



National Electricity Amendment (Inter-regional settlements residue arrangements for transmission loops) Rule 2025 No. 9

The Australian Energy Market Commission makes the following Rule under the National Electricity Law to the extent applied by:

- (a) the *National Electricity (South Australia) Act 1996* of South Australia;
- (b) the *Electricity (National Scheme) Act 1997* of the Australian Capital Territory;
- (c) the *Electricity - National Scheme (Queensland) Act 1997* of Queensland;
- (d) the *National Electricity (New South Wales) Act 1997* of New South Wales;
- (e) the *Electricity - National Scheme (Tasmania) Act 1999* of Tasmania;
- (f) the *National Electricity (Victoria) Act 2005* of Victoria;
- (g) the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015* of the Northern Territory; and
- (h) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer
Chairperson
Australian Energy Market Commission

National Electricity Amendment (Inter-regional settlements residue arrangements for transmission loops) Rule 2025 No. 9

1 Title of Rule

This Rule is the *National Electricity Amendment (Inter-regional settlements residue arrangements for transmission loops) Rule 2025 No.9*.

2 Commencement

This Rule commences operation on 2 October 2025.

3 Amendment to the National Electricity Rules

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

4 Savings and Transitional Amendment to the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

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

Omit clause 3.6.5 and substitute:

Distribution and recovery of settlements residue

- (a) *AEMO* must determine, for each *trading interval*:
 - (1) the amount (which may be positive, negative or zero) of *settlements residue* assigned to each *directional interconnector*; and
 - (2) the *intra-regional settlements residue* for each *region*.
- (b) *AEMO* must develop, *publish* and maintain the methodology (**allocation methodology**) that *AEMO* uses to make the determinations under paragraph (a).
- (c) *AEMO* must distribute or recover the *settlements residue* assigned to *directional interconnectors* in accordance with clause 3.6.6 and rule 3.18, subject to paragraph (g).
- (d) *AEMO* must distribute the *intra-regional settlements residue* for a *region* to, or recover it from, the *Co-ordinating Network Service Provider* for the relevant *region*.
- (e) *AEMO* must determine, for each *trading interval*, for any *interconnector* that is neither a *regulated interconnector* nor a *facility* that provides a *market network service*:
 - (1) the amount of *settlements residue* (if any) assigned to the *interconnector*; and
 - (2) which of the two adjacent *regions connected* by the *interconnector* is the *importing region*.
- (f) *AEMO* must distribute an amount determined under paragraph (e)(1) to, or recover it from, the *Co-ordinating Network Service Provider* for the *importing region*.
- (g) *AEMO* must recover the amount of *settlements residue* assigned to a *directional interconnector* that is subject to clause 5.7.7(aa)(3) or (ab) under those provisions. Paragraphs (i), (j) and (k), clause 3.6.6 and rule 3.18 do not apply to that amount of *settlements residue*.
- (h) In relation to *settlements residue* that accrues on *designated network assets*, the *Primary Transmission Network Service Provider* must calculate the relevant amounts to be distributed to, or recovered from,

the owners of *designated network assets* in accordance with clause 3.6.2B(f).

