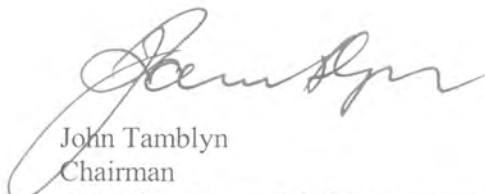


National Electricity Amendment (Abolition of Snowy Region) Rule 2007 No.7

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 (Abolition of Snowy Region) Rule 2007 No.7

1. Title of Rule

This Rule is the *National Electricity Amendment (Abolition of Snowy Region) Rule 2007 No.7*.

2. Commencement

This Rule commences operation on 30 August 2007.

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

Chapter 11 of the National Electricity Rules is amended as set out in Schedule 2.

Schedule 1 Amendment of the National Electricity Rules

(Clause 3)

[1] Clause 3.5.3 Alteration and notification of regions

Omit clause 3.5.3(c).

[2] New Clause 3.5.5

After clause 3.5.4 insert:

3.5.5 Publication of regions by NEMMCO

NEMMCO must maintain, review and, by 1 April each year, *publish* a list of all *regions*, *regional reference nodes* and the *region* to which each *market connection point* is assigned as determined or approved by the *AEMC* for alteration, under this rule 3.5 and rule 3.6 ('the *Regions Publication*').

[3] New Clause 3.5.6

After clause 3.5.5 insert:

3.5.6 Abolition of Snowy region

(a) In this clause 3.5.6:

current *Regions Publication* means the document published by *NEMMCO* entitled "List of Regional Boundaries and Marginal Loss Factors for the 2007/08 Financial Year".

New South Wales *region* comprises the *region* as identified in the current *Regions Publication*.

Snowy *region* comprises the *region* as identified in the current *Regions Publication*.

Victoria *region* comprises the *region* as identified in the current *Regions Publication*.

(b) Despite any other provision of the *Rules*, at 00:00 hours *EST* on 1 July 2008:

(1) the Snowy *region* is abolished;

- (2) the *regional reference node* known as the Murray 330kV node is abolished;
 - (3) the New South Wales *region* and the Victoria *region* are modified by the allocation of the *loads* and *generators* to each *region* as set out in clause 11.13.8; and
 - (4) the location of the *region* boundary between the New South Wales *region* and the Victoria *region* is as set out in clause 11.13.9.
- (c) For the avoidance of doubt:
- (1) the *regional reference node* (known as the Sydney West 330kV node) for the New South Wales *region*; and
 - (2) the *regional reference node* (known as the Thomastown 66kV node) for the Victoria *region*,
- are not affected by the abolition of the *regional reference node* known as the Murray 330kV node for the Snowy *region*.

[4] Clause 3.18.2 Auctions and eligible persons

Omit clause 3.18.2(h).

[5] Chapter 8A, Part 8 – Network Constraint Formulation

Omit paragraph (e) (including the note) and substitute:

- (e) Paragraphs (a) – (d) of this *participant derogation* will cease to apply on:
- (1) 31 October 2008; or
 - (2) as otherwise determined by the *AEMC*.

[6] Chapter 8A, Part 8

After paragraph (e) insert the heading:

Specific pricing arrangements for Snowy region

[7] Chapter 8A, Part 8

After paragraph (p) insert:

- (q) Paragraph (c1) and paragraphs (e1) – (p) of this *participant derogation* will cease to apply at 00:00 hours *EST* on 1 July 2008.

[8] Chapter 10 Glossary

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

Co-ordinated Universal Time (UTC)

The time as determined by the International Bureau of Weights and Measures and maintained under section 8AA of the *National Measurement Act*.

Eastern Standard Time (EST)

The time which is set at 10 hours in advance of *Co-ordinated Universal Time*.

National Electricity Code

Has the same meaning as in the *National Electricity Law*.

Regions Publication

The document *published* by *NEMMCO* under clause 3.5.5 that provides a list of all *regions*, *regional reference nodes* and the *region* to which each *market connection point* is assigned.

[9] Chapter 10 Glossary

In Chapter 10, omit the definition of “time” and substitute in alphabetical order the following definition:

time

Eastern Standard Time.

Schedule 2 Savings and Transitional Amendments to the National Electricity Rules

(Clause 4)

[1] Chapter 11 Savings and Transitional Rules

Insert in appropriate order:

11.13 Rules consequent on making the National Electricity Amendment (Abolition of Snowy Region) Rule 2007

11.13.1 Definitions

In this rule 11.13:

Amending Rule 2007 means the National Electricity Amendment (Abolition of Snowy Region) Rule 2007.

current Regions Publication means the document published by NEMMCO entitled “List of Regional Boundaries and Marginal Loss Factors for the 2007/08 Financial Year”.

