

ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY - MARKET)
REGULATIONS 2004
Wholesale Electricity Market Rules

IMO AMENDING RULES RC_2010_04 MADE ON 17 September 2010
These Amending Rules commence at 08.00am on 1 October 2010

The following clauses are amended (~~deleted wording~~, new wording):

- 6.16.1. The Metered Schedule for a Trading Interval for a Facility or Non-Dispatchable Load is determined by the IMO in accordance with clause ~~9.3.3~~ 9.3.4.
- 9.3.3. The IMO must determine the Metered Schedule for each Facility and Non-Dispatchable Load for each Trading Interval in accordance with clause 9.3.4.
- 9.18.3. A Non-STEM Settlement Statement must contain the following information:
- (a) details of the Trading Days covered by the Non-STEM Settlement Statement;
 - (b) details of the Market Participant to which the Non-STEM Settlement Statement relates;
 - (c) for each Trading Interval of each Trading Day:
 - i. the Bilateral Contract quantities for each Market Participant;
 - ...
 - vii. in the case of the Electricity Retail Corporation, Notional Wholesale Meter values;
 - viii. the values of MCAP, UDAP, and DDAP;
 - viii(A). in the case of the Electricity Generation Corporation the MWh quantity of non-compliance; and
 - ix. details of amounts calculated for the Market Participant under clauses 9.7 to 9.14 with respect to:
 - 1. Reserve Capacity settlement;
 - 2. Balancing settlement;
 - 3. Ancillary Services settlement
 - 4. Commitment and Outage Compensation settlement
 - 4A. Non-Compliance Cost settlement;
 - 5. Reconciliation settlement;
 - 6. Network Control Service settlement; and
 - 7. Fee settlement; and
 - 8. Net Monthly Non-STEM Settlement Amount;

- x-(cA) details of any Capacity Credits allocated to the Market Participant in a Capacity Credit Allocation Statement made by another Market Participant in accordance with clauses 9.4 and 9.5;
- xi-(cB) details of any Capacity Credits allocated to another Market Participant in a Capacity Credit Allocation Submission made by the Market Participant in accordance with clauses 9.4 and 9.5;
- xii-(cC) details of any reductions in payments in the preceding Trading Month under clause 9.24.3A as a result of a Market Participant being in Default;
- xiii-(cD) details of any payments to the Market Participant as a result of the IMO recovering funds not paid to the Market Participant in previous Trading Months under clause 9.24.3A as a result of a Market Participant being in Default;
- xiv-(cE) in regard to Default Levy re-allocations, as defined in accordance with clause 9.24.9:
 - 1-i. the total amount of Default Levy paid by that Market Participant during the Financial Year, with supporting calculations;
 - 2-ii. the adjusted allocation of those Default Levies to be paid by that Market Participant, with supporting calculations; and
 - 3-iii. the net adjustment to be made;
- (d) whether the statement is an adjusted Non-STEM Settlement Statement and replaces a previously issued Non-STEM Settlement Statement;

...

- 9.24.1. ~~If in the event that~~ a Market Participant fails to make a payment under these Market Rules to the IMO before it is due, then the IMO may Draw Upon any Credit Support in relation to that Market Participant to meet the payment.
- 9.24.3. Notwithstanding anything else in these Market Rules, if at any time the total amount received by the IMO from Rule Participants in cleared funds (“**Total Amount**”) is not sufficient to make the payments which the IMO is required to make under these Market Rules (for example, as a result of default by one or more Rule Participants), then the IMO’s liability to make those payments is limited to the Total Amount. ~~The IMO must apply the Total Amount as follows:~~
 - (a) ~~first, the IMO must apply the Total Amount to satisfy:~~
 - i. ~~payment of Revenue Requirement Settlement Amounts to the IMO, System Management and the Economic Regulation Authority (including as contemplated by clause 9.22.10);~~
 - ii. ~~payments which the IMO is required to make under Supplementary Capacity Contracts or to a provider of Ancillary Services holding an Ancillary Service Contract with System Management; and~~

- iii. ~~payments which the IMO is required to make under Network Control Service Contracts; and~~
- iv. ~~funds required to be disgorged or repaid by the IMO as contemplated by clause 9.24.2; and~~
- (b) ~~second, it must apply the remainder to pay amounts which, but for this clause 9.24.3(b), it would owe to Rule Participants in accordance with clause 9.22, where these amounts are reduced by applying the following formula:~~

$$\text{AAP} = (\text{NAP} / \text{TNAP}) \times \text{MAA}$$

where:

