

Notice of Market Rules Modification

Paper No.: EMC/RCP/27/2006/257
Rule reference: Sections 3 and 6 of Chapter 2
Proposer: Market Administration, EMC
Date received by EMC: 29 May 2006
Category allocated: 4
Status: Approved by EMA
Effective Date: 28 August 2006

Summary of proposed rule modification:

This proposal is a rewrite of sections 3 and 6 of Chapter 2. The objective is to make these sections more readable and easier to understand.

Date considered by Rules Change Panel: 4 July 2006
Date considered by EMC Board: 27 July 2006
Date considered by Energy Market Authority: 23 August 2006

Proposed rule modification:

See attached paper.

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

PAPER NO. : **EMC/BD/04/2006/03(c)**

RCP PAPER NO. : **EMC/RCP/27/2006/257**

SUBJECT : **REWRITE OF SECTION 3 & 6 OF CHAPTER 2**

FOR : **DECISION**

PREPARED BY : **WANG JING
ANALYST**

REVIEWED BY : **PAUL POH LEE KONG
SVP, MARKET ADMINISTRATION**

DATE OF MEETING : **27 July 2006**

Executive Summary

This paper assesses the EMC's proposal to re-write Section 3 and 6 of Chapter 2 of the Market Rules. These sections were identified to be unnecessarily long and complex, complicated in drafting and potentially ambiguous. The paper concludes that the plain English re-write enhances the readability and accessibility of these sections of the Market Rules. The RCP recommends that the EMC Board adopt the proposal.

1. Introduction

This paper assesses EMC's proposal to rewrite Section 3 and 6 of Chapter 2 of the Market Rules in plain English.

2. Background

Section 3 of Chapter 2 sets forth the procedures to register a market participant (MP). Section 6 covers the terms and conditions under which the registration of a facility may be cancelled or transferred.

These sections have been identified as unnecessarily complex and potentially ambiguous. They are potentially difficult for MPs to understand. Thus, EMC propose to rewrite them in plain English.

3. Analysis

In assessing the re-write, we considered whether the following were satisfied:

1. That the language of the new draft is superior to the current drafting in terms of clarity, simplicity and accessibility to the public;
2. That no obligation or right of any party in Sections 3 and 6 of Chapter 2 of the current Market Rules is materially changed under the rule modification proposal;
3. That there is no shifting or switching of any obligation or right under Sections 3 and 6 of Chapter 2 of the current Market Rules from one party to another under the rule modification proposal;
4. That all operational timings and sequences of events in Sections 3 and 6 of Chapter 2 of the current Market Rules are unchanged under the rule modification proposal; and
5. That in cases where material changes are necessary, e.g., to improve processes or outcome, they are highlighted and explained.

3.1 Language clarity, simplicity and accessibility

With regard to language, we observed the following improvements:

- The use of cross-reference is minimized. (e.g., in the existing section 3.1.9, frequent cross-references "sections 3.1.5.1 and 3.1.8" are eliminated in the re-written section 3.1.7 by creating the defined term "registration terms".)
- Obvious or redundant references are removed. (e.g., in the existing section 6.1.2, the reference in the phrase "the request referred to in section 6.1.1" is removed because it is obvious that the request is the request stated in section 6.1.1.)
- Long phrases are replaced with more concise wording;(e.g., in section 3, the phrase "the requirements set out in section 1.2.2.1, section 1.2.2.4 or both, as the case may be" is replaced with "all the remaining unsatisfied requirements in section 1.2.2" in the re-written rules.)
- Shorter sentences are used and long singular sections are broken up into multiple sections; (e.g., the existing section 3.1.15 is broken up into three subsections in the re-written rules, making it clearer and easier to read.)

- Active voice instead of passive voice has been used;
- New definitions are used to replace often repeated descriptions or concepts. (e.g., the term “participation applicant” is defined and used to avoid the often repeated clause “person who applies for registration as a market participant”.)

3.2 Rule changes and clarifications

As part of this re-write, some rule changes and clarifications were required and have been made.

Rule Changes

The table below summarizes the rule changes made and the reasons for change. Full details can be found in **Annex 1**.