Draft Determination date means 25 January 2007.

implementation period means the period specified in clause 11.13.4.

implementation plan means the plan referred to in clause 11.13.5.

implementation function means a function referred to in clause 11.13.6.

Loss Factors Publication means the document *published* by NEMMCO from time to time under clauses 3.6.1(f) and 3.6.2(f1) which sets out *marginal loss factors*.

modified regions means the *regions* identified as the New South Wales *region* and the Victoria *region* in the current *Regions Publication*, modified as a result of the abolition of the Snowy *region* under the *Amending Rule 2007* taking effect.

new regions means the unmodified *regions* and the modified *regions*.

New South Wales region, Snowy region and Victoria region each have the same meaning as in clause 3.5.6.

old regions means the *regions* identified in the current *Regions Publication*.

Rule commencement date means the date on which the *Amending Rule 2007* commences operation.

unmodified regions means the *regions* known as the Queensland *region*, the South Australia *region* and the Tasmania *region* as identified in the current *Regions Publication*, the boundaries of which are not affected by the abolition of the Snowy *region* under the *Amending Rule 2007*.

11.13.2 Purpose of rule 11.13

The purpose of this rule 11.13 is to enable the efficient and effective implementation of a change of *region* boundaries as a result of the abolition of the Snowy *region* during the implementation period, prior to the start of the new *regions*, and to support a smooth transition from the old *regions* to the new *regions*.

11.13.3 Application of rule 11.13

This rule 11.13 applies despite any other provision of the *Rules* (including any guideline or procedure made under the *Rules*), and to the extent of any inconsistency, this rule 11.13 prevails during the implementation period.

11.13.4 Implementation period

- (a) The implementation period starts on the Rule commencement date and ends on 15 July 2008.
- (b) Any decision made or action taken by *NEMMCO* for the purpose of implementing the abolition of the Snowy *region* between the Draft Determination date and the Rule commencement date, has continuing effect as if the decision had been made or the action had been taken under the *Rules* as amended by the *Amending Rule 2007*.

11.13.5 Publishing of implementation plan by NEMMCO

- (a) *NEMMCO* must develop and *publish* by 15 September 2007 an implementation plan that identifies the key implementation steps to be taken during the implementation period, including the proposed exercise by *NEMMCO* of the implementation functions.
- (b) *NEMMCO* may, during the implementation period, amend the implementation plan as necessary, and must *publish* the amended plan.

11.13.6 NEMMCO implementation functions

- (a) Subject to this rule 11.13, *NEMMCO* has, during the implementation period, the following functions and powers ('the implementation functions'):
 - (1) the power to make a decision or take any action (including the power to refrain from making a decision or taking action) that is necessary or consequential to the implementation of the *Amending Rule 2007*; and

- (2) the other functions and powers specified under this rule 11.13.
- (b) The exercise of the implementation functions by *NEMMCO* must be referable to and consistent with the implementation plan as *published*.

11.13.7 Software modifications to implement abolition of Snowy region

Despite clause 3.17.1 and subject to this clause 11.13.7, *NEMMCO*:

- (1) may, as an implementation function, alter, reconfigure, reprogram or otherwise modify or enhance any computer software required for the operation of the *market*; and
- (2) must, to the extent practicable, adhere to the procedures for change management under the document entitled “NEM Systems IT Procedure Manual: Change Management” and *NEMMCO* may make the changes under paragraph (1) without authorisation by the *AER* even if *NEMMCO* does not fully adhere to that document.

11.13.8 Allocation of transmission connection points as a result of abolition of Snowy region

Each *transmission network connection point* previously assigned to the *Snowy region* as at the Rule commencement date is allocated to the *New South Wales region* and the *Victoria region* as follows:

Loads

Location	Voltage kV	TNI code	Region
Khancoban	330	NKHN	Victoria

Generation

Location	Voltage kV	Connection point ID	TNI code	Region
Jindabyne pump at Guthega	132	NGJP	NGJP	Victoria
Guthega	132	NGUT	NGUT	NSW
Guthega Ancillary Services 2	132	NGUT2	NGUT	NSW

Location	Voltage kV	Connection point ID	TNI code	Region
Guthega	132	NGUT8	NGUT	NSW
Lower Tumut	330	NLTS	NLTS	NSW
Lower Tumut Ancillary Services 2 (pumps)	330	NLTS3	NLTS	NSW
Lower Tumut Ancillary Services 3	330	NLTS5	NLTS	NSW
Lower Tumut	330	NLTS8	NLTS	NSW
Murray Ancillary Services 1	330	NMUR11	NMUR	Victoria
Murray Ancillary Services 2	330	NMUR13	NMUR	Victoria
Murray Ancillary Services 3	330	NMUR5	NMUR	Victoria
Murray Ancillary Services 4	330	NMUR7	NMUR	Victoria
Murray	330	NMUR8	NMUR	Victoria
Murray Ancillary Services 5	330	NMUR9	NMUR	Victoria
Upper Tumut	330	NUTS	NUTS	NSW
Upper Tumut Ancillary Services 2	330	NUTS3	NUTS	NSW
Upper Tumut Ancillary Services 3	330	NUTS5	NUTS	NSW
Upper Tumut Ancillary Services 4	330	NUTS7	NUTS	NSW
Upper Tumut	330	NUTS8	NUTS	NSW