Payment of amounts to be recovered from Co-ordinating Network Service Providers

- (i) *AEMO* must deduct, by way of set off, from any amount on account of *settlements residue* or *auction* proceeds to be distributed to a *Co-ordinating Network Service Provider* under this clause, clause 3.6.6 or clause 3.18.4(a), any amount required to be recovered from the *Co-ordinating Network Service Provider* on account of *settlements residue*.
- (j) *AEMO* must collect payment of any amount required to be recovered from a *Co-ordinating Network Service Provider* on account of *settlements residue* (after taking into account any amount deducted under paragraph (i)) from the *Co-ordinating Network Service Provider* at a payment time, interval, and by a method, determined by *AEMO* following consultation with *Transmission Network Service Providers*.
- (k) *AEMO* may determine that a *Co-ordinating Network Service Provider* is to pay the amount under paragraph (j) by a date prior to the date for payment of *final statements* under clause 3.15.16.
- (l) A *Co-ordinating Network Service Provider* must pay the amount under paragraph (j) in accordance with *AEMO*'s determination under paragraphs (j) and (k).
- (m) If a *Co-ordinating Network Service Provider* fails to pay an amount at the time required under paragraph (l) and *AEMO* incurs interest costs in relation to the unpaid amount, then, in respect of the *billing period* in which the *settlements residue* arises:
 - (1) *AEMO* must recover the interest costs from the *Co-ordinating Network Service Provider* at a payment time, interval, and by a method, determined by *AEMO* following consultation with *Transmission Network Service Providers*;
 - (2) *AEMO* may determine that the *Co-ordinating Network Service Provider* is to pay the interest cost amount by a date prior to the date for payment of *final statements* under clause 3.15.16; and
 - (3) the *Co-ordinating Network Service Provider* must pay the interest cost amount in accordance with *AEMO*'s determination under subparagraphs (1) and (2).
- (n) A *Co-ordinating Network Service Provider* or its jurisdictional delegate is a *Market Participant* for the purposes of clause 3.3.1 and rule 3.15 (excluding clause 3.15.1(b)) but not otherwise.

[2] New clause 3.6.6 Settlements residue allocated to directional interconnectors

After clause 3.6.5, insert:

3.6.6 Settlements residue allocated to directional interconnectors

Definitions

(a) In this clause:

allocation means, for a *directional interconnector* for a *trading interval*, the amount (in \$) of *settlements residue* that *AEMO* assigns under the allocation methodology. An allocation may be positive, negative or zero.

allocation methodology means *AEMO*'s methodology made under clause 3.6.5(b) for determining the *settlements residue* assigned to each *directional interconnector* and the *intra-regional settlements residue* for each *region*.

looped interconnector means, for a parallel interconnector configuration, each of the six *directional interconnectors* comprised in the parallel interconnector configuration.

looped region means each of the three *regions* that are *connected* by a parallel interconnector configuration.

net exporting region means, for a parallel interconnector configuration for a *trading interval*, a looped region that has a net regional export quantity that is positive or zero.

net loop allocation means, for a parallel interconnector configuration for a *trading interval*, an amount (in \$) (which may be positive, negative or zero) calculated by applying the following formula:

$$PA - NA$$

where:

PA is the sum of the positive allocations (if any) for the looped interconnectors; and

NA is the absolute value of the sum of the negative allocations (if any) for the looped interconnectors.

net regional export quantity means, for a looped region for a *trading interval*, the quantity (in MWh) (which may be positive, negative or zero) calculated by applying the following formula:

$$EF - IF$$

where:

EF is the sum of the notional interconnector export flows at the *regional reference node*, but excluding the notional interconnector export flows for any notional interconnector that does not form part of the parallel interconnector configuration; and

IF is the sum of the notional interconnector import flows at the *regional reference node*, but excluding the notional interconnector import flows for any notional interconnector that does not form part of the parallel interconnector configuration.

net trade amount means, for a looped interconnector for a *trading interval*, the amount (in \$) calculated under paragraph (j).

net trade quantity means, for a looped interconnector for a *trading interval*, the quantity (in MWh) calculated under paragraph (f), (g) or (h), as applicable.

notional interconnector means, for a *regulated interconnector* between two *regions*, the regulated *transmission assets*, incorporating the assets comprising the *regulated interconnector*, that form the *connection* between the two *regional reference nodes*.

notional interconnector export flow means, for a notional interconnector for a *trading interval* at a *regional reference node*, the ‘export flow’ into the notional interconnector (in MWh) calculated under the allocation methodology, expressed as a positive number.

notional interconnector import flow means, for a notional interconnector for a *trading interval* at a *regional reference node*, the ‘import flow’ out of the notional interconnector (in MWh) calculated under the allocation methodology, expressed as a positive number.

parallel interconnector configuration means a configuration of *regulated interconnectors* that connects a group of three *regions*, where each *region* shares a boundary with both other *regions* in the group and there are *directional interconnectors* between each pair of *regions*.