| | Re-written section | Rule Change | Reason for change |
|---|--------------------|--|--|
| 1 | Section 3.1.12 | Require EMC to publish only the names of participation applicants whose applications are under consideration, instead of application forms of all applicants that have ever submitted an application. | <p>Firstly, it is the names of applicants whose applications are under consideration that should be published rather than application forms. Application forms could contain information that is sensitive to the applicant.</p> <p>Secondly, once an applicant's application has been approved, denied or has lapsed, there is no point in still publishing its name as an applicant.</p> |
| 2 | Section 6.1.5 | <p>Any proposed cancellation date of a MP's facility registration should be no less than 5 business days from the MP's receipt of either of these notices from the PSO:</p> <ol style="list-style-type: none"> 1. That no technical assessment is required; or 2. That technical assessment has been completed and passed. <p>The existing rules' cross-reference to Notice 1 was ambiguous and thus made explicit here.</p> | <p>For any request to cancel a registered facility, PSO (in consultation with the Transmission Licensee) must first determine if a technical assessment of the cancellation is required. The PSO will notify the requesting MP if this assessment is required or not. If it is, the PSO will notify the MP again of the result after completion of the assessment. Hence there are 3 possible notices from the PSO to the MP:</p> <ol style="list-style-type: none"> 1. That no technical assessment is required 2. That technical assessment is required 3. That technical assessment has been completed and passed. |

| | Re-written section | Rule Change | Reason for change |
|---|-----------------------|---|---|
| | | | To a requesting MP, a cancellation can only be effected when it has received either Notice 1 or 3. Consequently, the 5 business day requirement for date of cancellation must be referenced to the receipt of Notice 1 or 3. The current drafting of rules is clear when referring to Notice 3 but not explicit about Notice 1. |
| 3 | Section 6.1.7 | Remove the requirement to specify the time to perform a disconnection in a disconnection order. | To be consistent with existing section 6.1.3 and 6.1.4, where it is not required to specify a time for the cancellation of the registration of the facility. |
| 4 | Section 6.1.7 | Change the phrase "PSO controlled system" to "transmission system" | To be consistent with the definition of the term "disconnect", which means to sever physical links to or with the "transmission system", |
| 5 | Section 6.2.2 | To add the requirement that the request for a facility transfer must be in the form required by the applicable market manual and submitted at least ten days before proposed transfer date before EMC can approve such a request. | <p>The requirements on the format and time frame of the request are set out in section 6.2.1. The requirements on the content of the request are set out in section 6.2.2.</p> <p>Under existing rules, EMC should approve the request to transfer a facility as long as content of the request satisfy the requirements in existing section 6.2.2.</p> <p>The proposed rules make it explicit that the requirements in section 6.2.1 must also be met before EMC could approve such request.</p> |
| 6 | Section 8.2.1 & 8.2.2 | To require that any market support services licensees applicants seeking authorisation to participate in wholesale electricity market satisfy the same technical requirements required of market participants. | Market support services licensees that apply for authorisation to participate in wholesale markets must logically also comply with these requirements. The current rules inadvertently omitted this requirement. |

Clarifications

Some clarifications have been made to remove ambiguity in the Market Rules. Details of these clarifications are contained in Annex 1.

Ancillary rule changes

Five new definitions (“conditional registration”, “disconnection order”, “participation applicant”, “registration terms” and “technical assessment”) are created to avoid repetition of their descriptions in the Market Rules. Other parts of the market rules where these new definitions apply have been updated accordingly. Please see **Annex 2** for these changes.

3.3 Obligations and rights of parties and timings and sequences of events

We have obtained a legal opinion from EMC’s external legal counsel that supports the view that under the proposed rule modifications (except for proposed rule changes and clarifications described in Section 3.2), no obligation or right of any party is materially changed, there is no shifting or switching of any obligation or right and all operational timings and sequences of events are unchanged. Details of the legal sign off are in Section 8 of this paper.

4. Conclusion

We conclude that the re-write of section 3 and 6 of chapter 2 of the Market Rules is superior to the current drafting.

5. Impact on market systems

There is no impact on the market systems.

6. Implementation process

This rule change can be implemented immediately with no further cost.

7. Consultation

We have published the rule modification proposal on the EMC website for comments. No comments have been received for consideration.

8. Legal sign off

Text of the rule modification has been vetted by EMC’s external legal counsel whose opinion is that the re-write of Sections 3 and 6 of Chapter 2 (other than the rule changes and clarifications shown in Annex1) reflect the following objectives:

- 1) no obligation or right of any party in Sections 3 & 6 of Chapter 2 of the current market rules is materially changed under the Rewritten Rules;

- 2) there is no shifting or switching of any obligation or right under Sections 3 & 6 of Chapter 2 of the current market rules from one party to another under the Rewritten Rules; and
- 3) all operational timings and sequences of events under Sections 3 & 6 of Chapter 2 of the current market rules are unchanged under the Rewritten Rules.

Further, the external legal counsel is also of the opinion that the proposed rule modifications as set out in Annex 1 and Annex 2 would be legally effective upon the proposed modifications coming into force in accordance with the current market rules and are legally consistent with other parts of the current market rules.

9. Recommendations

The RCP unanimously recommends that the EMC Board:

- a. **adopt** the rule modification proposal to amend Section 3 and 6 Chapter 2 as set out in the Annex 1 and the ancillary rule modifications as set out in Annex 2;
- b. **seek** EMA's approval of the rule modification proposal; and
- c. **recommend** that the rule modification proposal come into force one business day after the date on which the approval of the Authority is published by the EMC.

