



Guidelines on the imposition of additional reporting requirements and monitoring standards under clause 8.7.2 (g) of the National Electricity Code

These guidelines have been developed to meet NECA's obligation under clause 8.7.2(h) of the Code to develop and implement guidelines on the exercise of its powers under clause 8.7.2(g) to impose additional requirements, procedures or standards.

Powers of NECA

Clause 8.7.2(g) of the Code provides that:

- ◆ any Code participant may ask NECA to impose additional requirements, procedures or standards on another Code participant in order to monitor or assess compliance with the Code by that Code participant; and
- ◆ NECA may, but is not required to, impose additional requirements, procedures or standards and if so may allocate the cost of the additional compliance monitoring undertaken between the relevant Code participants.

Guidelines

Clause 8.7.2(h) of the Code requires NECA to develop and implement guidelines in accordance with the Code consultation procedures governing the exercise of the powers conferred on it by clause 8.7.2(g). The guidelines must set out the matters to which NECA must have regard prior to deciding the allocation of costs of any additional requirements, procedures or standards imposed pursuant to clause 8.7.2(g) between the relevant Code participants.

Use of powers under clause 8.7.2(g)

In the event of a Code participant requesting additional reporting requirements, procedures or standards on another Code participant, NECA would use its specific powers under clause 8.7.2(g) only:

- ◆ where the written request includes:
 - ◇ details of the relevant Code clause(s);

- ◇ a statement by the requesting Code participant setting out the reason for the request;
- ◇ written evidence to support the request, including dates and times;
- ◇ the impact of non-compliance;
- ◆ in relation to a specific request brought before NECA and where NECA is satisfied that there is sufficient evidence warranting use of the powers;
- ◆ following discussion with the relevant Code participant(s);
- ◆ after it has provided the relevant Code participant(s) with a formal opportunity to explain why the information should not be requested;
- ◆ where the information is not cost effectively available from any other source;
- ◆ where NECA considers and states the reason why it is not appropriate that the additional information be requested by NECA pursuant to 8.7.2(a)(1);
- ◆ where any other participant known by NECA to be similarly non-compliant is subject to a corresponding additional reporting requirement.

Safeguards where NECA uses powers under clause 8.7.2(g)

Where NECA does make use of its powers under clause 8.7.2(g), it will:

- ◆ restrict the information required to that which is reasonably necessary to monitor compliance with the Code;
- ◆ specify the particular information and a reasonable time period of reporting required; and
- ◆ consult with the relevant Code participant(s) to determine a reasonable time in which to provide the information.

Allocation of costs

If additional requirements are imposed on a Code participant, NECA will determine whether any allocation of costs is required having regard to:

- ◆ the nature of the additional reporting requirements;
- ◆ whether further investigation is warranted; and
- ◆ whether additional information may be required.

If NECA does not make an allocation, the costs associated with complying with the extra requirements will be borne by that Code participant.

Review of guidelines

NECA will review these guidelines in accordance with the Code consultation procedures by 31 December 2003, in particular in the light of:

- ◆ experience with the use of the powers under clause 8.7.2(g); and
- ◆ the extent of market participants' co-operation with NECA's monitoring and reporting functions under clause 8.7 of the Code.

National Electricity Code Administrator
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