



National Electricity Amendment (Negative Inter-regional Settlements Residue Amounts) Rule 2009 No. 17

under the National Electricity Law as applied by:

- (a) the National Electricity (South Australia) Act 1996;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (d) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (e) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (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 Tamblyn
Chairman
Australian Energy Market Commission

National Electricity Amendment (Negative Inter-regional Settlements Residue Amounts) Rule 2009 No. 17

1. Title of Rule

This Rule is the *National Electricity Amendment (Negative Inter-regional Settlements Residue Amounts) Rule 2009 No. 17*.

2. Commencement

This Rule commences operation on 1 July 2010.

3. Amendment of National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

4. Amendment of National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

Schedule 1 Amendment of National Electricity Rules

(Clause 3)

[1] Clause 3.6.5 Settlements residue due to network losses and constraints

After clause 3.6.5(a)(3), insert:

- (3A) for the purposes of clauses 3.6.5(a)(4), 3.6.5(a)(4A) and 3.6.5(a)(4C), **importing region** means the *region* to which electricity is transferred during the relevant *trading interval* from another *region* through *regulated interconnectors*;

[2] Clause 3.6.5 Settlements residue due to network losses and constraints

Omit clauses 3.6.5(a)(4), 3.6.5(a)(4A) and 3.6.5(a)(4B) and substitute:

- (4) subject to rule 11.1, if the *inter-regional settlements residue* arising in respect of a *trading interval*, after taking into account any adjustment in accordance with clauses 5.7.7(aa)(3) or (ab), is a negative amount then, in respect of the *billing period* in which the negative *inter-regional settlements residue* arises:
 - (i) *AEMO* must recover the amount from the appropriate *Transmission Network Service Provider* within the *importing region*, at a payment interval, and by a method, determined by *AEMO* following consultation with the appropriate *Transmission Network Service Provider*, and which may include a determination that an appropriate *Transmission Network Service Provider* make payment at a date prior to the *settlement date* determined in respect of other *Transmission Network Service Providers*; and
 - (ii) despite clause 3.15.16, the appropriate *Transmission Network Service Provider* must make the payment at the time and payment interval, and by the method, determined by *AEMO* in accordance with this subparagraph;
- (4A) subject to rule 11.1, if interest costs are incurred by *AEMO* in relation to any unrecovered negative *inter-regional settlements residue* amount referred to in clause 3.6.5(a)(4), then, in respect of the *billing period* in which the negative *inter-regional settlements residue* arises:

- (i) *AEMO* must recover the interest costs from the appropriate *Transmission Network Service Provider* within the importing *region*, at a payment interval, and by a method, determined by *AEMO* following consultation with the appropriate *Transmission Network Service Provider*, and which may include a determination that an appropriate *Transmission Network Service Provider* make payment at a date prior to the *settlement* date determined in respect of other *Transmission Network Service Providers*; and
 - (ii) despite clause 3.15.16, the appropriate *Transmission Network Service Provider* must make the payment at the time and payment interval, and by the method, determined by *AEMO* in accordance with this subparagraph;
- (4B) for the purposes of paragraph (a)(3) in respect of *intra-regional settlements residue*, the appropriate *Transmission Network Service Provider* is:
 - (i) if there is more than one *Transmission Network Service Provider* in the *region*, the *Co-ordinating Network Service Provider*; or
 - (ii) if there is no *Co-ordinating Network Service Provider* in the *region*, the *region's Transmission Network Service Provider* to which a *transmission determination* currently applies;
- (4C) for the purposes of paragraphs (a)(3), (a)(4) and (a)(4A) in respect of *inter-regional settlements residue*, the appropriate *Transmission Network Service Provider* is:
 - (i) if there is more than one *Transmission Network Service Provider* in the importing *region*, the *Co-ordinating Network Service Provider*; or
 - (ii) if there is no *Co-ordinating Network Service Provider* in the importing *region*, the importing *region's Transmission Network Service Provider* to which a *transmission determination* currently applies;

[3] Clause 3.6.5 Settlements residue due to network losses and constraints

Omit clause 3.6.5(c) and substitute “[Deleted]”.

[4] Clause 3.15.1 Settlement Management by AEMO

Omit clause 3.15.1(a) and substitute:

- (a) *AEMO* must facilitate the billing and *settlement* of payments due in respect of *transactions* under this Chapter 3, including:
 - (1) *spot market transactions*;
 - (2) *reallocation transactions*;
 - (3) *negative inter-regional settlements residue* under clause 3.6.5;
and
 - (4) *ancillary services transactions* under clause 3.15.6A.

[5] Clause 3.18.4 Proceeds and fees

Omit clause 3.18.4(a)(1) and substitute:

- (1) subject to clauses 3.6.5(a)(4) and (4A), proceeds from each *auction* in respect of a *directional interconnector*; and

Schedule 2 Amendment of National Electricity Rules

(Clause 4)

[1] Chapter 11 Savings and transitional arrangements

Omit the heading “Part A Negative Inter-Regional Settlements Residue (2006 and 2009 amendments)” and rule 11.1 and substitute:

Part A Negative Inter-regional Settlements Residue (2009 amendments)

11.1 Rules consequent on making of the National Electricity Amendment (Negative Inter-regional Settlements Residue Amounts) Rule 2009

11.1.1 Definitions

For the purposes of this rule 11.1:

Amending Rule means the National Electricity Amendment (Negative Inter-regional Settlements Residue Amounts) Rule 2009.

commencement date means the date of commencement of the Amending Rule.

old clause 3.6.5(a)(4A) means clause 3.6.5(a)(4A) of the *Rules* as in force immediately before the commencement date.

old clause 3.6.5(a)(4B) means clause 3.6.5(a)(4B) of the *Rules* as in force immediately before the commencement date.

11.1.2 Recovery of accrued negative settlements residue

The old clause 3.6.5(a)(4A) continues to apply to any negative *settlements residue* amounts arising before the commencement date, and not recovered as at the commencement date, until all such amounts have been recovered.

11.1.3 Recovery of interest costs associated with accrued negative settlements residue

The old clause 3.6.5(a)(4B) continues to apply to any interest costs arising before the commencement date, and not recovered as at the commencement date, until all such costs have been recovered.

11.1.4 Actions taken by AEMO or a Transmission Network Service Provider

- (a) Any relevant action taken by *AEMO* on the timing and method of payment and to facilitate the billing and *settlement* of payments due in respect of negative *inter-regional settlements residue* amounts and related interest costs prior to the commencement date in anticipation of the commencement of the Amending Rule is deemed to have been taken for the purposes of the Amending Rule and continues to have effect for that purpose.
- (b) Any relevant action taken by a *Transmission Network Service Provider* in relation to any negative *inter-regional settlement residue* and for the purposes of clause 6A.23.3 of the *Rules* prior to the commencement date and in anticipation of the commencement of the Amending Rule is deemed to have been taken for the purposes of the Amending Rule and continues to have effect for that purpose.

END OF RULE AS MADE