ANNEX 1: PROPOSED RULE CHANGES

RE-WRITE OF SECTIONS 3 & 6 OF CHAPTER 2

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
|---|---|---|
| Re-write of Sections 3 and 6 of Chapter 2 | | |
| 3 APPLICATION FOR REGISTRATION OR AUTHORISATION | 3 APPLICATION FOR REGISTRATION OR AUTHORISATION | |
| 3.1.1 A person who wishes to be registered by the <i>EMC</i> as a <i>market participant</i> shall file a completed <i>participant registration application</i> in such form as may be prescribed in the applicable <i>market manual</i> . | 3.1.1 If a person wishes to be registered by the <i>EMC</i> as a <i>market participant</i> , he shall file a completed <i>participant registration application</i> with the <i>EMC</i> and, at the same time, pay a non-refundable application fee to the <i>EMC</i> to defray the costs of processing that application. Such <i>participant registration application</i> shall be in the form set out in the applicable <i>market manual</i> . Such application fee shall be as established from time to time by the <i>EMC</i> according to sections 10 and 11. | Clarification: It is implied in the existing provisions of sections 3.1.1 and 3.1.2 that application is to be filed with, and payment of the non-refundable fee is to be made to, the EMC by the participation applicant. The new section 3.1.1 makes express what is implied. |
| 3.1.2 The <i>participant registration application</i> shall be accompanied by the non-refundable application fee established from time to time by the <i>EMC</i> in accordance with sections 10 and 11 to defray the costs of processing the application. | | |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
|--|---|---|
| Re-write of Sections 3 and 6 of Chapter 2 | | |
| <p>3.1.3 The <i>EMC</i> shall, within ten <i>business days</i> of receiving a <i>participant registration application</i> or within such longer period of time as may be agreed between the <i>EMC</i> and the applicant, advise the applicant of any further information or clarification that is required in support of its <i>participant registration application</i> if the <i>EMC</i> determines that the <i>participant registration application</i> is:</p> <p>3.1.3.1 incomplete; or</p> <p>3.1.3.2 contains information with respect to which the <i>EMC</i> requires clarification.</p> | <p>3.1.2 If the <i>EMC</i> determines that a <i>participant registration application</i> which it receives is incomplete or contains information with respect to which the <i>EMC</i> requires clarification, the <i>EMC</i> shall request that the relevant <i>participation applicant</i> provide further information or clarification required to support that application. Such request shall be made by the <i>EMC</i> within ten <i>business days</i> of its receipt of that application (or such longer period as the <i>EMC</i> may agree with the <i>participation applicant</i>).</p> | <p>Clarification: The word “advise” in the existing section 3.1.3 is changed to “request” for consistency with the existing section 3.1.4.</p> |
| <p>3.1.4 If the further information or clarification which is requested by the <i>EMC</i> pursuant to section 3.1.3 is not provided to the <i>EMC's</i> satisfaction within fifteen <i>business days</i> of the request or within such longer period of time as may be agreed between the <i>EMC</i> and the applicant, the applicant shall be deemed to have withdrawn its <i>participant registration application</i>.</p> | <p>3.1.3 The <i>participation applicant</i> shall be deemed to have withdrawn its <i>participant registration application</i> if it does not provide the information or clarification requested under section 3.1.2 to the <i>EMC's</i> satisfaction within fifteen <i>business days</i> of the request (or such longer time as the <i>EMC</i> may agree with it).</p> | |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
|--|--|--|
| Re-write of Sections 3 and 6 of Chapter 2 | | |
| <p>3.1.5 Within twenty <i>business days</i> of receipt of a <i>participant registration application</i> or of the further information or clarification requested under section 3.1.3, whichever is the later, or within such longer period of time as may be agreed between the <i>EMC</i> and the applicant, the <i>EMC</i> shall:</p> <p>3.1.5.1 register the applicant as a <i>market participant</i>, on such terms and conditions that comply with section 3.1.9 as the <i>EMC</i> determines appropriate, if the <i>EMC</i> is satisfied that the applicant meets the requirements set out in section 1.2.2; or</p> <p>3.1.5.2 subject to section 3.1.6, deny the applicant registration as a <i>market participant</i> if the <i>EMC</i> is not satisfied that the applicant meets the requirements set out in section 1.2.2,</p> <p>and shall so notify the applicant. Where the <i>EMC</i> denies the applicant registration, such notice shall identify the reason for the denial.</p> | <p>3.1.4 Within twenty <i>business days</i> of receiving (i) a <i>participation applicant's participant registration application</i>; or (ii) further information or clarification requested under section 3.1.2, whichever is later (or within such longer period as it may agree with the <i>participation applicant</i>), if the <i>EMC</i>:</p> <p>3.1.4.1 is satisfied that the <i>participation applicant</i> meets all the requirements in section 1.2.2, it shall register the <i>participation applicant</i> as a <i>market participant</i> on such terms and conditions (that comply with section 3.1.7) as it determines appropriate; or</p> <p>3.1.4.2 is not satisfied that the <i>participation applicant</i> meets all the requirements in section 1.2.2, it shall deny the <i>participation applicant</i> registration as a <i>market participant</i>, except that, if the <i>EMC</i> is satisfied that a <i>participation applicant</i> meets the requirements in</p> | <p>Clarification: <i>The existing section 3.1.5 is clarified to make clear that the participation applicant is to be registered under that section only if it complies with <u>all</u> the requirements set out in section 1.2.2.</i></p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
|--|--|---|
| Re-write of Sections 3 and 6 of Chapter 2 | | |
| <p>3.1.6 Within twenty <i>business days</i> of receipt of a <i>participant registration application</i> or of the further information or clarification requested under section 3.1.3, whichever is the later, or within such longer period of time as may be agreed between the <i>EMC</i> and the applicant, the <i>EMC</i> may, if it is satisfied that the applicant meets the requirements set out in sections 1.2.2.2 and 1.2.2.3, conditionally register the applicant as a <i>market participant</i>, conditional upon satisfaction of the requirements set out in section 1.2.2.1, section 1.2.2.4 or both, as the case may be, and shall so notify the applicant.</p> | <p>sections 1.2.2.2 and 1.2.2.3, it may conditionally register the <i>participation applicant</i> as a <i>market participant</i>, and notify the <i>participation applicant</i> of the same. If the <i>EMC</i> denies the <i>participation applicant</i> registration, the notice shall identify the reason for the denial. If the <i>EMC</i> conditionally registers the <i>participation applicant</i> as a <i>market participant</i>, the notice shall state a date by which the <i>participation applicant</i> shall satisfy all the remaining unsatisfied requirements in section 1.2.2 of Chapter 2.</p> | |
| <p>3.1.7 Conditional registration granted pursuant to section 3.1.6 shall:</p> <p>3.1.7.1 stipulate the date by which the applicant must satisfy the requirements of section 1.2.2.1, section 1.2.2.4 or both, as the case may be;</p> <p>3.1.7.2 lapse on the date that is five <i>business days</i> from the date referred to in section 3.1.7.1</p> | <p>3.1.5 For the purposes of section 3.1.4, <i>conditional registration</i> means the registration of a <i>participation applicant</i> by the <i>EMC</i> as a <i>market participant</i> whose registration is conditional upon the <i>participation applicant</i> satisfying all the remaining unsatisfied requirements in section 1.2.2 by the date stated in the notice to a <i>participation applicant</i> that it has been</p> | <p>Clarification: <i>To make clear that the conditionally registered participation applicant must fulfil all the conditions in section 1.2.2 and not</i></p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
