Peak Demand Reduction Scheme Compliance Rule of 2022

under the

ELECTRICITY SUPPLY ACT 1995

The Hon Matt Kean MP

Minister for Energy

1   Name and commencement

1.1   This Rule is the Peak Demand Reduction Scheme Compliance Rule of 2022 and commences on 7 October 2022.

2   Objects of the Rule

2.1   The objects of this Rule are to—

(a) further specify how the Scheme Regulator must calculate the forecast peak demand for the compliance period for the purposes of clause 86 of Schedule 4A of the Act, and

(b) outline how Scheme Participants must determine the timing of non-interval acquisitions for the purpose of calculating individual liable demand under clause 89 of Schedule 4A of the Act.

3   Definitions

3.1   The terms used in this Rule have the same meanings as in Part 2 of Schedule 4A of the Act.

3.2   In this Rule—

Act means the *Electricity Supply Act 1995*.

Liable non-interval acquisition means non-interval acquisitions taken to be purchased during the peak demand reduction period on each of the *nominated days* as calculated in accordance with clause 7.

Nominated days means the 4 days nominated by the Scheme Regulator under clause 89(2) of Schedule 4A of the Act.

Non-interval acquisition means electricity not purchased from the Australian Energy Market Operator (AEMO) and not measured by an interval meter.

4 Application of the Rule

4.1 This Rule applies to:

(a) the determination of forecast peak demand by the Scheme Regulator, and

(b) the determination of liable non-interval acquisitions by scheme participants.

5 Status and operation of the Rule

5.1 This Rule is a rule made under Part 2 of Schedule 4A of the Act.

6 Determining forecast peak demand

6.1 For the purposes of clause 86 of Schedule 4A of the Act in determining the forecast peak demand for the compliance period, the Scheme Regulator must—

(a) use the operational demand sent out forecast for NSW region minus 4.7% of the regional load, and

> **Note:** The purpose of this adjustment is to remove the Australian Capital Territory's demand from forecast peak demand.

(b) use the most recent statement of opportunities as of 30 September of the year at the beginning of the compliance period.

7 Liable non-interval acquisitions

7.1 The purpose of this clause is to provide the method for determining which liable acquisitions of a scheme participant are to be used to calculate the scheme participant's individual liable demand where electricity is not purchased from AEMO and not measured by an interval meter.

7.2 A scheme participant with *non-interval acquisitions* must calculate its *liable non-interval acquisitions* by selecting one of the following options—

(a) use the daily load profile of similar customers with interval meters to apportion *non-interval acquisitions* to the peak demand reduction period on each of the nominated days, or

(b) use the following formula—

Liable non-interval acquisitions $= \frac{\text{NIAP}}{d}$ x 1.128

where—

NIAP means the total of the scheme participant's non-interval acquisitions, in megawatt hours, within a **continuous period of 28 days or more**, within the relevant compliance period i.e., 1 November to 31 March.

d is the number of days over which NIAP was measured.

1.128 is a factor expressing the relationship between—

  i.   the average volume of electricity generated by NSW rooftop solar during the peak demand reduction period on the four highest demand summer days, and

  ii. the volume of electricity generated by NSW rooftop solar on an average summer day,

for each of the following summer periods: 2019-20, 2020-21 and 2021-22.

Example

Assuming non-interval acquisitions between 1 February and 31 March (**59 days**) are **100 MWh.** Then liable non-interval acquisitions calculated using clause 7.2(b) are:

$$\text{Liable non-interval acquisitions} = \frac{100}{59} \text{ x } 1.128 = 1.91 \text{ MWh}$$

7.3   A scheme participant with *liable non-interval acquisitions* must include those acquisitions when calculating *individual liable demand* under clause 89(1) of Schedule 4A of the Act.

Example

Assuming the following:

- Liable acquisitions from AEMO during the peak demand reduction period on the nominated days are **30 MWh**
- Liable non-interval acquisitions are **1.91 MWh**
- The number of hours in the peak demand reduction period in one day is **6**

Then *individual liable demand* is calculated as following:

Individual liable demand in kilowatts $= \frac{30 + 1.91}{4 \times 6}$ x 1000 = 1329.66 kW