~~AAP is the reduced amount actually payable by the IMO to a Rule Participant in respect of the relevant Trading Week, in the case of an Invoice relating to a STEM Settlement Statement, and the relevant Trading Month, in the case of an Invoice relating to a Non-STEM Settlement Statement;~~

~~NAP is the net amount that would have been payable by the IMO to the Rule Participant, but for the application of this clause 9.24.3(b), in respect of the relevant Trading Week or Trading Month (as applicable);~~

~~TNAP is the total net amount payable by the IMO to all Rule Participants, but for the application of this clause 9.24.3(b), in respect of the relevant Trading Week or Trading Month (as applicable), calculated by summing all values of NAP; and~~

~~MAA is the remainder of the Total Amount available for payment by the IMO after the application of paragraph (a).~~

9.24.3A The IMO must apply the Total Amount as follows.

- (a) First, the IMO must apply the Total Amount to satisfy:
 - i. payment of Service Fee Settlement Amounts to the IMO, System Management and the Economic Regulation Authority (including as contemplated by clause 9.22.10);
 - ii. payments which the IMO is required to make under Supplementary Capacity Contracts or to a provider of Ancillary Services holding an Ancillary Service Contract with System Management, up to a maximum for any party of the net amount which, if sufficient funds were available, would be payable to that party;
 - iii. payments which the IMO is required to make under Network Control Service Contracts, up to a maximum for any party of the net amount which, if sufficient funds were available, would be payable to that party; and

iv. funds required to be disgorged or repaid by the IMO as contemplated by clause 9.24.2;

but if the Total Amount is not sufficient to satisfy all of these payments then the IMO must reduce the payments proportionally. Each payment will be based on the proportion that the Total Amount bears to the amount that would have been required to make all payments.

(b) Second, the IMO must apply the remainder to pay the net amounts (after the application of clause 9.24.3A(a)) which, if sufficient funds were available, it would owe to Rule Participants in accordance with clause 9.22, where those amounts are reduced by applying the following formula:

$$\text{AAP} = (\text{NAP} / \text{TNAP}) \times \text{MAA}$$

where:

AAP is the reduced amount actually payable by the IMO to a Rule Participant in respect of the relevant Trading Week, in the case of an Invoice relating to a STEM Settlement Statement, and the relevant Trading Month, in the case of an Invoice relating to a Non-STEM Settlement Statement;

NAP is the net amount that would have been payable by the IMO to the Rule Participant (after the application of clause 9.24.3A(a)) but for the application of this clause 9.24.3A(b), in respect of the relevant Trading Week or Trading Month (as applicable);

TNAP is the total net amount payable by the IMO to all Rule Participants (after the application of clause 9.24.3A(a)) but for the application of this clause 9.24.3A(b), in respect of the relevant Trading Week or Trading Month (as applicable), calculated by summing all values of NAP; and

MAA is the remainder of the Total Amount available for payment by the IMO after the application of clause 9.24.3A(a).

9.24.4. If the IMO has reduced any payment one or more Market Participants have suffered a reduction under clause 9.24.3A(b) as a result of a Payment Default and, within five Business Days of the Payment Default, the IMO it has received full or partial payment of the overdue amount, then the IMO must within one Business Day pay apply the amount received (including any interest paid under clause 9.22.7 in respect of the Payment Default) on a pro-rata basis to all payment recipients Market Participants who suffered a reduction. The amount to be paid to each Market Participant is determined by applying the formula in clause 9.24.3(b), but as if AAP referred to the amount to be paid to each Market Participant, MAA referred to the amount of the full or partial payment, and NAP and TNAP have the same value as when the reduction was calculated, as follows.

(a) First, the IMO must apply the amount received to pay parties who suffered a reduction under clause 9.24.3A(a). The amount payable by the IMO to each party is equal to the amount by which that party's payment was originally reduced under clause 9.24.3A(a), adjusted to reflect interest accrued in accordance with clause 9.1.3 and any payments already made under this clause 9.24.4. However, if the amount received by the IMO is less than the total amount payable to these parties then the IMO must reduce the payments proportionally. Each payment will be based on the proportion that the amount received by the IMO bears to the total amount payable under this clause 9.24.4(a).