|---|--|--|
| Re-write of Sections 3 and 6 of Chapter 2 | | |
| <p>if the applicant has not, prior to that date, received from the <i>EMC</i> the notification referred to in section 3.1.7.4;</p> <p>3.1.7.3 permit the applicant to proceed with the registration of its facilities pursuant to section 5; and</p> <p>3.1.7.4 not otherwise have effect, grant to the applicant any other rights or impose on the applicant any other obligations until such time as the <i>EMC</i> notifies the applicant that the applicant has met the requirements of section 1.2.2.1, section 1.2.2.4 or both, as the case may be.</p> | <p><i>conditionally registered</i> (“conditional registration deadline”). Such <i>conditional registration</i> shall:</p> <p>3.1.5.1 permit the <i>participation applicant</i> to commence the process of registration of its facilities pursuant to section 5 (provided that the <i>EMC</i> shall not register such facilities if the <i>participant applicant</i> has not been issued with the notice referred to in section 3.1.5.3);</p> <p>3.1.5.2 not otherwise have effect, or impose any other obligations on or grant any other rights to the <i>participation applicant</i> as a <i>market participant</i>, until the <i>participant applicant</i> has been issued with the notice referred to in section 3.1.5.3; and</p> <p>3.1.5.3 lapse on the fifth <i>business day</i> from the conditional registration deadline unless the <i>participation applicant</i> has by that fifth <i>business day</i> received a notice from the <i>EMC</i> that the <i>participation applicant</i> has satisfied all the requirements in section 1.2.2.</p> | <p><i>some only.</i></p> <p>Clarification: <i>To clarify that the conditional registration shall not otherwise have effect, or impose any other obligations on or grant any other rights to the participation applicant as a market participant, until such time that the EMC notifies the participation applicant by the fifth business day referred to in the new section 3.1.5.3 that the participation applicant has satisfied all the requirements in section 1.2.2 by the</i></p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
|---|--|---|
| Re-write of Sections 3 and 6 of Chapter 2 | | |
| | | <p><i>conditional registration deadline.</i></p> <p><i>Clarification: To make clear that it is the fifth business day from the date referred to in the existing section 3.1.7.1 (and not the date referred to in the existing section 3.1.7.1 itself) that the participation applicant has to receive the notice from EMC by.</i></p> |
| <p>3.1.8 An applicant to which conditional registration has been granted shall be deemed to have been registered as a <i>market participant</i> upon receipt of the notification referred to in section 3.1.7.4 on the terms and conditions set forth in such notification.</p> | <p>3.1.6 When a <i>participation applicant</i> (who has been granted <i>conditional registration</i>) receives a notice from the <i>EMC</i> that it has satisfied all the requirements in section 1.2.2, it shall be deemed registered as a <i>market participant</i> on the terms and conditions (that comply with section 3.1.7) set</p> | |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
|--|--|---|
| Re-write of Sections 3 and 6 of Chapter 2 | | |
| | forth in the notice. | |
| <p>3.1.9 The terms and conditions referred to in sections 3.1.5.1 and 3.1.8 shall not be such as to unjustly discriminate against or in favour of the <i>market participant</i> to which such terms and conditions apply, provided however that the terms and conditions imposed on <i>market participants</i> that intend to register facilities located outside of Singapore as <i>registered</i> under section 5 may be different from, including more onerous than, the terms and conditions imposed on other <i>market participants</i>. For greater certainty, the terms and conditions referred to in sections 3.1.5.1 and 3.1.8 may impose new requirements on the <i>market participant</i> in addition to those that apply under these <i>market rules</i> or may impose more onerous requirements on the <i>market participant</i> than the requirements that would otherwise apply to the <i>market participant</i> under these <i>market rules</i>.</p> | <p>3.1.7 <i>Registration terms</i> imposed in respect of a <i>market participant</i> shall not unjustly discriminate against or in favour of the <i>market participant</i>. However, if the <i>market participant</i> intends to register a facility outside Singapore under section 5, the <i>registration terms</i> imposed on it may be different from (including more onerous than) the <i>registration terms</i> imposed on other <i>market participants</i>. For the avoidance of doubt, <i>registration terms</i> may, impose new or more onerous requirements on a <i>market participant</i> than the requirements that would otherwise apply to it under these <i>market rules</i>.</p> | <p>Clarification: <i>The expression “for greater certainty” is changed to “for the avoidance of doubt” for consistency of usage in the market rules.</i></p> <p>Clarification: <i>To clarify that “provided however” in the existing section 3.1.9 means however and does not indicate a conditional restriction.</i></p> |
| <p>3.1.10 A person that wishes to dispute: 3.1.10.1 a decision of the <i>EMC</i> made pursuant to section 3.1.5.2; or</p> | <p>3.1.8 A <i>person</i> shall comply with the dispute resolution procedures in section 3 of Chapter 3 if he wishes to dispute a decision made by the <i>EMC</i> under</p> | |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| 3.1.10.2 the terms and conditions of registration referred to in section 3.1.5.1 or 3.1.8, shall follow the dispute resolution procedures set forth in section 3 of Chapter 3. | section 3.1.4.2 to deny a <i>participation applicant</i> registration as a <i>market participant</i> , or to dispute any <i>registration terms</i> . | |
| 3.1.11 An applicant or <i>market participant</i> shall forthwith advise the <i>EMC</i> of any circumstances which result or are likely to result in a change in the information provided in the <i>participant registration application</i> or in any updates thereto. | 3.1.9 A <i>participation applicant</i> or a <i>market participant</i> shall immediately inform the <i>EMC</i> of any circumstances which result (or will likely result) in a change to the information provided in its <i>participant registration application</i> or in any updates to its <i>participant registration application</i> . | Clarification: <i>The obligation to “advise” is more accurately described as an obligation to “inform”.</i> |
| 3.1.12 [Intentionally Left Blank (Reserved for powers of <i>EMC</i> upon learning of a change in circumstances)] | | Deleted. |
| 3.1.15 A <i>market support services licensee</i> that intends to participate in the <i>wholesale electricity markets</i> for the purpose of the supply and sale of <i>electricity</i> to non-contestable <i>consumers</i> , of facilitating access to any <i>wholesale electricity market</i> for the purpose of obtaining supply of <i>electricity</i> for contestable <i>consumers</i> and <i>retail electricity</i> | 3.1.10 If a <i>market support services licensee</i> intends to participate in the <i>wholesale electricity markets</i> to: 3.1.10.1 supply and sell <i>electricity</i> to non-contestable <i>consumers</i> ; 3.1.10.2 facilitate access to any <i>wholesale electricity market</i> for obtaining supply of <i>electricity</i> for contestable <i>consumers</i> | |

