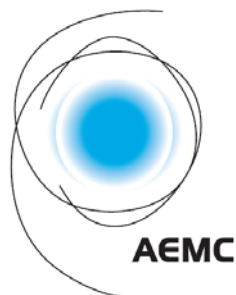


DRAFT RULE



Draft National Electricity Amendment (Efficient Dispatch of Regulation Services) Rule 2007

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

DRAFT RULE

Draft National Electricity Amendment (Efficient Dispatch of Regulation Services) Rule 2007

1. Title of Rule

This Rule is the *Draft National Electricity Amendment (Efficient Dispatch of Regulation Services) Rule 2007*.

2. Commencement

This Rule commences operation on TBA.

3. Amendment of the National Electricity Rules

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

DRAFT RULE

Schedule 1 Amendment of National Electricity Rules

[1] Clause 3.9.1 Principles applicable to spot price determination

After clause 3.9.1(a)(6A), insert:

- (6B) when an *ancillary service price* is determined under paragraph (6A) for a *regulation service*, it applies to purchases of that *regulation service* and where appropriate, purchases of a *delayed service*;

[2] Clause 3.15.6A Ancillary service transactions

After clause 3.15.6A(o), insert:

- (p) When *NEMMCO* dispatches a quantity of *regulating raise service* or *regulating lower service* in addition to the quantity it determines in accordance with the *dispatch algorithm*, *NEMMCO* must:
 - (1) for the purpose of paragraphs (f) and (g), include the additional quantity in the cost of *delayed raise service*; and
 - (2) for the purposes of paragraph (h) and (i), exclude the additional quantity in the cost of *regulation services*,taking into account the requirements in clauses 3.8.1(a) and (b) to maximise the value of *spot market trading*.

[3] Chapter 11 Savings and Transitional Rules

After rule 11.10, insert:

11.X Rules consequent on making of the National Electricity Amendment (Efficient Dispatch of Regulation Services) Rule 2007

11.X.1 Definitions

For the purposes of this rule 11.X:

Amending Rule means the National Electricity Amendment (Efficient Dispatch of Regulation Services) Rule 2007

DRAFT RULE

Commencement date means the day on which the Amending Rule commences operation

11.X.2 Action taken by NEMMCO for the purposes of Amending Rule

- (a) Any action taken by *NEMMCO* prior to the commencement date for the purpose of revising the *market ancillary service specification* as a result of the Amending Rule is taken to satisfy the equivalent actions required for revising a *market ancillary service specification* under the *Rules*.
 - (b) Any action taken by *NEMMCO* prior to the commencement date for the purpose of revising the procedures established under clause 3.8.1(c) to allow relaxation of *power system* constraints as a result of the Amending Rule, is taken to satisfy any equivalent actions required under the *Rules*.
 - (c) Any action taken by *NEMMCO* prior to the commence date for the purpose of amending the methodology developed by *NEMMCO* to determine *dispatch prices* and *ancillary services* under clause 3.9.3(b) as a result of the Amending Rule is taken to satisfy the equivalent actions required under the *Rules*.
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