



## Notice of market rule modification

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<b>Paper No.</b>	EMC/RCP/22/2005/242
<b>Rule reference:</b>	Chapter 3, Section 5 Chapter 1, Section 13.6.6 Chapter 8, Sections 1.1.143, 1.1.166, 1.1.209 and 1.1.248
<b>Proposer:</b>	Market Administration, EMC
<b>Date received by EMC:</b>	6 Apr 05
<b>Category allocated:</b>	1
<b>Status:</b>	Approved by EMA
<b>Effective Date:</b>	22 Nov 05
<b>Summary of proposed rules change:</b>	

This proposal is a plain English re-write of Section 5 of Chapter 3 with some associated changes to Chapter 1 and Chapter 8.

<b>Date considered by Panel:</b>	12 Sep 05
<b>Date considered by EMC Board:</b>	29 Sep 05
<b>Date considered by Energy Market Authority:</b>	14 Nov 05
<b>Proposed Rule Modification:</b>	

Refer to Annex 1 and 2.

**Reasons for rejection/Reasons for referral back to Panel (if applicable):**



PAPER NO. : **EMC/BD/05/2005/07(b)**

RCP PAPER NO. : **EMC/RCP/22/2005/242**

SUBJECT : **RE-WRITE OF SECTION 5 CHAPTER 3 (REVISED)**

FOR : **DECISION**

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VETTED BY : **PAUL POH LEE KONG  
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DATE : **29 SEPTEMBER 2005**

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#### **Executive Summary**

EMC proposes for the Market Rules to adopt the sections already re-written at the proof of concept stage during an evaluation of resources required to rewrite the rulebook. This paper assesses the re-written Section 5 of Chapter 3 of the Market Rules, which is one of the rewritten sections. The paper concludes that the re-written section is a significant improvement over the current rules and should be adopted to realize the benefits of improved drafting. Hence, the RCP recommends that the EMC Board adopt this re-written section.

## 1. Introduction

This paper assesses EMC's proposal to adopt a re-draft of Section 5 of Chapter 3 of the Market rules. It is a revised version of the proposal supported by the RCP at its 19<sup>th</sup> Meeting on 3 May 2005.

## 2. Background

Several sections of the Market Rules were re-written at the proof of concept stage as part of EMC's evaluation of the resource requirement of the proposal to re-write the rulebook. According to EMC's study, the proof of concepts had achieved the objectives in that:

- LECG's review, based on a practical exercise carried out with a number of its analysts, showed that the rewritten sections are easier to understand (accuracy of comprehension improved by 22%) and take less time to read (speed increased by 35%).
- Some market participants have indicated that the rewritten sections represent a considerable improvement in terms of readability over the current rulebook.

Since the re-drafts have been carried out and are a significant improvement over the corresponding sections of the current version of the Market Rules, it makes sense to adopt them to realize the benefits of improved drafting. One section that has been rewritten is Section 5 of Chapter 3. This paper assesses the suitability of the re-drafted Section 5 of Chapter 3 for adoption in the current Market Rules.

The first version of proposed re-write was supported by the RCP on 3 May 2005 and submitted to the EMC Board for adoption. At the EMC Board's Meeting on 26 May 2005, it suggested that the draft rules be reviewed by a local drafting professional for quality assurance. This was necessary because the re-draft would be used as a benchmark for future plain English rule drafting. This revision incorporates editorial changes suggested by the local drafting professional. These are highlighted in Annex 1 for easy reference.

## 3. Analysis

Section 5 of Chapter 3 governs the rule change process. The following principles were applied in the re-drafting:

1. Minimising the use of cross-referencing, directly describing the requirement;
2. Removing obvious or redundant references;
3. Replacing long phrases with more concise wording;
4. Shorter sentences covering a maximum of two points in one sentence;
5. Using active voice instead of passive voice;
6. Use of definitions to replace often repeated descriptions or concepts;
7. Avoiding the restatement of conditions; and
8. Avoiding unnecessary adverbs or adjectives to describe conditions

In analyzing this re-draft, the following criteria have to be satisfied:

1. All obligations and rights of any party to the Market Rules must not be materially different;
2. All processes and requirements with regards to timing and sequence of events are preserved;

3. The language of the new draft should be superior to the current drafting in terms of clarity, simplicity and accessibility to the public.
4. However, in cases where material changes are necessary, e.g. to improve processes or outcome, they must be highlighted and explained.

