1dd0_6).

2 **Commencement**

This Rule commences operation on [COMMENCEMENT\_DATE].

3 **Amendment of the National Electricity Rules**

The National Electricity Rules are amended as set out in [Schedule 1](#ideb30493c_fef0_4557_8b6e_78600a3b21be_b).

Schedule 1 **Amendment to the National Electricity Rules**

([Clause 3](#ida758f0a9_d43f_490c_8359_b4e798f3d6de_a))

[1] Clause 3.1.4 Market Design Principles

Omit clause 3.1.4(a)(2), and substitute:

(2) maximum level of *market* transparency in the interests of achieving a very high degree of *market* efficiency, including by providing accurate, reliable and timely forecast information to *Market Participants*, in order to allow for responses that reflect underlying conditions of supply and demand;

[2] Clause 3.8.22 Rebidding

Omit clause 3.8.22 in its entirety, and substitute:

3.8.22 Rebidding

(a) Prices for each *price band* that are specified in *dispatch bids*, *dispatch offers* and *market ancillary service offers* are firm and no changes to the price for any *price band* are to be accepted under any circumstances.

(b) Subject to clauses 3.8.3A, 3.8.7A, 3.8.19(a) and 3.8.22A, a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may submit a *rebid* to vary:

(1) its *available capacity*, daily *energy constraints*, *dispatch inflexibilities* and *ramp rates* of *generating units*, *scheduled network services* and *scheduled loads*; and

(2) the *response breakpoints*, *enablement limits* and response limits of *market ancillary services*,

previously notified in a *dispatch offer*, a *dispatch bid* or a previous *rebid*.

(c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must provide:

(1) all *rebids* to *AEMO* electronically unless otherwise approved by *AEMO*;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(2) to *AEMO*, at the same time as the *rebid* is made:

(i) a brief, verifiable and specific reason for the *rebid*; and

(ii) the time at which the event(s) or other occurrence(s) adduced by the relevant *Generator* or *Market Participant* as the reason for the *rebid*, occurred;

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(3) to the *AER,* upon written request from the *AER,* in accordance with the guidelines published by the *AER*, the information referred to in paragraph (c)(2), within the time specified in the *AER’*s request.

 Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(d) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must cause a contemporaneous record to be made, in respect of each *rebid* made during the *late rebidding period* by each individual responsible for the decision to *rebid,* which contains the following information:

(1) the material conditions and circumstances giving rise to the *rebid*;

(2) the *Generator’s* or *Market Participant’s* reasons for making the *rebid*;

(3) the time at which the relevant event(s) or other occurrence(s) occurred; and

(4) the time at which the *Generator* or *Market Participant* first became aware of the relevant event(s) or other occurrence(s).

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(e) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must retain the information referred to in paragraph (d) in accordance with the requirements of clause 1.9.

Note

 Clause 1.9 is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations

(f) The *AER* may require, via written request, the information referred to in paragraph (d) from the *Generator* or *Market Participant* and any additional information to substantiate and verify the reason for a *rebid*, and the *Generator* or *Market Participant* must provide the required information to the *AER* within the time specified in the *AER’s* written request.

Note

This clause is classified as a civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

(g) The *AER* must, in accordance with any guidelines published by it, provide information provided to it in accordance with paragraphs (c)(3) and (f) to any *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* that requests such information, except to the extent that the information can be reasonably claimed to be *confidential information*.

(h) The guidelines referred to in paragraph (g) must be developed in accordance with the *Rules consultation procedures* and must include:

(1) the amount of detail to be included in the information provided to *AEMO* under paragraph (c)(2), and

(2) procedures for handling claims by *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* in accordance with paragraph (g) or clause 3.8.19(b)(2) that the information provided to the *AER* by such *Generators* or *Market Participants* under those clauses is *confidential information*.

(i) The *AER* must *publish* the guidelines developed under this clause 3.8.22 and may amend such guidelines from time to time.

(j) *AEMO* must:

(1) subject to the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* complying with paragraphs (c)(1) and (c)(2)(i) and (ii), accept the *rebid*; and

(2) *publish*, in accordance with clause 3.13.4(p), the time the *rebid* was made and the reason provided by the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* under paragraph (c)(2)(i).

