



## **Draft National Electricity Amendment (Application of Offsets in the Prudential Margin Calculation) Rule 2016**

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 Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (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 Pierce  
Chairman  
Australian Energy Market Commission

## **Draft National Electricity Amendment (Application of Offsets in the Prudential Margin Calculation) Rule 2016**

### **1 Title of Rule**

This Rule is the *Draft National Electricity Amendment (Application of Offsets in the Prudential Margin Calculation) Rule 2016*.

### **2 Commencement**

Schedule 1 of this Rule commences operation on 1 December 2017.

Schedule 2 of this Rule commences operation on [COMMENCEMENT\_DATE].

### **3 Amendment of the National Electricity Rules**

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

### **4 Savings and Transitional Amendments 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 3.3.8            Credit limit procedures and prudential settings**

In clause 3.3.8(d), omit “Subject to paragraph (e), in” and substitute “In”.

**[2] Clause 3.3.8            Credit limit procedures and prudential settings**

Omit clause 3.3.8(e) and substitute:

(e) **[Deleted]**

**[3] Clause 3.3.8            Credit limit procedures and prudential settings**

After clause 3.3.8(k), insert:

(k1) The prudential margin for a *Market Participant* must not be a negative amount.

## Schedule 2 Savings and Transitional Amendments to the National Electricity Rules

(Clause 4)

### [1] Chapter 11 New Part ZZT

In Chapter 11, after Part ZZS, insert:

#### Part ZZT Application of Offsets in the Prudential Margin Calculation

##### 11.92 Rules consequential on the making of the National Electricity Amendment (Application of Offsets in the Prudential Margin Calculation) Rule 2016

###### 11.92.1 Definitions

In this rule 11.92:

**Amending Rule** means the National Electricity Amendment (Application of Offsets in the Prudential Margin Calculation) Rule 2016.

**credit limit procedures** has the meaning given in clause 3.1.1A.

###### 11.92.2 Amended procedures

- (a) By 1 July 2017, *AEMO* must amend and *publish* the following procedures to take into account the Amending Rule:
- (1) credit limit procedures; and
  - (2) *reallocation procedures*.
- (b) *AEMO* must comply with the *Rules consultation procedures* when meeting its obligations under paragraph (a).
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