### **3.1 Obligations/Rights of parties to the Market Rules and requirements on timing and sequence of events**

In reviewing the draft for points 1 and 2, we matched each section/sub-section of the original draft with the proposed new draft. Based on the original drafting, each obligation/right of every party was noted and compared against the new draft. Through this exercise, we found that every obligation/right of a party has been accurately reflected in the new draft. The timing requirements and sequence of events for rule modifications were also accurately reflected in the new draft.

For legal certainty, we have obtained a legal opinion from EMC's external legal counsel that endorsed this view. Please see Section 8 of this paper for details of the legal endorsement.

### **3.2 Language clarity, simplicity and accessibility**

In terms of language, several notable improvements have been made over the original draft as follows:

1. Removal of obvious and redundant statements
2. Removal of unnecessary cross-referencing
3. Use of simple language and short sentences
4. Breaking up of long singular sections into multiple sections
5. Use of active voice
6. Re-ordering of sections for structural/logical flow rather than procedural flow

The new draft has achieved the objectives of making Section 5 of Chapter 3 clearer, simpler and therefore more easily understood by a person outside the electricity market. In addition, the new proposed draft contains 18% fewer words than the original draft (2,740 words compared to 3,338 words).

### **3.3 Necessary Related Rule Changes**

Due to a change in numbering in the new draft and new terms introduced, it is necessary to ensure that other sections of the Market Rules that make reference to Section 5 of Chapter 3 are updated accordingly. Hence there are several associated rule changes to Chapters 1 and 8 that were required. These are presented in Annex 2.

## **4. Conclusion**

We conclude that the new proposed draft of Section 5 of Chapter 3 of the Market Rules is superior to the current drafting. It should be adopted to replace the existing draft so as to realize the benefits of better drafting.

**5. Impact on market systems**

There would be no impact on any market system.

**6. Implementation process**

This rule change can be implemented immediately.

**7. Consultation**

We have *published* the proposed text of *modifications* on the *EMC* website for comments. No comments have been received for consideration.

**8. Legal sign off**

Text of rule modification has been vetted by EMC's external legal counsel whose opinion is that the proposed re-write of Section 5 of Chapter 3 of the Market Rules have the following properties:

1. With respect to the current Market Rules, no obligation or right of any party in Section 5 of Chapter 3 is materially changed;
2. With respect to the current Market Rules, there is no transfer of any obligation or right in Section 5 of Chapter 3 from one party to another;
3. With respect to the current Market Rules, no operational timing and sequence of events in Section 5 of Chapter 3 is changed;
4. It is legally effective; and
5. It is legally consistent with other parts of the Market Rules.

**9. Recommendations**

We recommend that the EMC Board

- a. **adopt** the proposed re-write of Section 5 of Chapter 3 of the Market Rules and the associated rule changes, as set out in Annex 1 and 2 of this paper;
- b. **seek** the Authority's approval of the rule modification proposal; and
- c. recommend that the proposed re-write and rule changes come into force one business day after the date on which the approval of the Authority is published by the EMC.