11.13.9 Location of region boundaries

The location of the *region* boundary between the New South Wales *region* and the Victoria *region* as a result of the abolition of the Snowy *region* is as follows:

- (1) at Red Cliffs Terminal Station on the 0X1 Red Cliffs to Buronga 220 Transmission Line;
- (2) at Wodonga Terminal Station on the 060 Wodonga to Jindera 330 Transmission Line;
- (3) at Murray Switching Station on the 066 Murray to Lower Tumut 330 Transmission Line;
- (4) at Murray Switching Station on the 065 Murray to Upper Tumut 330 Transmission Line;
- (5) at the Guthega 132kV Switchyard 132kV Bus No 2-3 bus Section Disconnecter 4128.

11.13.10 2008/09 Regions Publication and Loss Factors Publication

- (a) *NEMMCO* must, as an implementation function, review and *publish* by 1 April 2008:
 - (1) the 2008/09 *Regions Publication*; and
 - (2) the 2008/09 Loss Factors Publication,making any changes necessary in accordance with the *Amending Rule* 2007, including but not limited to the allocation of *transmission network connection points* under clause 11.13.8 and the location of *region* boundaries under clause 11.13.9.
- (b) In relation to the publications referred to in paragraph (a) (or subsequent annual *Regions Publications* or Loss Factors Publications), nothing prevents *NEMMCO*:
 - (1) amending those publications to implement:
 - (i) the *Amending Rule* 2007 or future *region* boundary changes under the *Rules*;
 - (ii) future physical changes to the *transmission network*; or
 - (iii) changes in the configuration of *connection points* requested by *Registered Participants* for the purposes of participation in the *NEM*; or
 - (2) publishing the annual *Regions Publication* and the Loss Factors Publication in a single document.

11.13.11 Reserve margin calculations

NEMMCO may, as an implementation function, determine estimates of the minimum reserve levels to be applied to the modified *regions* provided that the process used to determine the estimates is *published*.

11.13.12 Re-calculation of network constraints and transmission loss factors

- (a) A *Transmission Network Service Provider* must, to the extent practicable, provide to *NEMMCO* on request information for or with respect to the re-calculation of *network constraints* and *transmission loss factors* including but not limited to:
 - (1) advice on the re-calculation of *network* limits, including stability limits; and
 - (2) information relating to the determination of *network losses* and *loss factors*.
- (b) Where a *Transmission Network Service Provider* advises *NEMMCO* that it is not practicable to provide information relating to the re-calculation of *network* limits or losses within the time period specified in the request, *NEMMCO* may:
 - (1) request the *Transmission Network Service Provider* to provide the information to *NEMMCO* as it becomes available to the provider;
 - (2) determine *inter-regional loss factors* on the basis of estimates;
 - (3) apportion losses for the purpose of *settlements residue payments* using estimates; or
 - (4) re-formulate existing *network constraints* to apply to the new *regions* using estimates.
- (c) *NEMMCO* must *publish* the process used for determining estimates under paragraph (b).

11.13.13 Transition of settlements residue auction arrangements

- (a) Terms used in this clause 11.13.13 that are used in the *auction rules* have the same meaning as in those rules.
- (b) Despite anything in rule 3.18, *NEMMCO*:
 - (1) may, as an implementation function:
 - (i) amend the *auction rules*;
 - (ii) remove or modify Unit Categories affected by the abolition of the Snowy *region* and the consequential modification of the New South Wales *region* and the Victoria *region*;

- (iii) re-set *auction expense fees* as required to align with any new Unit Categories;
 - (iv) conduct *auctions* in relation to new Unit Categories; and
 - (v) take any other action in relation to *auctions* that is necessary or consequential on the abolition of the Snowy region; and
- (2) must consult with the *Settlements Residue Committee* in amending the *auction rules* under paragraph (1) and is only required to comply with the *Rules consultation procedures* to the extent practicable in the circumstances of the implementation of the abolition of the Snowy region.

11.13.14 Continuity of regions

Subject to this rule 11.13 and clause 3.5.6, on and from 00:00 hours *EST* on 1 July 2008:

- (1) the unmodified *regions* continue and are taken to be *regions* specified under clause 3.5.1 for all purposes under the *Rules*; and
- (2) the New South Wales *region* and the Victoria *region* as modified by the *Amending Rule 2007* continue and are taken to be *regions* specified under clause 3.5.1 for all purposes under the *Rules*.

END OF RULE