

APPLICATION GUIDE

Application Guide for Registration as a Customer in the NEM

This Application Guide is to be used in conjunction with the appropriate Application Form and is not to be altered without the prior consent of AEMO.

Important notice

This Customer Application Guide (this Guide) is made available to you on the following basis:

Purpose	This Guide has been produced by the Australian Energy Market Operator Limited (AEMO) to provide information about the process of becoming a <i>Customer</i> in the <i>National Electricity Market (NEM)</i> as at the date of this publication.
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Rules terms

Terms defined in the National Electricity Rules (*Rules* or *NER*) have the same meanings in this Guide unless otherwise specified. Those terms are intended to be identified in this Guide by italicising them, but failure to italicise such a term does not affect its meaning.

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1. Introduction

This Guide is used to help applicants applying to AEMO for registration as a *Customer* using an 'Application for Registration as a Customer in the NEM' form (the Form) available from the AEMO website.

1.1 Purpose of this guide

This Guide summarise the processes and information required by the Form.

1.2 Requirement to register

Section 11 of the National Electricity Law (NEL) 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* (NER clause 2.3.1).

There are three categories of *Customer* registration:

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

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 they must be seeking registration to act as a *retailer of last resort* (NER clause 2.3.1(b)).

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

NER clause 2.7 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.

1.4 Fees

1.4.1 Registration fees

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

On receipt of an application for registration, AEMO will send the applicant an invoice and the registration fee can then be paid by EFT. For information regarding participant registration fees, see [Fees and Charges](#) on the AEMO website.

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 NER Chapter 3.

1.5 Further requirements to participate in Settlements Residue Auctions

AEMO may only enter into a *settlement residue distribution agreement (SRD agreement)* where AEMO agrees to distribute a portion of the *settlement 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 who:

- 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 an *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 Settlement Residue Auctions (SRAs) section on the ['Register as a Customer in the NEM'](#) webpage.

1.6 Other Documents to be submitted with the Registration application

1.6.1 Recipient Created Tax Invoice Agreement

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, from the '[Register as a Customer in the NEM](#)' webpage.

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 Submission and AEMO Contact

Please email your completed application, including all attachments, to onboarding@aemo.com.au.

Contact the Onboarding team if you have any queries:

Phone: 1300 236 600 (International callers dial +61 3 9609 8000)

Fax: (02) 9232 1454

2. Registration Procedure

Chapter 2 of the *Rules* deals with registration. Each prospective applicant must apply to AEMO for registration by using the relevant application form.

The registration process consists of the following steps:

- Step 1 Complete the registration Application Form and all required supporting documents.
- Step 2 Submit application as directed in section 1.7 above.
- Step 3 On receipt of your application, AEMO will send an invoice for the payment of your registration fees by electronic funds transfer (EFT).
For information regarding participant registration fees, see [Fees and Charges](#) on the AEMO website.
- Step 4 AEMO reviews the application and responds to you within five business days of receipt of the application.
AEMO may request additional information or clarification of the information contained in your application. If a request is made, you must supply the additional information or clarification within 15 *business days* of the request.
- Step 5 Once AEMO receives a complete application, or the requested additional information or clarification, AEMO must within 15 *business days*, determine if the application is to be approved for registration. AEMO will notify you of our determination and, if AEMO rejects your application, the reasons why.

3. Explanation of the Application for Registration Form

The application form is divided into the following sections:

- Section A. Participant Category
- Section B. Application Details
- Section C. Contact Details
- Section D. Required Information
- Section E. Eligibility to register as a Customer
- Section F. Information on Scheduled Loads
- Section G. Technical requirements
- Section H: IT systems

Below is an explanation of how to complete the various sections of the application, including a description of the attachments that are required.

3.1 Section A. Participant Category

This section gives an overview of what the applicant is applying for. If applicable, select:

- the type of *Customer* you are applying to become from the following options:
 - *Market Customer*
 - *First-Tier Customer*
 - *Second-Tier Customer*
 - *Retailer of Last Resort (RoLR)*
- the *market load* classification category from the following options:
 - *Scheduled load*
 - *Solely a Market Customer (no load)*

3.2 Section B. Application Details

3.2.1 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.

Complete the Applicant details form where you can also 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.

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

3.3 Section C. Contact Details

3.3.1 Registration contact

You need to supply contact details of a primary contact point for AEMO to discuss all issues relating to the Application for Registration.

You need to provide head office and branch information to allow AEMO to communicate with you.

You also need to provide personnel contact details for each of the roles identified on the form.

Importantly, regardless of load type, you **MUST** provide details for each role listed under **Mandatory contacts** and click on the appropriate checkboxes when done. The other contacts are required based on load type.

3.4 Section D. Required Information

You need to attach the following additional material:

3.4.1 Evidence of partnership status

If you are applying for registration on behalf of a partnership, you must provide a copy of the partnership agreement.

3.4.2 Evidence of trust status

Where the applicant is acting in a trustee capacity, the applicant must provide a copy of the Trust Deed establishing the Applicant Trust. It must also execute and return a Trustee Deed in the form specified by AEMO. No changes are to be made to the form of Deed other than the completion of details where highlighted. AEMO must be satisfied that an applicant for registration will be able to meet its obligations under the *Rules*. Trustees, however, are generally not personally liable for obligations they incur on behalf of the trust. The purpose of the Trustee Deed, therefore, is to assure AEMO that the trustee's right of recourse to the property and assets of the trust remains in place for the purpose of meeting its *Rules* obligations, on an ongoing basis.