**ANNEX 1 : Proposed New Drafting**

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p><b>5 MODIFICATION OF THE RULES</b></p>	
<p><b>5.1 <u>INTRODUCTION</u></b></p>	
<p>5.1.1 This section 5 contains the procedure for <i>modifying</i> the <i>market rules</i>, as provided for in subsection 46(3) of the <i>Electricity Act</i>.</p>	5.1.1
<p>5.1.2 The <i>market rules</i> may be <i>modified</i> by the <i>EMC Board</i> under section 5.1.3 or by the <i>urgent rule modification committee</i> under section 5.10.</p>	5.1.2
<p>5.1.3 The <i>EMC Board</i> may <i>modify</i> the <i>market rules</i> by a resolution passed by at least two-thirds of the <i>EMC</i> directors in office at the time, excluding any who abstain voluntarily or who are required by the <i>constituent document</i> to abstain.</p>	5.1.2
<p><b>5.2 <u>REQUESTS TO REVIEW OR MODIFY MARKET RULES</u></b></p>	
<p>5.2.1 The <i>EMC Board</i>, the <i>EMC</i>, the <i>Authority</i>, the <i>PSO</i>, a <i>market participant</i>, a <i>market support services licensee</i> or any other interested person (each of whom is referred to in the <i>market rules</i> as a <i>proposer</i>), who considers that a <i>modification</i> or review of the <i>market rules</i> may be necessary or desirable, may submit a <i>modification proposal</i>.</p>	5.3.2
<p>5.2.2 A <i>modification proposal</i> by a <i>proposer</i> shall be made in writing, stating the reasons for the <i>modification proposal</i> and be sent to the <i>rules change panel</i> at the address that is <i>published</i> by the <i>EMC</i> for that purpose. The <i>rules change panel</i> may ask a <i>proposer</i> to give further particulars concerning its <i>modification proposal</i>.</p>	5.3.2
<p>5.2.3 Where the <i>rules change panel</i> determines on its own initiative that a <i>modification</i> or review of the <i>market rules</i> may be necessary or desirable, it shall notify the <i>EMC Board</i> of its intention to consider such <i>modification</i> or review, giving reasons for its determination.</p>	5.4.1
<p>5.2.4 Where the <i>EMC Board</i> determines on its own initiative, or at the request of any person, that a <i>modification</i> (other than an <i>urgent modification</i>) or review of the <i>market rules</i> may be necessary or</p>	5.5.1

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p>desirable, it shall submit a <i>modification proposal</i> in accordance with sections 5.2.1 and 5.2.2.</p>	
<p><b>5.3 <u>DUTIES OF RULES CHANGE PANEL WHEN CONSIDERING A MODIFICATION PROPOSAL</u></b></p>	
<p>5.3.1 Before the <i>rules change panel</i> considers any <i>modification proposal</i>, the <i>EMC</i> shall <i>publish</i> the details of the <i>modification proposal</i>, with any comments from the <i>rules change panel</i> and invite all interested persons to make written submissions on the <i>modification proposal</i> to the <i>rules change panel</i> within a reasonable period specified in the invitation.</p>	<p><b>5.3.5</b></p>
<p>5.3.2 All submissions referred to in section 5.3.1 must be made within the period specified in the relevant invitation <i>published</i> by the <i>EMC</i>. Anyone who makes such a submission may at the same time indicate that a meeting in connection with the <i>modification proposal</i> is necessary or desirable, giving his reasons therefor.</p>	<p><b>5.3.6</b></p>
<p>5.3.3 The <i>rules change panel</i> may invite interested persons to make additional submissions in respect of a <i>modification proposal</i>. All such invitations and submissions shall be in writing. All such submissions shall be made within the reasonable period specified by the <i>rules change panel</i>.</p>	<p><b>5.3.7</b></p>
<p>5.3.4 All submissions that are received by the <i>rules change panel</i> within the time specified for making submissions shall be considered by the <i>panel</i>. The <i>rules change panel</i> may decide to hold one or more public meetings if it thinks that it is necessary or desirable to do so.</p>	<p><b>5.3.8</b></p>
<p>5.3.5 The <i>rules change panel</i> shall advise the <i>EMC Board</i> of the date, time and place scheduled for any public meeting. The <i>EMC</i> shall <i>publish</i> this information at least seven days before the date of the meeting. Any interested person may attend and, at the discretion of the <i>rules change panel</i>, take part in the meeting.</p>	<p><b>5.3.9</b></p>
<p>5.3.6 If any <i>modification proposal</i> relates to:</p> <p>5.3.6.1 a provision of section 3, the <i>rules change panel</i> shall consult with the <i>dispute resolution counsellor</i> about the <i>modification proposal</i>; or</p> <p>5.3.6.2 a provision of sections 2.6 to 2.9 or section 4, the <i>rules change panel</i> shall consult with the Chair of the <i>market surveillance and compliance panel</i> about the <i>modification proposal</i>.</p>	<p><b>5.3.10</b></p>