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|--|---|------------------|
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| <p><i>licensees</i> or of providing other services related to access to any <i>wholesale electricity market</i> shall file a completed <i>application for authorisation</i> with the <i>EMC</i> in such form as may be prescribed in the applicable <i>market manual</i>.</p> | <p>and <i>retail electricity licensees</i>; or 3.1.10.3 provide other services related to access to any <i>wholesale electricity market</i>, it shall file a completed <i>application for authorisation</i> with the <i>EMC</i> in the form set out in the applicable <i>market manual</i>.</p> | |
| <p>3.1.16 Sections 3.1.1 to 3.1.12 shall apply to <i>market support services licensees</i> seeking authorisation to participate in the <i>wholesale electricity markets</i> for the purposes referred to in section 3.1.15 and, for such purposes, all references in those sections to:</p> <p>3.1.16.1 a <i>market participant</i> shall be deemed to include a reference to a <i>market support services licensee</i>;</p> <p>3.1.16.2 a <i>participant registration application</i> shall be deemed to include a reference to an <i>application for authorisation</i>;</p> <p>3.1.16.3 registration shall be deemed to include a reference to authorisation; and</p> <p>3.1.16.4 section 1.2.2.1, 1.2.2.2, 1.2.2.3 or</p> | <p>3.1.11 If a <i>market support services licensee</i> seeks authorisation to participate in the <i>wholesale electricity markets</i> for the purposes referred to in section 3.1.10, sections 3.1.1 to 3.1.9 shall apply to it and all references in those sections to:</p> <p>3.1.11.1 a <i>market participant</i> shall also include references to the <i>market support services licensee</i>;</p> <p>3.1.11.2 a <i>participant registration application</i> shall also include references to its <i>application for authorisation</i>;</p> <p>3.1.11.3 a <i>participation applicant</i> shall also include references to the <i>market support services licensee</i>;</p> <p>3.1.11.4 registration shall also include references</p> | |