3.4.3 Organisational capability

To show that you are in a position to control the 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 need to attach:

- an organisation chart and other documents (such as résumés of key managers) 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;
- 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 they exist)
 - IT systems to support *NEM* activities
- 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;

- an explanation of arrangements with parent or other organisations that impact on or improve your ability to comply with the *Rules*.

If you are unable to provide an attachment, please give a reason in the field provided.

3.4.4 Regulatory compliance

You must confirm the Applicant is a *retailer* or not.

You must show that you comply with requirements currently imposed by the regulator authority¹ 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.

Give an explanation if you are unable to provide this information.

3.4.5 Financial viability

If you are registering as a *Market Participant*, to meet the prudential requirements in NER clause 3.3, you must include an explanation of any financial links with parent or other organisations and detail how this may improve your financial viability.

You must also provide copies of recently audited financial statements.

Give an explanation if you are unable to provide this information.

3.4.6 Credit Support

If you meet the acceptable credit criteria detailed in clause 3.3.3 of the NER, you are not required to complete this section, but you must provide suitable attachments.

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, a guarantee is required from your financial institution and must be in the AEMO [Guarantee Pro Forma](#) format available on the AEMO website.

It is recommended that guarantees are checked by AEMO prior to execution by emailing a draft copy to prudentials@aemo.com.au. The guarantee is required at the time of registration.

For further assistance with financial guarantees, see the [Credit Support Management Guide](#) on the AEMO website.

3.4.7 Recipient Created Tax Invoice

If your company (having the same ABN as this application) has signed a current version of the Recipient Created Tax Invoice Agreement (RCTI), you do not need to complete a new one. To see if your previously signed agreement is still current, check the **Last Updated** date in the latest Agreement's "notes for completion".

If you need to complete an RCTI, as there will be two parties to the Agreement, you will need to execute and return to AEMO two originals, so that each party has one fully executed copy. AEMO will execute each original and return one to you.

¹ Australian Energy Regulator, Independent Pricing and Regulatory Tribunal of New South Wales, Essential Services Commission for Victoria, Queensland Competition Authority, Essential Services Commission for South Australia, Independent Competition and Regulatory Commission for the Australian Capital Territory, Economic Regulation Authority (Western Australia), Office of the Tasmanian Economic Regulator and Queensland Government - The Department of Natural Resources, Mines and Energy.

An [RCTI](#) form is available from the AEMO website.

Insert the date the authorised signatory signs the agreements underneath his/her signature. The date of the Agreement will be the date on which AEMO executes it.

3.4.8 Austraclear

Please provide your Austraclear Membership Number.

AEMO uses an external electronic funds transfer system provided by Austraclear. If one is required, please apply directly to Austraclear for membership. Membership approvals can take up to five weeks to process and charges are payable direct to Austraclear.

See <http://www.asx.com.au/professionals/austraclear/index.htm>.

3.5 Section E. Eligibility to register as a Customer

Show that you meet the eligibility requirements to register as a *Customer* under NER clause 2.3.1. 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 *RoLR*, evidence that you have been appointed as the *RoLR* in the relevant *participating jurisdiction*.

Give an explanation if you are unable to provide this information.

3.6 Section F. Information on Scheduled Loads

Complete the details requested in this section.

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 F.

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 F includes:

- Dispatchable load details
 - Load installation name (Station name): this must be a maximum of 20 characters
 - Load installation name ID (Station ID): this must be a maximum of 8 characters
 - Scheduled load name (DUID name): The may be the same name as the load installation name when the load installation has only one scheduled load,

- Dispatchable load ID (Dispatchable unit identifier, DUID): 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 DUID 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.
 - Maximum *load* of the *scheduled load* to which the *scheduled load* may be *dispatched* (MW): the maximum *power* consumption of the *scheduled load*, in whole MWs, that you wish to be able to bid into the *market*
 - Transmission Node ID: Generally, this will be four characters for *transmission connected loads*.
 - Connection Point ID: For existing loads only, usually six characters and assigned by AEMO.
 - Normally On/Off: whether the *load* is normally on or normally off.
- Aggregation data

Note: 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* so please copy the table as required and add the additional information as attachments to this Section F.

3.7 Section G. Technical requirements

You must attach the performance standards for your facility. If the connection agreement with your Network Service Provider provides a level of detail equivalent to the 'Customer Performance Standards' document, you can attach a copy of the connection agreement instead (with commercial terms removed).

3.8 Section H. IT systems

When appropriate, Applicants need to provide AEMO with IT system information.

3.8.1 MarketNet connection

All participants requiring access to AEMO's IT market systems must have access to AEMO's private network called MarketNet. As part of processing an application, AEMO's network specialist will liaise with your IT Technical Network Contact (or third party as organised by you) to setup a primary and secondary connection according to your request.

In this section, you need to select 'Yes' if you require a new MarketNet connection and provide the information requested or select 'No' if you have access to an existing connection or do not require one.

For details regarding MarketNet options and entitlements, see the [Guide to Information Systems](#) on the AEMO website.

3.8.2 IT Notifications email address

It is important to receive AEMO notifications regarding IT changes or outages that may impact your business.

Please have your IT staff set up and maintain a group email address with an appropriate distribution list for this to occur (individual email addresses are not accepted).

Once established, enter your organisation's email address in the space provided.

3.8.3 e-Hub access

AEMO has a private communication platform called e-Hub which supports the exchange of information between participants and AEMO using APIs. The e-Hub is accessible over MarketNet or the internet.

The e-Hub includes:

- An API Developer portal
- An API Gateway

Not all applicants require e-Hub access and access may be optional or mandatory. If you require e-Hub access, select 'Yes' then fill in the appropriate fields, or select 'No' if you do not.

To access, an AEMO-signed TLS certificate is required, please see the [Manage TLS Certificates](#) guide