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p>The <i>rules change panel</i> shall carry out this consultation before it holds any public meeting on the <i>modification proposal</i> or, if no meeting is held, then before it votes on the <i>modification proposal</i>.</p> <p><b>5.4 <u>RULES CHANGE PANEL TO CONSIDER A MODIFICATION PROPOSAL AND TO REPORT TO EMC BOARD</u></b></p> <p>5.4.1 As soon as reasonably practicable after all meetings and consultations have been completed under section 5.3, and after any further meetings or consultations that the <i>rules change panel</i> considers appropriate, the <i>rules change panel</i> shall consider and vote on the <i>modification proposal</i>.</p> <p>5.4.2 Once it has voted on any <i>modification proposal</i>, the <i>rules change panel</i> shall send a written report to the <i>EMC Board</i>. The report shall contain the following:</p> <p>5.4.2.1 the recommendations of the <i>rules change panel</i> together with reasons for the recommendations. The <i>rules change panel</i> may recommend:</p> <ul style="list-style-type: none"> <li>a. that the <i>modification proposal</i> does not warrant consideration;</li> <li>b. that the <i>modification proposal</i> only requires clarification or interpretation of a section of the <i>market rules</i>. In that case the <i>modification proposal</i> will be dealt with under section 15 of Chapter 1;</li> <li>c. that the <i>market rules</i> not be <i>modified</i>; or</li> <li>d. that the <i>market rules</i> be <i>modified</i>.</li> </ul> <p>5.4.2.2 the text of any <i>modification</i> proposed by the <i>rules change panel</i>, and a summary of any objections the <i>panel</i> received on it or brought to its attention;</p> <p>5.4.2.3 whether the proposed <i>modification</i> has the support of:</p> <ul style="list-style-type: none"> <li>a. the <i>dispute resolution counsellor</i> (for a <i>modification</i> to section 3); or</li> </ul>	<p>5.3.11</p> <p>5.3.12</p>

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p>b. the Chair of the <i>market surveillance and compliance panel</i> (for a <i>modification</i> to section 2.6 to 2.9 or section 4);</p> <p>5.4.2.4 a record of how each member of the <i>rules change panel</i> voted; and</p> <p>5.4.2.5 a summary of any <i>panel</i> member’s objections to the <i>panel</i>’s recommendation.</p>	
<p><b>5.5 <u>EMC TO PUBLISH RULES CHANGE PANEL’S REPORT</u></b></p>	
<p>5.5.1 The <i>EMC</i> shall <i>publish</i> each report referred to in section 5.4.2 unless the <i>rules change panel</i> has decided that publication is inappropriate in a particular case.</p>	<p><b>5.3.12</b></p>
<p>5.5.2 If the <i>rules change panel</i>’s report recommends that the <i>market rules</i> should be <i>modified</i>, and that its report should not be <i>published</i>, the <i>EMC</i> shall still <i>publish</i> the text of the proposed <i>modification</i>.</p>	<p><b>5.3.12 &amp; 5.3.14</b></p>
<p>5.5.3 If the <i>rules change panel</i>’s text of the proposed <i>modification</i> differs materially from the text that was originally proposed, the <i>proposer</i> of the original text may object to the <i>panel</i>’s proposed text. Every objection shall be made in writing, stating the reasons for the objection, to the <i>EMC Board</i> within five <i>business days</i> of the date that the <i>EMC</i> <i>publishes</i> the text of the proposed <i>modification</i>.</p>	<p><b>5.3.14</b></p>
<p><b>5.6 <u>EMC BOARD TO CONSIDER RULES CHANGE PANEL’S REPORT</u></b></p>	
<p>5.6.1 As soon as reasonably practicable after the <i>EMC Board</i> has received a report referred to in section 5.4.2 or the expiry of any period allowed for making objections under section 5.5.3, the <i>EMC Board</i> shall consider the report and any objections under section 5.5.3, and shall vote on the matter.</p>	<p><b>5.3.15</b></p>
<p>5.6.2 The <i>rules change panel</i> shall provide the <i>EMC Board</i> with copies of all submissions received on any recommendation in its report that the <i>EMC Board</i> asks for.</p>	<p><b>5.3.13</b></p>
<p>5.6.3 Where the <i>rules change panel</i> has made a recommendation that the <i>modification proposal</i> does not warrant consideration or that the <i>modification proposal</i> only requires clarification or interpretation, the <i>EMC Board</i> may require the <i>rules change panel</i> to reconsider the <i>modification proposal</i>.</p>	<p><b>5.3.15</b></p>
<p>5.6.4 Where the <i>rules change panel</i> recommends that the <i>market rules</i> should be <i>modified</i>, the <i>EMC</i></p>	<p><b>5.3.15</b></p>