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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| 1.2.2.4 shall be deemed to include a reference to section 1.2.5.1, 1.2.5.2, 1.2.5.3 or 1.2.5.4, respectively. | to authorisation; and 3.1.11.5 section 1.2.2.1, 1.2.2.2, 1.2.2.3 or 1.2.2.4 shall also include references to section 1.2.5.1, 1.2.5.2, 1.2.5.3 or 1.2.5.4 respectively. | |
| 3.1.13 The <i>EMC</i> shall establish, maintain, update and <i>publish</i> a list of all <i>market participants</i> , of all <i>participant registration applications</i> filed with the <i>EMC</i> and of all <i>market support services licensees</i> that have been granted authorisation pursuant to this section 3. | 3.1.12 The <i>EMC</i> shall establish, maintain, update and <i>publish</i> a list of: 3.1.12.1 all <i>market participants</i> ; 3.1.12.2 all <i>participation applicants</i> whose applications are currently under consideration by the <i>EMC</i> ; and 3.1.12.3 all <i>market support services licensees</i> that have been granted authorisation under section 3. | <i>Rule change: The rewritten section 3.1.12.2 imposes an obligation on the EMC to establish, maintain, update and publish a list of participation applicants whose applications are currently under consideration by the EMC (and not a list of all participant registration applications filed with the EMC as stated in</i> |

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| | | <i>the existing section 3.1.13).</i> |
| <p>3.1.14 The <i>EMC</i> shall notify each <i>market support services licensee</i> of:</p> <p>3.1.14.1 the receipt of any participant registration application filed by a contestable consumer; and</p> <p>3.1.14.2 the status of each such participant registration application, in such manner as may be prescribed in the applicable <i>code of practice</i>.</p> | <p>3.1.13 The <i>EMC</i> shall notify each <i>market support services licensee</i> in accordance with the applicable <i>code of practice</i> of the receipt and the status of a <i>participant registration application</i> filed by a contestable consumer.</p> | |
| <p>6 CANCELLATION AND TRANSFER OF REGISTRATION OF FACILITIES</p> | <p>6 CANCELLATION AND TRANSFER OF REGISTRATION OF FACILITIES</p> | |
| <p><u>6.1 CANCELLATION OF REGISTRATION</u></p> | <p><u>6.1 CANCELLATION OF REGISTRATION</u></p> | |
| <p>6.1.1 A <i>market participant</i> that wishes to cancel the registration of a <i>registered facility</i> which is being removed from service on a permanent basis shall file with the <i>EMC</i> a request to cancel the registration in such form as may be specified in the applicable <i>market manual</i>. The <i>market participant</i> shall, at the same time, provide a copy</p> | <p>6.1.1 If a <i>market participant</i> wishes to cancel the registration of a <i>registered facility</i> which is being removed from service on a permanent basis, it shall:</p> <p>6.1.1.1 file with the <i>EMC</i> a request to cancel the registration of the facility in the form</p> | |