provisional net trade amount means, for a looped interconnector for a *trading interval*, the amount (in \$) calculated under paragraph (i).

regional share means, for a *billing period*, for a *region* in a parallel interconnector configuration, the factor calculated by applying the following formula:

$$\frac{ARD}{TRD}$$

where:

ARD is the rolling annual regional demand for the *region*, calculated as the sum of ACE (as defined in clause 3.15.4(b)) for all *market connection points* in the *region* for all *trading intervals* in that *billing period* and the immediately preceding 51 *billing periods*; and

TRD is the sum of the rolling annual regional demand for all three *regions* in the parallel interconnector configuration for the *billing period*.

unsold settlements residue amount means, for a *trading interval*, for a:

- (1) looped interconnector, the net trade amount (if any) for the looped interconnector for the *trading interval*, to the extent it is not distributed

to *eligible persons* holding *SRD units* or used to recover *auction expense fees*; and

- (2) *directional interconnector* that is not a looped interconnector, the positive allocation to the *directional interconnector* for the *trading interval*, to the extent it is not distributed to *eligible persons* holding *SRD units* or used to recover *auction expense fees*.

Distribution and recovery for parallel interconnector configurations (looped interconnectors)

- (b) Where the net loop allocation for a parallel interconnector configuration for a *trading interval* is positive, *AEMO* must:
 - (1) first, use it to recover *auction expense fees*, in accordance with the *auction rules* and clause 3.18.4;
 - (2) next, in accordance with rule 3.18, distribute the net trade amount (if any) for each looped interconnector to *eligible persons* holding the applicable *SRD units*, to the extent of the unit entitlement; and
 - (3) last, distribute the unsold settlements residue amount (if any) for each looped interconnector to the *Co-ordinating Network Service Provider* for the *importing region*.
- (c) Where the net loop allocation for a parallel interconnector configuration for a *trading interval* is negative, *AEMO* must recover from the *Co-ordinating Network Service Provider* for each *region* in the parallel interconnector configuration, its share of the net loop allocation, calculated as the product of:
 - (1) the net loop allocation; and
 - (2) the regional share for the *Co-ordinating Network Service Provider's* region for the *billing period* in which the relevant *trading interval* occurs.

Distribution and recovery for other directional interconnectors

- (d) Where the allocation for a *directional interconnector* that is not a looped interconnector for a *trading interval* is positive, *AEMO* must:
 - (1) first, use it to recover *auction expense fees*, in accordance with the *auction rules* and clause 3.18.4;
 - (2) next, in accordance with rule 3.18, distribute it to *eligible persons* holding the applicable *SRD units*, to the extent of the unit entitlement; and
 - (3) last, distribute the unsold settlements residue amount for the *directional interconnector* (if any) to the *Co-ordinating Network Service Provider* for the *importing region*.

- (e) Where the allocation for a *directional interconnector* that is not a looped interconnector for a *trading interval* is negative, *AEMO* must recover the amount from the *Co-ordinating Network Service Provider* for the *importing region*.

Net trade quantity calculations

- (f) For a *trading interval* in which only one of the three looped regions in a parallel interconnector configuration is a net exporting region (the **first region**), the net trade quantity is:
 - (1) for the looped interconnector for which the first region is the *exporting region* and either of the other two looped regions (the **second region**) is the *importing region* – the absolute value of the net regional export quantity for the second region;
 - (2) for the looped interconnector for which the first region is the *exporting region* and the remaining looped region (the **third region**) is the *importing region* – the absolute value of the net regional export quantity for the third region; and
 - (3) for the remaining looped interconnectors – zero.
- (g) For a *trading interval* in which two of the three looped regions in a parallel interconnector configuration are net exporting regions (the **first region** and the **second region** respectively), the net trade quantity is:
 - (1) for the looped interconnector for which the first region is the *exporting region* and the remaining looped region (the **third region**) is the *importing region* – the net regional export quantity for the first region;
 - (2) for the looped interconnector for which the second region is the *exporting region* and the third region is the *importing region* – the net regional export quantity for the second region; and
 - (3) for the remaining looped interconnectors – zero.
- (h) For a *trading interval* in which all the looped regions in a parallel interconnector configuration are net exporting regions, the net trade quantity is:
 - (1) for each of the three looped interconnectors that is transferring electricity in that *trading interval* – the net regional export quantity for the *exporting region*; and
 - (2) for the remaining three looped interconnectors – zero.