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p><i>Board</i> may:</p> <p>5.6.4.1 decline to adopt the recommendation if the test in section 5.7.1 is met;</p> <p>5.6.4.2 adopt the recommendation, either in the form proposed by the <i>rules change panel</i> or as amended by the <i>EMC Board</i> as it considers appropriate; or</p> <p>5.6.4.3 refer the matter back to the <i>rules change panel</i> for reconsideration.</p>	
<p><b>5.7 <u>EMC BOARD MAY DECLINE TO ADOPT A MODIFICATION</u></b></p>	
<p>5.7.1 The <i>EMC Board</i> may only decline to adopt a recommendation of the <i>rules change panel</i> to modify the <i>market rules</i> if the <i>EMC Board</i> determines that the <i>modification</i> would:</p> <p>5.7.1.1 materially threaten the ability of the <i>PSO</i> to direct the operation or maintain the <i>reliability</i> of the <i>PSO controlled system</i>, and the <i>PSO</i> consents to this determination;</p> <p>5.7.1.2 materially affect the ability of the <i>EMC</i> to operate the <i>wholesale electricity markets</i> in an efficient manner;</p> <p>5.7.1.3 give a <i>market participant</i>, a class of <i>market participants</i> or one or more <i>market support services licensees</i> an undue preference in the <i>wholesale electricity markets</i>;</p> <p>5.7.1.4 materially increase the opportunity for <i>market participants</i>, any class of <i>market participant</i> or <i>market support services licensees</i> to engage in inappropriate or anomalous market conduct, including the misuse or possible misuse of market power, gaming or collusion;</p> <p>5.7.1.5 impose, without due justification, significant extra costs on <i>market participants</i>, any class of <i>market participants</i> or <i>market support services licensees</i>; or</p> <p>5.7.1.6 impose, without due justification, significant extra costs on the <i>EMC</i> or the <i>PSO</i>.</p>	<p><b>5.3.16</b></p>
<p>5.7.2 If the <i>EMC Board</i> declines to adopt a <i>modification</i> to the <i>market rules</i>, the <i>EMC</i> shall:</p> <p>5.7.2.1 <i>publish</i> its decision with reasons;</p>	<p><b>5.3.17</b></p>

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p>5.7.2.2 give a copy of its decision, and the associated report of the <i>rules change panel</i>, to the <i>Authority</i>; and</p> <p>5.7.2.3 if the decision relates to a provision of Chapter 5 or 6, provide a copy of the decision to the <i>PSO</i>.</p>	
<p><b>5.8 <u>EMC BOARD MAY DECIDE TO ADOPT A MODIFICATION</u></b></p>	
<p>5.8.1 If the <i>rules change panel</i> recommends that the <i>market rules</i> should not be <i>modified</i>, the <i>EMC Board</i> shall not <i>modify</i> the <i>market rules</i> without first referring the <i>modification proposal</i> back to the <i>rules change panel</i> for reconsideration.</p>	<p><b>5.3.18</b></p>
<p>5.8.2 If the <i>rules change panel</i> has reconsidered a <i>modification proposal</i>, and still recommends that the <i>market rules</i> should not be <i>modified</i>, the <i>EMC Board</i> shall not <i>modify</i> the <i>market rules</i> unless the <i>EMC Board</i> determines that the <i>modification</i> would:</p>	<p><b>5.3.19</b></p>
<p>5.8.2.1 materially enhance the ability of the <i>PSO</i> to direct the operation or maintain the <i>reliability</i> of the <i>PSO controlled system</i>, and the <i>PSO</i> consents to the determination;</p>	
<p>5.8.2.2 materially enhance the ability of the <i>EMC</i> to operate the <i>wholesale electricity markets</i> in an efficient manner;</p>	
<p>5.8.2.3 eliminate or materially reduce an undue preference that a <i>market participant</i>, a class of <i>market participants</i> or one or more <i>market support services licensees</i> may have in the <i>wholesale electricity markets</i>;</p>	
<p>5.8.2.4 eliminate or materially reduce the opportunity for <i>market participants</i>, any class of <i>market participant</i> or <i>market support services licensees</i> to engage in inappropriate or anomalous market conduct, including the misuse or possible misuse of market power, gaming and collusion;</p>	
<p>5.8.2.5 eliminate or materially reduce the costs of <i>market participants</i>, any class of <i>market participants</i> or <i>market support services licensees</i>; or</p>	