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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| of the request to the <i>transmission licensee</i> and to the <i>PSO</i> . | specified in the applicable <i>market manual</i> ; and 6.1.1.2 at the same time provide a copy of the request to each of the <i>transmission licensee</i> and the <i>PSO</i> . | |
| 6.1.2 Within ten <i>business days</i> of the date of receipt of the request referred to in section 6.1.1, the <i>PSO</i> shall, in consultation with the <i>transmission licensee</i> , determine whether a technical assessment of the impact of the removal from service of the <i>registered facility</i> on the <i>reliability</i> of the <i>PSO controlled system</i> is required. If so, the <i>PSO</i> shall notify the <i>market participant</i> accordingly, and shall indicate the expected date of completion of such assessment. Such date shall not be more than 45 days from the date of issuance by the <i>PSO</i> of such notice or such later date as may be agreed between the <i>PSO</i> and the <i>market participant</i> . | 6.1.2 The <i>PSO</i> shall determine, in consultation with the <i>transmission licensee</i> , if a technical assessment of the impact of removal from service of a <i>registered facility</i> on the <i>reliability</i> or <i>security</i> of the <i>PSO controlled system</i> is required. Such determination shall be made within ten <i>business days</i> of the <i>PSO's</i> receipt of a request to cancel the registration of the <i>registered facility</i> . The <i>PSO</i> shall notify the relevant <i>market participant</i> of its determination. 6.1.3 If the <i>PSO</i> determines that a <i>technical assessment</i> of a <i>market participant's registered facility</i> is required and notifies the <i>market participant</i> of its determination, it shall also indicate the expected completion date of the <i>technical assessment</i> . This date shall be no later than 45 days from the date | Clarification: <i>The PSO is required to notify the relevant market participant of its determination, and not only when it determines that a technical assessment is required. This clarification is for consistency with the existing section 6.1.3.1.</i> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| | that the <i>PSO</i> notifies that <i>market participant</i> of the determination, or such later date that the <i>PSO</i> and the <i>market participant</i> may agree. | |
| <p>6.1.6 Where the <i>PSO</i> conducts the technical assessment referred to in section 6.1.2, it shall consult with the <i>transmission licensee</i> regarding the impact of removal from service of the <i>registered facility</i>. Where the <i>PSO</i> concludes that the removal from service of the <i>registered facility</i>:</p> <p>6.1.6.1 will not or is not likely to have an unacceptable impact on the <i>reliability</i> or <i>security</i> of the <i>PSO controlled system</i>, the <i>PSO</i> shall so notify the <i>market participant</i>; or</p> <p>6.1.6.2 will or is likely to have an unacceptable impact on the <i>reliability</i> or <i>security</i> of the <i>PSO controlled system</i>, the <i>PSO</i> and the <i>market participant</i> shall commence the process described in section 8.5 of Chapter 5 with a view to concluding a <i>reliability must-run contract</i> for that <i>registered facility</i>. The <i>registered facility</i></p> | <p>6.1.4 The <i>PSO</i> shall consult with the <i>transmission licensee</i> on the impact of removing a <i>market participant's registered facility</i> from service when conducting a <i>technical assessment</i> of that <i>registered facility</i>. If the <i>PSO</i> conducts a <i>technical assessment</i> of a <i>market participant's registered facility</i> and concludes that removing that <i>registered facility</i> from service:</p> <p>6.1.4.1 will not, or is unlikely to, have an unacceptable impact on the <i>reliability</i> or <i>security</i> of the <i>PSO controlled system</i>, it shall notify the <i>market participant</i> of this conclusion; or</p> <p>6.1.4.2 will, or is likely to, have an unacceptable impact on the <i>reliability</i> or <i>security</i> of the <i>PSO controlled system</i>, the <i>PSO</i> and the <i>market participant</i> shall begin the process described in section 8.5 of Chapter 5 with a view to concluding a <i>reliability must-</i></p> | |