Note:

There may be three net exporting regions in a parallel interconnector configuration due to the effect of *inter-regional losses*.

Net trade amount calculations

- (i) The **provisional net trade amount** for a looped interconnector for a *trading interval* is the amount calculated by applying the following formula:

$$PA = \frac{NA}{SNA} \times NLA$$

where:

- (1) PA is the provisional net trade amount and may be positive, negative or zero;
- (2) NA is calculated by applying the following formula:

$$NTQ \times (RRP_{IR} - RRP_{ER})$$

where, for the *trading interval*:

- (i) NTQ is the net trade quantity for the looped interconnector;
 - (ii) RRP_{IR} is the *regional reference price* for the *importing region*; and
 - (iii) RRP_{ER} is the *regional reference price* for the *exporting region*;
- (3) SNA is the sum of the amounts calculated under subparagraph (2) for all looped interconnectors in the parallel interconnector configuration; and
 - (4) NLA is the net loop allocation for the parallel interconnector configuration.
- (j) The **net trade amount** for a looped interconnector for a *trading interval* is:
- (1) zero, if the provisional net trade amount is zero or negative; and
 - (2) otherwise, is calculated by applying the following formula:

$$NTA = \frac{PA}{TPA} \times NLA$$

where:

- (i) NTA is the net trade amount and must be positive;
- (ii) PA is the provisional net trade amount;
- (iii) TPA is the sum of each provisional net trade amount for the looped interconnectors in the parallel interconnector configuration that is positive; and

- (iv) NLA is the net loop allocation for the parallel interconnector configuration.

Information relating to allocations

- (k) Each *day*, in accordance with the *timetable*, *AEMO* must *publish* for each *trading interval* in the previous *trading day*:
 - (1) for each looped region, the net regional export quantity;
 - (2) for each *directional interconnector*, the allocation; and
 - (3) for each looped interconnector:
 - (i) the net trade quantity;
 - (ii) the provisional net trade amount; and
 - (iii) the net trade amount.

[3] Clause 3.8.1 Central Dispatch

In clause 3.8.1(e), omit "each *scheduled resource*" and substitute "each *scheduled resource*".

[4] Clause 3.8.9 Default bids

In clause 3.8.9(c), omit "Subject any", and substitute "Subject to any".

[5] Clause 3.8.10 Network constraints

In clause 3.8.10(c), omit "by 1 June 2010,".

[6] Clause 3.13.4 Spot market

In clause 3.13.4(n), after "*inter-regional loss factors*", insert ", the information under clause 3.6.6(k)".

[7] Clause 3.13.5A Settlements residue auctions

Omit the heading of clause 3.13.5A and substitute:

3.13.5A Reporting by AEMO on settlements residue

[8] Clause 3.13.5A Reporting by AEMO on settlements residue

Omit clause 3.13.5A(a) and (b) and substitute:

- (a) If *AEMO* conducts an *auction* under rule 3.18, *AEMO* must, as soon as practicable thereafter, make available to all *Registered Participants* a report outlining, for each category of *SRD unit*:
 - (1) the *auction* clearing prices;