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p>5.8.2.6 eliminate or materially reduce the costs of the <i>EMC</i> or the <i>PSO</i>, and that the benefit outweighs the objections of the <i>rules change panel</i> to the <i>modification</i>.</p> <p>5.8.3 Where the <i>EMC Board</i> adopts a <i>modification</i> to the <i>market rules</i>, the <i>EMC</i> shall:</p> <p>5.8.3.1 <i>publish</i> its decision, together with the copy of the <i>modification</i>;</p> <p>5.8.3.2 give a copy of each of the decision and the <i>modification</i> to the <i>PSO</i>; and</p> <p>5.8.3.3 file a copy of each of the decision, the <i>modification</i> and the associated report of the <i>rules change panel</i>, and a summary of any objections to the <i>modification</i> received by the <i>EMC Board</i> or brought to its attention, with the <i>Authority</i> for approval under subsection 46(4) of the <i>Electricity Act</i>.</p>	<p>5.3.20</p>
<p><b>5.9 <u>EMC BOARD MAY REFER A MODIFICATION PROPOSAL BACK TO RULES CHANGE PANEL</u></b></p>	
<p>5.9.1 The <i>EMC Board</i> shall give reasons for referring any <i>modification proposal</i> back to the <i>rules change panel</i>. The <i>EMC</i> shall <i>publish</i> such decision of the <i>EMC Board</i>.</p>	<p>5.3.21</p>
<p>5.9.2 If the <i>EMC Board</i> has referred any <i>modification proposal</i> back to the <i>rules change panel</i> for reconsideration, the <i>panel</i> shall reconsider it as soon as reasonably practicable. The <i>panel</i> may consult any person, and conduct any meeting, that it thinks is appropriate in the circumstances.</p>	<p>5.3.21</p>
<p>5.9.3 Sections 5.4.2 to 5.9 (but excluding section 5.8.1) apply, with appropriate modifications as the context may require, to the <i>rules change panel's</i> reconsideration of any <i>modification proposal</i>.</p>	<p>5.3.22</p>
<p><b>5.10 <u>URGENT MODIFICATIONS</u></b></p>	
<p>5.10.1 The <i>EMC Board</i> may establish an <i>urgent rule modification committee</i> and delegate to this committee the authority to make an <i>urgent modification</i>. The committee will be made up of the Chair of the <i>rules change panel</i>, a representative of the <i>PSO</i> and one director of the <i>EMC</i>.</p>	<p>5.6.1</p>

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p>5.10.2 <i>Urgent modifications</i> will apply for no longer than a period of one year. As soon as reasonably practicable during the one-year period, the <i>EMC</i> shall submit the <i>urgent modification</i> to the <i>rules change panel</i> for its consideration as a <i>modification proposal</i> under section 5.3.</p>	5.6.1
<p>5.10.3 The <i>EMC Board</i> or the <i>urgent rule modification committee</i> can make <i>urgent modifications</i> to the <i>market rules</i> after consulting any person they consider appropriate.</p>	5.6.2
<p>5.10.4 Where the <i>urgent rule modification committee</i> makes an <i>urgent modification</i>, it shall:</p> <p>5.10.4.1 report its decision with reasons to the <i>EMC Board</i> and include a copy of the text of the <i>urgent modification</i>; and</p> <p>5.10.4.2 file its decision with reasons with the <i>Authority</i> together with a copy of the text of the <i>urgent modification</i> for the <i>Authority</i> to approve under subsection 46(4) of the <i>Electricity Act</i>.</p>	5.6.3
<p>5.10.5 If the <i>EMC Board</i> receives a report from the <i>urgent rule modification committee</i>, the <i>EMC Board</i> shall meet, within five days of its receipt, to consider the report and vote either:</p> <p>5.10.5.1 to confirm the <i>urgent modification</i>, in the form proposed by the <i>urgent rule modification committee</i> or some other form that the <i>EMC Board</i> determines is appropriate; or</p> <p>5.10.5.2 to reject the <i>urgent modification</i> and stay its implementation,</p> <p>and in either case shall notify the <i>Authority</i> accordingly.</p>	5.6.4
<p>5.10.6 Where the <i>EMC Board</i> confirms an <i>urgent modification</i>, the <i>EMC</i> shall forthwith <i>publish</i> a notice of the <i>urgent modification</i>.</p>	5.6.5
<p><b>5.11 <u>MODIFICATION PROCESS GENERALLY</u></b></p>	
<p>5.11.1 In formulating any <i>modification</i> to the <i>market rules</i>, the <i>EMC Board</i>, the <i>urgent rule modification committee</i> and the <i>rules change panel</i> shall consider the functions and duties of the <i>Authority</i> in subsection 3(3) of the <i>Electricity Act</i>, where those functions and duties relate to the operation of the <i>wholesale electricity markets</i> and the <i>reliable</i> operation of the <i>power system</i>.</p>	5.2.1

