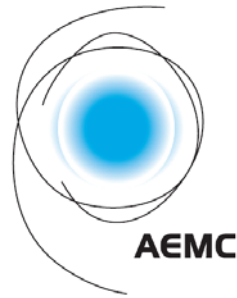**DRAFT RULE**

AEMC

Draft National Electricity Amendment (Management of negative settlement residues in the Snowy Region) Rule 2006

under the National Electricity Law as applied by:

    (a)   the National Electricity (South Australia) Act 1996; and

    (b)   the Electricity (National Scheme) Act 1997 of the Australian Capital Territory; and

    (c)   the National Electricity (New South Wales) Act 1997 of New South Wales; and

    (d)   the Electricity - National Scheme (Queensland) Act 1997 of Queensland; and

    (e)   the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania; and

    (f)   the National Electricity (Victoria) Act 1997 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

DRAFT RULE

Draft National Electricity Amendment (Management of negative settlement residues in the Snowy Region) Rule 2006

1.   Title of Rule

This Rule is the *National Electricity Amendment (Management of negative settlement residues in the Snowy Region) Rule 2006.*

2.   Commencement

This Rule commences operation on [<mark>insert date</mark>].

3.   Amendment of the National Electricity Rules

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

4.   Notes

Notes do not form part of this Rule

DRAFT RULE

Schedule 1   Amendment of National Electricity Rules

<div align="center">(Clause 3)</div>

[1]   Chapter 8A, Part 8   Network Constraint Formulation

In Part 8 after paragraph (c), insert:

(c1) Clause (c) does not apply to the use of a *network constraint* referred to in the 'Murray/Tumut constraint list' developed pursuant to clause (f).

[2]   Chapter 8A, Part 8

Omit Part 8 sub-paragraph (n)(2), and insert:

(2)   *Trading amounts* determined as follows:

$$TA_1 = \text{Min} (EVA_N, IRSR_{Sn\text{-}NSW})$$
$$TA_7 = {}^-1 \text{ x Min} (0, IRSR_{Vic\text{-}Sn})$$
$$TA_2 = -1 \text{ x } TA_1 - TA_7$$

Where:

TA_1	is a *trading amount* for Snowy Hydro Limited;
$IRSR_{Sn\text{–}NSW}$	is the inter-regional settlement residue allocated to flows **from the Snowy *region* to the NSW *region*** for the relevant *trading interval*;
$IRSR_{Vic\text{–}Sn}$	is the inter-regional settlement residue allocated to flows **from the Victorian *region* to the Snowy *region*** for the relevant *trading interval*;
TA_2	is a *trading amount* for the inter-regional settlement residue allocated to flows **from the Snowy *region* to the NSW *region***; and
TA_7	is a *trading amount* for the inter-regional settlement residue allocated to flows **from the Victorian *region* to the Snowy *region*.**

[Drafting Note – The highlighted text is for the purpose of clearly indicating the changes being made for the purposes of this draft Rule only.]

DRAFT RULE

[3]   Chapter 8A, Part 8

Omit Part 8 subparagraph(o)(4) and substitute:

(4)   A *settlements residue trading amount* determined as follows:

$$TA_8 = -1 \times \text{Min} (0, IRSR_{Sn\text{-}Vic})$$

Where:

TA_8 is a *trading amount* for the inter-regional settlement residue allocated to flows **from the Snowy *region* to the Victorian *region***; and

$IRSR_{Sn\text{–}Vic}$ is the inter-regional settlement residue allocated to flows **from the Snowy *region* to the Victorian *region*** for the relevant *trading interval*.

(5)   A *settlements residue trading amount* determined as follows:

$$TA_6 = (-1 \times TA_3) - TA_4 - TA_5 - TA_8$$

Where:

TA_6 is a *trading amount* for the inter-regional settlement residue allocated to flows **from the NSW *region* to the Snowy *region***; and

$IRSR_{Sn\text{–}Vic}$ is the inter-regional settlement residue allocated to flows **from the Snowy *region* to the Victorian *region*** for the relevant *trading interval*.

[Drafting Note – The highlighted text is for the purpose of clearly indicating the changes being made for the purposes of this draft Rule only.]