[3] Clause 3.8.22A Variation of offer, bid or rebid

Omit clause 3.8.22A in its entirety and the heading, and substitute:

3.8.22A Offers, bids and rebids must not be false or misleading

(a) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* must not make a *dispatch offer*, *dispatch bid* or *rebid* that is false, misleading or likely to mislead.

(a1) Without limiting paragraph (a), the making of a *dispatch offer*, *dispatch bid* or *rebid* is deemed to represent to other *Generators* or *Market Participants* through the *pre-dispatch schedules* *published* by *AEMO* that:

(1) the offer, bid or *rebid* is the final offer, bid or *rebid* for the relevant *dispatch interval* and will not be changed, unless;

(2) the *Generator* or *Market Participant* decides to vary the offer, bid or *rebid* because it becomes aware of a change in the material conditions and circumstances upon which the offer, bid or *rebid* are based, in which case any *rebid* or further *rebid* by the *Generator* or *Market Participant* will be made in accordance with the *Rules*.

(b) Without limiting paragraph (a) or (a1), a *dispatch offer*, *dispatch bid* or *rebid* is deemed to be false or misleading if, at the time of making such an offer, bid or *rebid*, a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* does not have:

(1) a genuine intention to honour; or

(2) a reasonable basis to represent that it will honour,

the representations made at the time of making the offer, bid or *rebid*, including but not limited to the representations made by reason of paragraph (a1).

(b1) In any proceeding in which a contravention of paragraph (a) is alleged, in determining whether a *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* made a *dispatch offer*, *dispatch bid* or *rebid* that is false, misleading or likely to mislead, a court must have regard to the market design principle set out in clause 3.1.4(a)(2).

(c) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may be taken to have contravened paragraph (a) notwithstanding that, after all the evidence has been considered, the false or misleading character of the *dispatch offer*, *dispatch bid* or *rebid* (including the absence of either of the matters referred to in subparagraphs (b)) is ascertainable only by inference from:

(1) other *dispatch offers*, *dispatch bids* or *rebids* made by the *Generator* or *Market Participant*, or in relation to which the *Generator* or *Market Participant* had substantial control or influence;

(2) other conduct (including any pattern of conduct), knowledge, belief or intention of the relevant *Generator* or *Market Participant*;

(3) the conduct (including any pattern of conduct), knowledge, belief or intention of any other person;

(4) information published by *AEMO* to the relevant *Generator* or *Market Participant*; or

(5) any other relevant circumstances.

(d) A *rebid* must be made as soon as practicable after the *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* becomes aware of the change in material conditions and circumstances on the basis of which it decides to vary its *dispatch offer* or *dispatch bid*.

(e) In any proceeding in which a contravention of paragraph (d) is alleged, in determining whether the *Generator* or *Market Participant* made a *rebid* as soon as practicable, a court must have regard to:

(1) the market design principle set out in clause 3.1.4(a)(2); and

(2) whether the *rebid* was made in sufficient time to allow reasonable opportunity for other *Market Participants* to respond (including by making responsive *rebids*, by bringing one or more *generating units* into operation or increasing or decreasing the *loading level* of any *generating units*, or by adjusting the *loading level* of any *load*) prior to:

(i) the commencement of the *trading interval* to which the *rebid* relates; or

(ii) the commencement of any *dispatch interval* within that *trading interval*.

Note

The AEMC will be recommending to the COAG Energy Council that clause 3.8.22A continue to be classified as a rebidding civil penalty provision for the purposes of the National Electricity Law. (See clause 6(2) of the National Electricity (South Australia) Regulations.)

(f) A *Scheduled Generator*, *Semi-Scheduled Generator* or *Market Participant* may be taken to have contravened paragraph (d) notwithstanding that, after all the evidence has been considered, a determination of whether the *Generator* or *Market Participant* made a *rebid* as soon as practicable is ascertainable only by inference from the matters of the kind referred to in paragraph (c)(1) to (5).

[4] Chapter 10 New Definitions

In chapter 10, insert the following definitions in alphabetical order:

late rebidding period

In respect of a *trading interval*, the period beginning 15 minutes before the commencement of the *trading interval*.

[5] Chapter 10 Substituted definitions

In chapter 10, substitute the following definition:

rebid

A variation to a bid or offer made in accordance with clause 3.8.22(b).