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p>5.11.2 Nothing in this section 5 shall prohibit the <i>EMC Board</i> from reviewing the work and proceedings of the <i>rules change panel</i>, or giving procedural directions to the <i>rules change panel</i> that the <i>EMC Board</i> considers appropriate. The <i>rules change panel</i> shall comply with those directions.</p>	<p>5.2.2</p>
<p><b>5.12 <u>ASSISTANCE AND WORKING GROUPS</u></b></p>	
<p>5.12.1 The <i>EMC Board</i> may at any time call on the <i>rules change panel</i> to help the <i>Board</i> fulfil its responsibilities under this section 5.</p>	<p>5.2.3</p>
<p>5.12.2 The <i>rules change panel</i> may, through the Chief Executive of the <i>EMC</i>, seek the help of any director, officer or employee of the <i>EMC</i> and may use the facilities of the <i>EMC</i> to fulfil its responsibilities under this section 5.</p>	<p>5.9.1</p>
<p>5.12.3 The <i>rules change panel</i> may also establish working groups to help it fulfil its responsibilities under this section 5. The working groups shall operate according to the terms and conditions set by the <i>rules change panel</i>, including the scope of their work and participation. If the <i>rules change panel</i> intends to establish any working group, it shall notify the <i>EMC Board</i> and the <i>EMC</i> shall <i>publish</i> a notice of the <i>panel's</i> intention.</p>	<p>5.9.2</p>
<p><b>5.13 <u>AUTHORITY APPROVAL AND WHEN MODIFIED RULES COME INTO FORCE</u></b></p>	
<p>5.13.1 If a <i>modification</i> to the <i>market rules</i> is filed with the <i>Authority</i> for approval, the <i>Authority</i> shall give that approval under subsection 46(4) of the <i>Electricity Act</i>, unless the <i>Authority</i> is satisfied that the <i>modification</i>:</p>	<p>5.8.1</p>
<p>5.13.1.1 unjustly discriminates in favour of or against a <i>market participant</i> or a class of <i>market participants</i>; or</p>	
<p>5.13.1.2 is inconsistent with the functions and duties of the <i>Authority</i> under subsection 3(3) of the <i>Electricity Act</i>.</p>	
<p>5.13.2 The <i>Authority</i> shall notify the <i>EMC</i> and the <i>PSO</i> of its decision concerning a <i>modification</i> to the <i>market rules</i>:</p>	<p>5.8.2</p>

Proposed Rules (Section 5 of Chapter 3)	Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)
<p>5.13.2.1 within 5 <i>business days</i> of receiving any <i>urgent modification</i>; or</p> <p>5.13.2.2 within 15 <i>business days</i> of receiving any other <i>modification</i>, unless that period has been extended under section 5.13.3,</p> <p>and the <i>EMC</i> shall promptly <i>publish</i> a notice of that decision, with a copy of any approved <i>modification</i>.</p> <p>5.13.3 The <i>Authority</i> may, after taking into account its resources or the complexity of any <i>modification</i> extend the period of time referred to in section 5.13.2.2 by up to 10 <i>business days</i>. The <i>Authority</i> shall notify the <i>EMC</i> if it extends such period of time.</p> <p>5.13.4 <i>Modifications</i> approved by the <i>Authority</i> under section 5.13.1 come into force on:</p> <p>5.13.4.1 the first <i>business day</i> after the <i>EMC publishes</i> the notice of the <i>Authority's</i> decision; or</p> <p>5.13.4.2 any later date that the <i>EMC</i> specifies when it <i>publishes</i> the notice of the <i>Authority's</i> decision.</p> <p>5.13.5 The <i>EMC</i> shall not delay the coming into force of any <i>modification</i> to the <i>market rules</i> more than is reasonable.</p>	<p><b>5.8.3</b></p> <p><b>5.8.4</b></p> <p><b>5.8.5</b></p> <p><b><u>NOTE:</u></b> Sections 5.2.4, 5.3.1 and 5.4.2 of Chapter 3 of the current Market Rules are not mapped to any section of the proposed draft. The reasons are given below:</p> <p><b><u>5.2.4</u></b> This section merely refers to another section (5.8.4) for date of coming into effect of any modification. It does not need to be replicated under the new structure of the proposed draft.</p> <p><b><u>5.3.1 &amp; 5.4.2</u></b> These 2 sections were intended for any rule change proposals initiated by the RCP to be treated as a “modification submission” in the existing rules. They were necessary since the rules governing modifications raised by the RCP were in section 5.4.1 while those</p>