- (2) all bids (but not the name of any bidder);
 - (3) the proceeds of the *auction*; and
 - (4) the number of *SRD units* sold, and of that number, how many were offered by *eligible persons* under the secondary trading arrangements.
- (b) *AEMO* must, as soon as practicable after the *final statements* for a *billing period* have been given to *Market Participants* under clause 3.15.15, make available to all *Registered Participants* a report setting out, for the *billing period*:
- (1) the total *settlements residue*;
 - (2) the amount of *settlements residue* assigned to each *directional interconnector*;
 - (3) the amount of *settlements residue* attributable to *intra-regional loss factors* for each *region*;
 - (4) for each category of *SRD unit*, the payment per unit on account of *settlements residue* (but not who received the payments);
 - (5) for each *directional interconnector* for which a provisional net trade amount is calculated under clause 3.6.6(i), the total of the provisional net trade amounts for the *billing period*; and
 - (6) the amount of *inter-regional settlements residue* recoverable from each *Co-ordinating Network Service Provider*.
- (b1) If an *eligible person* terminates a *SRD agreement*, *AEMO* must include in the next report under paragraph (a):
- (1) how many *SRD units* (if any) were cancelled as a result of the termination (but not who terminated any *SRD agreement*);
 - (2) the category of *SRD units* cancelled; and
 - (3) the price at which the *SRD units* were originally issued.

[9] Clause 3.13.5A Reporting by AEMO on settlements residue

In clause 3.13.5A(c), omit "clauses 3.13.5A(a) and (b)" and substitute "paragraphs (a) and (b)".

[10] Clause 3.15.1 Settlements management by AEMO

In clause 3.15.1(a)(3), omit "negative".

[11] Clause 3.18.1 Settlements residue concepts

After clause 3.18.1(c)(2), insert the following note:

Note:

Clause 3.6.6 provides for the distribution of *settlements residue* assigned to *directional interconnectors*, including to *eligible persons* holding *SRD units*.

[12] Clause 3.18.1 Settlements residue concepts

Omit clause 3.18.1(d) and substitute "[Deleted]".

[13] Clause 3.18.2 Auctions and eligible persons

In clause 3.18.2(g)(6) omit "an *SRD agreement*" and substitute "a *SRD agreement*".

[14] Clause 3.18.3 Auction rules

In clause 3.18.3(a1)(3), omit "and" at the end of the sentence.

[15] Clause 3.18.4 Proceeds and fees

Omit the heading of clause 3.18.4 and substitute:

3.18.4 Auction proceeds and auction expense fees

[16] Clause 3.18.4 Auction proceeds and auction expense fees

Omit clause 3.18.4(a) and substitute:

- (a) Subject to paragraph (a1), *AEMO* must distribute to the *Co-ordinating Network Service Provider* for the *importing region*, the *auction* clearing price for each *SRD unit* issued for a *directional interconnector*.

[17] Clause 3.18.4 Auction proceeds and auction expense fees

In clause 3.18.4(c)(1), omit "under clause 3.18.1(d)".

[18] Clause 3.18.4 Auction proceeds and auction expense fees

In clause 3.18.4(c)(2), omit "*Network Service Providers* under clause 3.18.4(a)(2)" and substitute "*Co-ordinating Network Service Providers*".

[19] Clause 3.18.4A Secondary trading proceeds and margin

Omit clause 3.18.4A(d)(1) and (2) and substitute:

- (1) first, by deducting it from the *auction* proceeds payable to the relevant *Co-ordinating Network Service Provider* under clause 3.18.4(a)(1); and

- (2) if the amount under paragraph (d)(1) is insufficient, then *AEMO* must recover the remaining amount that could not be recovered in accordance with, as applicable:
 - (i) clause 3.6.6(c), as if the shortfall were a negative net loop allocation for the relevant parallel interconnector configuration; or
 - (ii) clause 3.6.6(e), as if the shortfall were a negative allocation to the relevant *directional interconnector*.

[20] Clause 3.18.5 Settlement residue committee

In clause 3.18.5(a), omit "*settlements residue committee*" and substitute "*settlement residue committee*".

