



## **National Electricity Amendment (Negative Intra-regional Settlements Residue) Rule 2012 No. 2**

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

## **National Electricity Amendment (Negative Intra-regional Settlements Residue) Rule 2012 No. 2**

### **1 Title of Rule**

This Rule is the *National Electricity Amendment (Negative Intra-regional Settlements Residue) Rule 2012 No.2.*

### **2 Commencement**

This Rule commences operation on 5 April 2012.

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

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

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

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

### **5 Savings and Transitional Amendments to the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 3.

## Schedule 1      Amendment to the National Electricity Rules

(Clause 3)

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

In clause 3.6.5(a)(2), omit "clauses 3.6.5(a)(1)" and substitute "subparagraph (1)".

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

Omit clause 3.6.5(a)(3A) to (4C) inclusive and substitute:

(3A) [Deleted]

(4) if the *settlements residue* arising in respect of a *trading interval*, after taking into account any relevant adjustment in accordance with clauses 5.7.7(aa)(3) or (ab), is a negative amount then, in respect of the *billing period* in which the negative *settlements residue* arises then:

(i) *AEMO* must recover the amount from the appropriate *Transmission Network Service Provider* at a payment time, interval, and by a method, determined by *AEMO* following consultation with *Transmission Network Service Providers*. *AEMO* may determine that the appropriate *Transmission Network Service Provider* is to pay the negative *settlements residue* amount by a date prior to the date for payment of *final statements* under clause 3.15.16;

(ii) the appropriate *Transmission Network Service Provider* must pay the negative *settlements residue* amount in accordance with *AEMO's* determination under subparagraph (4)(i);

(4A) if interest costs are incurred by *AEMO* in relation to any unrecovered negative *settlements residue* amount referred to in subparagraph (4), then, in respect of the *billing period* in which the negative *settlements residue* arises then:

(i) *AEMO* must recover the interest costs from the appropriate *Transmission Network Service Provider* at a payment time, interval, and by a method, determined by *AEMO* following consultation with *Transmission Network Service Providers*. *AEMO* may determine that the appropriate *Transmission 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

- (ii) the appropriate *Transmission Network Service Provider* must pay the interest cost amount in accordance with AEMO's determination under subparagraph (4A)(i);
- (4B) for the purposes of subparagraphs (3), (4) and (4A), the appropriate *Transmission Network Service Provider* is:
  - (i) in the case of *inter-regional settlements residue*:
    - (A) if there is more than one *Transmission Network Service Provider* in the importing region, the *Co-ordinating Network Service Provider*; or
    - (B) if there is no *Co-ordinating Network Service Provider* in the importing region, the *Transmission Network Service Provider* to which a *transmission determination* currently applies in that *region*;
  - (ii) in the case of *intra-regional settlements residue*:
    - (A) if there is more than one *Transmission Network Service Provider* in the *region*, the *Co-ordinating Network Service Provider*; or
    - (B) if there is no *Co-ordinating Network Service Provider* in the *region*, the *Transmission Network Service Provider* to which a *transmission determination* currently applies in that *region*;
- (4C) **[Deleted]**
- (4D) for the purposes of paragraph (4B), **importing region** means the *region* to which electricity is transferred during the relevant *trading interval* from another *region* through *regulated interconnectors*;

### **[3] Clause 3.15.1 Settlements management by AEMO**

In clause 3.15.1(a)(3), omit "*inter-regional*".

## **Schedule 2            Amendment to the National Electricity Rules**

(Clause 3)

### **[1] Chapter 10            Substituted definition**

In Chapter 10, substitute the following definition:

#### ***settlements residue***

Any surplus or deficit of funds retained by *AEMO* upon completion of *settlements* to all *Market Participants* in respect of a *trading interval*, being either *inter-regional settlements residue* or *intra-regional settlements residue*.

## **Schedule 3 Savings and Transitional Amendments to the National Electricity Rules**

(Clause 5)

### **[1] Rule 11.1 Rules consequent on making of the National Electricity Amendment (Negative Inter-regional Settlements Residue Amounts) Rule 2009**

Omit rule 11.1, including the Part A heading in its entirety, and substitute "[Deleted]".

### **[2] Chapter 11 New Part ZO**

In Chapter 11, after Part ZN, insert:

#### **Part ZO Negative Intra-regional Settlements Residue**

#### **11.45 Rules consequential on the making of National Electricity Amendment (Negative Intra-regional Settlements Residue) Rule 2012**

##### **11.45.1 Definitions**

For the purposes of this rule 11.45:

**amended clause 3.6.5(a)** means clause 3.6.5(a) as amended by the Amending Rule.

**Amending Rule** means the National Electricity Amendment (Negative Intra-regional Settlements Residue) Rule 2012.

**commencement date** means 5 April 2012.

**negative settlements residue procedure** means the payment time, interval and payment method for settlement of negative *settlements residue* amounts and interest cost amounts for unrecovered negative *settlements residue* amounts.

**old clause 3.6.5(a)** means clause 3.6.5(a) as in force immediately before the commencement date.

##### **11.45.2 Recovery of negative settlements residue prior to consultation under the Amending Rule**

Until such time as *AEMO* has determined a negative settlements residue procedure under amended clause 3.6.5(a) that relates to both negative *inter-regional* and *intra-regional settlements residue* amounts, *AEMO* must recover:

- (a) negative *intra-regional settlements residue* amounts in accordance with old clause 3.6.5(a) and clause 3.15.16; and
- (b) negative *inter-regional settlements residue* amounts in accordance with old clause 3.6.5(a).

### **11.45.3 First consultation on negative intra-regional settlements residue procedure**

- (a) Prior to commencing its consultation with *Transmission Network Service Providers* under amended clause 3.6.5(a) on the first negative settlements residue procedure that relates to both negative *inter-regional* and *intra-regional settlements residue* amounts, *AEMO* must notify each *Transmission Network Service Provider*:
  - (1) that it intends to commence the consultation;
  - (2) how it plans to conduct the consultation; and
  - (3) that if a *Transmission Network Service Provider* wishes the consultation to be conducted in accordance with the *Rules consultation procedures*, it must notify *AEMO* within one week of the notice under this paragraph (a).
- (b) If within one week of the notice under paragraph (a) *AEMO* receives a notice from a *Transmission Network Service Provider* under paragraph (a)(3), then *AEMO* must consult with *Transmission Network Service Providers* on the negative settlements residue procedure in accordance with the *Rules consultation procedures*.
- (c) If within one week of the notice under paragraph (a) *AEMO* has not received a notice from a *Transmission Network Service Provider* under paragraph (a)(3), then *AEMO* may consult on the negative settlements residue procedure as indicated in its notice under paragraph (a).

[END OF RULE AS MADE]

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