



Negative offers from SNSPs: extension of time for draft rule determination

Extension of time for draft determination to 7 November 2013

On 5 July 2012 the Commission issued a notice under section 107 of the National Electricity Law to extend the time for making a draft rule determination for the Negative Offers from Scheduled Network Service Providers rule change request. The extension is required because the rule change raises complex issues around the role of scheduled network service providers in the national electricity market.

Background to rule change request

On 5 December 2011 two Victorian electricity generation companies proposed a rule to introduce a price floor of zero on network dispatch offers by scheduled network service providers (SNSPs). The proposed rule is intended to improve competition amongst generators, whose effective offers can be impacted by SNSP offers.

The Commission commenced the rule making process on 29 March 2012. A staff consultation paper was published to facilitate stakeholder comments. Submissions on the consultation paper and rule change proposal were due by 3 May 2012. Ten submissions were received.

Reason for the extension

The rule change request raises broader issues about the role of market network service providers in the national electricity market and their ability to actively participate in the spot market through offering to transport electricity at a price other than zero.

Under the initial timetable a draft rule determination was due on 12 July 2012. However, further analysis of the issues arising from the rule change request have led us to conclude that the issues are of sufficient complexity and difficulty such that the timetable needs to be extended.

Consequently the Commission has decided to extend the rule making process to undertake further work and analysis of these issues.

A draft rule determination will now be published on 7 November 2013. This has the following consequences for the timetable for the rule change process:

- Submissions on the draft rule determination due on 19 December 2013
- Final rule determination due on 30 January 2014.

For information contact:

Senior Director, **Chris Spangaro** (02) 8296 7800
Senior Adviser, **Elisabeth Ross** (02) 8296 7800

Media: Communication Manager, Prudence Anderson 0404 821 935 or (02) 8296 7817

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