[21] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement to connection points

Omit clause 6A.23.3(b)(1) and substitute:

- (1) subtracting the amount estimated by the *Co-ordinating Network Service Provider* to be payable to it under clause 3.18.4 as *auction* proceeds or under clause 3.6.6 as unsold settlements residue amounts, as adjusted by the adjustment calculated in accordance with paragraph (f); and

[22] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement to connection points

Omit clause 6A.23.3(e)(2) and substitute:

- (2) adding or subtracting any amount for *settlements residue* estimated to be receivable or payable by the *Co-ordinating Network Service Provider* in accordance with clause 3.6.5(d), clause 3.6.5(f), clause 3.6.6(c) or clause 3.6.6(e) (excluding, to avoid doubt, any amount referred to in subparagraph (b)(1) and *settlements residue* that accrues on a *designated network asset* due to *boundary point loss factors*);

[23] Chapter 10 New definitions

In Chapter 10, insert the following new definitions in alphabetical order:

exporting region

As between the two adjacent *regions connected* by an *interconnector*, the *region* from which the electricity is transferred.

For a *directional interconnector*, the *region* from which the electricity is transferred.

importing region

As between the two adjacent *regions connected* by an *interconnector*, the *region* to which the electricity is transferred.

For a *directional interconnector*, the *region* to which the electricity is transferred.

[24] Chapter 10 Amended definition

In Chapter 10, omit and substitute the following definition:

regulated interconnector

An *interconnector* that:

- (a) is referred to in clause 11.8.2 of the *Rules* and is subject to *transmission service* regulation and pricing arrangements in Chapter 6A;
- (b) is a *specified interconnector*;
- (c) has been developed as an *actionable ISP project*, and is subject to *transmission service* regulation and pricing arrangements in Chapter 6A, from the time that it is first represented in the *dispatch algorithm* as an *interconnector* in the same manner that other *regulated interconnectors* are represented in the *dispatch algorithm*; or
- (d) Chapter 9 deems to be a *regulated interconnector*.

Schedule 2 Savings and Transitional Amendment to the National Electricity Rules

(Clause 4)

[1] New rule 11.188 Rules consequential on the making of the National Electricity Amendment (Inter- regional settlements residue arrangements for transmission loops) Rule 2025 No.9

In Chapter 11, after rule 11.187, insert:

11.188 Rules consequential on the making of the National Electricity Amendment (Inter-regional settlements residue arrangements for transmission loops) Rule 2025 No.9

11.188.1 Definitions

In this rule 11.188:

Amending Rule means the *National Electricity Amendment (Inter-regional settlements residue arrangements for transmission loops) Rule 2025 No.9*.

commencement date means the date of commencement of Schedule 1 of the Amending Rule, being 2 October 2025.

loop operations start date means the date from which *AEMO* cuts over from the ‘micro-slice’ model initially used for the PEC interconnector to the ‘interconnector dispatch integration model’, which represents the PEC quantities as an *interconnector* in the *dispatch algorithm* (known as NEMDE).

loop settlements start date means the date from which *AEMO* applies changes to its systems to allow *settlements*, including the payment and recovery of *settlements residues*, to be calculated under new Chapter 3.

loop transition period means the period (if any) starting on the loop operations start date and ending immediately before the loop settlements start date.

new Chapter 3 means Chapter 3 as in effect on and from the commencement date.

new Chapter 10 means Chapter 10 as in effect on and from the commencement date.

new unit category means each of the two new unit categories to be established under the *auction rules* for the *directional interconnectors* representing flows on the PEC interconnector in the directions South Australia to New South Wales and New South Wales to South Australia respectively.

PEC quantities means the quantities of electricity transferred between the *regions* of South Australia and New South Wales that result from the *connection* created by the PEC interconnector.

PEC interconnector means the *interconnector* resulting from Project Energy Connect, a project for the construction and operation of *transmission lines* between locations in South Australia and New South Wales and New South Wales and Victoria.

PEC interconnector loop means the configuration of *regulated interconnectors*, including the PEC interconnector, that connects the *regions* of South Australia, New South Wales and Victoria.

unit category has the meaning given to 'Unit Category' in the *auction rules*.