(b) Second, the IMO must apply the remainder on a pro-rata basis to all Market Participants who suffered a reduction under clause 9.24.3A(b). The amount to be paid to each Market Participant is determined by applying the formula in clause 9.24.3A(b), but as if:

AAP referred to the amount to be paid to each Market Participant;

MAA referred to the remainder of the full or partial payment after the application of clause 9.24.4(a); and

NAP and TNAP have the same values as when the reduction was calculated.

9.24.5. If, five Business Days after a Payment Default, the IMO is yet to recover in full the overdue amount, then it must raise a Default Levy from all Market Participants (other than ~~the Market Participants with unrecovered which committed the Payment Defaults~~) to cover the remaining shortfall (including interest calculated in accordance with clause 9.22.7). ~~The IMO will determine the amount to be paid by each Market Participant, having is to be determined by the IMO. In determining the amount to be paid by a Market Participant, the IMO must have regard to the absolute value of the MWh of generation or consumption, determined in accordance with the Metered Schedules, for each Market Participant for Trading Intervals during the preceding most recent Trading Month for which Non-STEM Settlement Statements have been issued, as a proportion of the total of those values for all Market Participants (other than Market Participants with unrecovered Payment Defaults).~~

9.24.8. By 2 PM on the 8th Business Day following the date of a Payment Default, the IMO is to allocate the total of the Default Levy amounts received under clause 9.24.7 ~~on a pro-rata basis to all Market Participants who suffered a reduction under clause 9.24.3(b) as a result of the Payment Default. The amount to be paid to each Market Participant is determined by applying the formula in clause 9.24.3(b), but as if AAP referred to the amount to be paid to each Market Participant, MAA referred to the total amount actually received under clause 9.24.7 and NAP and TNAP have the same value as when the reduction was calculated. as follows.~~

- (a) First, the IMO must apply the total amount received to pay parties who suffered a reduction under clause 9.24.3A(a). The amount payable by the IMO to each party is equal to the amount by which that party's payment was originally reduced under clause 9.24.3A(a), adjusted to reflect interest accrued in accordance with clause 9.1.3 and any payments already made under clause 9.24.4 or this clause 9.24.8. However, if the amount received by the IMO is less than the total amount payable to these parties then the IMO must reduce the payments proportionally. Each payment will be based on the proportion that the total amount received by the IMO bears to the total amount that would have been required to make all payments under this clause 9.24.8(a).
- (b) Second, the IMO must apply the remainder on a pro-rata basis to all Market Participants who suffered a reduction under clause 9.24.3A(b). The amount to be paid to each Market Participant is determined by applying the formula in clause 9.24.3A(b), but as if:

AAP referred to the amount to be paid to each Market Participant;

MAA referred to the remainder of the total of the Default Levy amounts received under clause 9.24.7 after the application of clause 9.24.8(a); and

NAP and TNAP have the same values as when the reduction was calculated.

9.24.8A If a Market Participant pays part or all of a Default Levy after the date and time prescribed in clause 9.24.7 but within five Business Days of that date, then the IMO must within one Business Day apply the amount received in accordance with clause 9.24.8 as if it was an amount received under clause 9.24.7.

9.24.9. By the end of the second month following the end of ~~Upon completion of the final Trading Month commencing during~~ a Financial Year, the IMO must re-allocate any Default Levies raised during that Financial Year as follows:

- (a) the IMO will determine the aggregate of the shortfalls in respect of which it raised Default Levies during the Financial Year less any subsequent amounts recovered and refunded under clause 9.24.10;
- (b) the IMO will determine the aggregate Default Levy amount which should have been paid by each Market Participant, having regard to the absolute value of the MWh of generation or consumption, as determined in accordance with the Metered Schedules for each Market Participant (excluding Market Participants with unrecovered Payment Defaults) for Trading Intervals during the Financial Year as a proportion of the total of those values for all these Market Participants;
- (c) the IMO must compare the amount determined for the Market Participant under ~~paragraph~~ clause 9.24.9(b) with the total of the amounts which the Market Participant actually paid under clause 9.24.7;

- (d) the IMO must determine an appropriate adjustment to put each Market Participant in the position it would have been in had it paid the amount determined under ~~paragraph~~ clause 9.24.9(b) instead of the amounts actually paid under clause 9.24.7; and
- (e) the IMO must include that adjustment in the Non-STEM Settlement Statement for the most recently completed Trading Month.

Chapter 11 – Glossary

Metered Schedule: Has the meaning given in clause ~~6.16.1~~ 9.3.4.