



Draft National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011

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 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 Dual Marginal Loss Factors) Rule 2011

1 Title of Rule

This Rule is the Draft National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011.

2 Commencement

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 Amendments of the National Electricity Rules

(Clause 3)

[1] Clause 3.6.2 Intra-regional losses

Omit clause 3.6.2(b)(2) and substitute:

- (2) will be either:
 - (i) two *intra-regional loss factors* where *AEMO* determines, in accordance with the methodology determined under clause 3.6.2(d), that one *intra-regional loss factor* does not, as closely as is reasonably practicable, describe the average of the *marginal electrical energy losses* for electricity transmitted between a *transmission network connection point* and the *regional reference node* for the *active energy generation* and consumption at that *transmission network connection point*; or
 - (ii) one static *intra-regional loss factor* in all other circumstances;
- (2A) must be determined in accordance with the methodology determined by *AEMO* under clause 3.6.2(d) for each *transmission network connection point*;
- (2B) apply for a *financial year*; and

Schedule 2 Savings and Transitional Amendments to the National Electricity Rules

(Clause 4)

[1] Chapter 11 Savings and Transitional Rules

After rule 11.[XX], insert:

Part [XX] Application of Dual Marginal Loss Factors

11.[XX] Rules consequential on the making of the National Electricity Amendment (Application of Dual Marginal Loss Factors) Rule 2011

11.[XX].1 Definitions

For the purposes of this rule 11.[XX]:

Amending Rule means the Application of Dual Marginal Loss Factors Rule 2011.

commencement date means the date that the Amending Rule commences operation.

relevant financial year means the *financial year* that commences on 1 July 2011.

11.[XX].2 Amendments to loss factor methodology

If *AEMO*, prior to the commencement date and for the purpose of amending the methodology referred to in clause 3.6.2(d) as a result of the Amending Rule, has taken steps equivalent to those required by the *Rules consultation procedures*, then it will be taken to have complied with those steps for the purposes of clause 3.6.2(d).

11.[XX].3 Publication of intra-regional loss factors

- (a) Clause 3.6.2(f1) does not apply in respect of the *intra-regional loss factors* for the relevant financial year and any *intra-regional loss factors published* by *AEMO* on 1 April 2011 in compliance with clause 3.6.2(f1) will not apply for the relevant financial year unless they are *published* again by *AEMO* in accordance with paragraph (b).
- (b) *AEMO* must *publish* on or before 30 June 2011 the *intra-regional loss factors* revised under clause 3.6.2(f) and to apply for the relevant financial year.

- (c) For the avoidance of doubt, paragraph (b) does not require *AEMO* to recalculate any *intra-regional loss factors* that were previously *published* except where this is necessary as a result of a change to the methodology referred to in clause 3.6.2(d).
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