<b>Proposed Rules (Section 5 of Chapter 3)</b>	<b>Mapping of Obligations to Section 5 of Chapter 3 of Market Rules (Release 1 Jan 2005)</b>
	governing modifications raised generally were in section 5.3. In the proposed revised rules, the existing section 5.4.1 has been subsumed under the proposed successor provisions to the existing section 5.3. Hence, sections 5.3.1 and 5.4.2 are not necessary.

## ANNEX 2 : Associated Rule Changes

Existing Rules (Release 01 Jan 2005)	Proposed Rules (Deletion represented by strikethrough text and addition underlined.)
<b>Chapter 1</b>	<b>Chapter 1</b>
13.6.6 The <i>EMC</i> shall promptly <i>publish</i> any notice received from the <i>Authority</i> pursuant to section 13.6.5 and shall give notice of the extension of the application of sections 13.6.1 to 13.6.4 in the manner described in section 5.8.2 of Chapter 3.	13.6.6 The <i>EMC</i> shall promptly <i>publish</i> any notice received from the <i>Authority</i> pursuant to section 13.6.5 and shall give notice of the extension of the application of sections 13.6.1 to 13.6.4 in the manner described in section <del>5.8.2</del> <u>13.2</u> of Chapter 3.
<b>Chapter 8</b>	<b>Chapter 8</b>
1.1.143 <i>modification submission</i> has the meaning ascribed thereto in section 5.3.2 of Chapter 3;	1.1.143 <del><i>modification submission</i> has the meaning ascribed thereto in section 5.3.2 of Chapter 3;</del> <i>modification proposal</i> means a request by a <i>proposer</i> under section 5.2.1 or 5.2.4 of Chapter 3 for a <i>modification</i> or review of the <i>market rules</i> or a notice given by the <i>rules change panel</i> on its own initiative under section 5.2.3 of Chapter 3 of its intention to consider a <i>modification</i> or review of the <i>market rules</i> ;
1.1.166 <i>Power System Operator</i> or <i>PSO</i> means the <i>Authority</i> acting in its capacity as the person responsible for ensuring the security of <i>supply</i> of <i>electricity</i> to consumers and arranging for the secure operation of the <i>transmission system</i> as described in subsection 3(3)(e) of the <i>Electricity Act</i> ;	1.1.166 <u>75A</u> <del><i>Power System Operator</i> or <i>PSO</i> or <i>Power System Operator</i></del> means the <i>Authority</i> acting in its capacity as the person responsible for ensuring the security of <i>supply</i> of <i>electricity</i> to consumers and arranging for the secure operation of the <i>transmission system</i> as described in subsection 3(3)(e) of the <i>Electricity Act</i> ;
No existing definition of “ <i>proposer</i> ”.	1.1.175A <i>proposer</i> has the meaning ascribed thereto in section 5.2.1 of <u>Chapter 3</u> ;
1.1.209 <i>review notice</i> has the meaning ascribed thereto in section 5.4.2 of Chapter 3;	1.1.209 <del><i>review notice</i> has the meaning ascribed thereto in section 5.4.2 of Chapter 3;</del> [Deleted and Intentionally Left Blank]
1.1.248 <i>urgent rule modification committee</i> means the committee established by the <i>EMC Board</i> pursuant to section 5.6 of Chapter 3 for the purpose of making <i>urgent modifications</i> to the <i>market rules</i> ;	1.1.248 <i>urgent rule modification committee</i> means the committee established by the <i>EMC Board</i> pursuant to section <del>5.6</del> <u>10</u> of Chapter 3 for the purpose of making <i>urgent modifications</i> to the <i>market rules</i> ;