11.188.2 New unit categories and AEMO instruments relating to auctions

- (a) *AEMO* must use reasonable endeavours to ensure that on or before 1 October 2026:
 - (1) the new unit categories are established under the *auction rules*; and
 - (2) at least one *auction* is held in which *SRD units* established under the new unit categories are offered.
- (b) *AEMO* must review and, where *AEMO* considers it necessary or appropriate, amend the *auction rules* to take into account the Amending Rule, by the earlier of:
 - (1) 10 *business days* prior to the first *auction* of new unit categories; and
 - (2) four weeks prior to the loop operations start date.
- (c) For the purposes of paragraphs (a) and (b):
 - (1) *AEMO* may amend the *auction rules* using the *expedited rules consultation procedure*;
 - (2) *AEMO* is not required to obtain the approval or support of the *settlement residue committee* under clause 3.18.3(d)(1) or (2); and
 - (3) the new unit categories may be established and offered before the loop operations start date with respect to periods on and from the loop operations start date.

11.188.3 Loop readiness

- (a) By no later than four weeks before the loop operations start date, *AEMO* must review and, where *AEMO* considers it necessary or appropriate, amend the following documents to take into account the Amending Rule:

- (1) the *timetable*; and
 - (2) the *network constraint* formulation guidelines made under clause 3.8.10(c).
- (b) For the purposes of paragraph (a), AEMO may use the *expedited rules consultation procedure*.
- (c) As soon as practicable after the commencement date, *AEMO* must *publish* information about:
 - (1) the timing and process for the integration of the transfer capacity of the PEC interconnector in *dispatch* and *settlements*; and
 - (2) rights and obligations of *eligible persons* with respect to *SRD units* affected by the matters in subparagraph (1).
- (d) *AEMO* must keep the information published under paragraph (c) up to date.
- (e) On the commencement date:
 - (1) *AEMO*'s 'Methodology for the allocation and distribution of settlements residue' (version 3 published 2 June 2024) (**current allocation methodology**) is the allocation methodology under clause 3.6.5(b) of new Chapter 3;
 - (2) by reason of subparagraph (1), *AEMO* is taken to have satisfied the requirement in clause 3.6.5(b) of new Chapter 3 to develop and *publish* the allocation methodology; and
 - (3) to avoid doubt, the *inter-regional settlements residue* assigned to a *directional interconnector* for a *trading interval* under paragraph 3.1 of the current allocation methodology corresponds to the amount referred to in clause 3.6.5(a)(1) of new Chapter 3 and the allocation defined in clause 3.6.6(a) of new Chapter 3.

11.188.4 Settlements during the loop transition period

- (a) *AEMO* must ensure that the loop operations start date occurs:
 - (1) on or after 1 October 2026; and
 - (2) by no later than 2 November 2026.
- (b) *AEMO* must ensure that the loop settlements start date occurs:
 - (1) on or after the loop operations start date; and
 - (2) by no later than 2 November 2026.
- (c) On and from the loop operations start date, the PEC interconnector becomes a *regulated interconnector* within the meaning of paragraph (c) of the definition of *regulated interconnector* in new Chapter 10.

- (d) For each *trading interval* occurring during the loop transition period (if any occurs):
 - (1) despite anything to the contrary in the definitions in clause 3.6.6(a) of new Chapter 3:
 - (i) the PEC interconnector loop is not a parallel interconnector configuration; and
 - (ii) the *directional interconnectors* in the PEC interconnector loop are not looped interconnectors; and
 - (2) AEMO must distribute and recover *settlements residue* for all *directional interconnectors* under clauses 3.6.6(d) and (e) of new Chapter 3.
- (e) To avoid doubt, for each *trading interval* occurring on and from the loop settlements start date:
 - (1) for the purposes of the definitions in clause 3.6.6(a) of new Chapter 3:
 - (i) the PEC interconnector loop is a parallel interconnector configuration; and
 - (ii) the *directional interconnectors* in the PEC interconnector loop are looped interconnectors; and
 - (2) AEMO must distribute and recover *settlements residue* for all *directional interconnectors* under the provisions of clause 3.6.6 of new Chapter 3 applicable to the relevant *directional interconnector*.

[END OF RULE AS MADE]