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| shall not be removed from service during the course of such process. | <i>run contract</i> for that <i>registered facility</i> . The <i>registered facility</i> shall not be removed from service during this process. | |
| <p>6.1.3 Where:</p> <p>6.1.3.1 the notice issued by the <i>PSO</i> pursuant to section 6.1.2 indicates that the <i>PSO</i> does not require a technical assessment; or</p> <p>6.1.3.2 the <i>PSO</i> conducts the technical assessment referred to in section 6.1.2 and notifies the <i>market participant</i> in accordance with section 6.1.6.1 that the removal from service of the <i>registered facility</i> will not or is not likely to have an unacceptable impact on the <i>reliability</i> or <i>security</i> of the <i>PSO controlled system</i>,</p> <p>the <i>market participant</i> shall file with the <i>EMC</i> a notice setting forth the date upon which the <i>market participant</i> wishes the <i>EMC</i> to cancel the registration of the <i>registered facility</i>. Such date shall not be less than five <i>business days</i> from the date of receipt by the <i>market participant</i> of the notice issued by the <i>PSO</i> pursuant to section 6.1.2</p> | <p>6.1.5 A <i>market participant</i> shall file with the <i>EMC</i> a notice stating the date that it wishes the <i>EMC</i> to cancel the registration of its <i>registered facility</i> if:</p> <p>6.1.5.1 the <i>PSO</i> notifies that <i>market participant</i> that a <i>technical assessment</i> of that <i>registered facility</i> is not required under section 6.1.2; or</p> <p>6.1.5.2 the <i>PSO</i> conducts a <i>technical assessment</i> and notifies that <i>market participant</i> under section 6.1.4.1 that removing that relevant <i>registered facility</i> from service will not, or is not likely to, have an unacceptable impact on the <i>reliability</i> or <i>security</i> of the <i>PSO controlled system</i>.</p> <p>The date stated shall be at least five <i>business days</i> after the date of the <i>market participant</i>'s receipt of the notice described in section 6.1.5.1 or 6.1.5.2.</p> | <p>Rule change: The five business day period should run from the market participant's receipt of the notices referred to in the new section 6.1.5.1 or 6.1.5.2 (corresponding to the existing sections 6.1.3.1 and 6.1.3.2 and not, as currently stated, the existing sections 6.1.2 and 6.1.3.2).</p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| or 6.1.3.2. | | |
| <p>6.1.4 Where section 6.1.3 applies, the <i>EMC</i> shall:</p> <p>6.1.4.1 if it has not already received from the <i>transmission licensee</i> notification to the effect that the <i>market participant</i> has applied for the voluntary and permanent <i>disconnection</i> of the <i>registered facility</i> from the <i>transmission system</i> under and in accordance with the provisions of the <i>connection agreement</i> applicable to the <i>registered facility</i> issue to the <i>transmission licensee</i> a <i>disconnection order</i> direct the <i>transmission licensee</i> to <i>disconnect</i> the <i>registered facility</i> from the <i>transmission system</i> on the date specified in the notice filed by the <i>market participant</i> pursuant to section 6.1.3; and</p> <p>6.1.4.2 cancel the registration of the <i>registered facility</i> as of the date on which the <i>transmission licensee</i> confirms to the <i>EMC</i> that the <i>registered facility</i> has been <i>disconnected</i> from the <i>transmission</i></p> | <p>6.1.6 If:</p> <p>6.1.6.1 a <i>market participant</i> files a notice under section 6.1.5; and</p> <p>6.1.6.2 the <i>EMC</i> has not received from the <i>transmission licensee</i> a notice that the <i>market participant</i> has applied for the voluntary and permanent <i>disconnection</i> of the relevant <i>registered facility</i> under the <i>connection agreement</i> (which applies to that <i>registered facility</i>),</p> <p>the <i>EMC</i> shall issue a <i>disconnection order</i> to the <i>transmission licensee</i> to direct it to <i>disconnect</i> the <i>registered facility</i> on the date stated in the notice filed by the <i>market participant</i> under section 6.1.5. The <i>EMC</i> shall notify the <i>market participant</i> of the issue of such order.</p> | <p>Clarification: To clarify that “Where section 6.1.3 applies” is intended to mean where a market participant files a notice under the existing section 6.1.3.</p> <p>Clarification: The EMC is <u>only</u> required to notify the market participant of the issuance of a disconnection order under the existing section 6.1.4.1.</p> <p>Explanatory note: See</p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| <p><i>system,</i> and shall notify the <i>market participant</i> accordingly.</p> | | <p><i>the new section 6.1.8 below with regards to the existing section 6.1.4.2.</i></p> |
| <p>6.1.5 A <i>transmission licensee</i> that receives a <i>disconnection order</i> from the <i>EMC</i> pursuant to section 6.1.4.1 shall:</p> <p>6.1.5.1 subject only to section 3.5.1.5 of Chapter 5 and to the completion of any operating and decommissioning procedures contemplated in the <i>connection agreement</i> applicable to the <i>registered facility</i>, <i>disconnect</i> the <i>registered facility</i> from the <i>transmission system</i> on the date and at the time specified in the <i>disconnection order</i>; and</p> <p>6.1.5.2 promptly inform the <i>EMC</i> and the <i>PSO</i> once the <i>registered facility</i> has been <i>disconnected</i> from the <i>PSO controlled system</i>.</p> | <p>6.1.7 A <i>transmission licensee</i> that receives a <i>disconnection order</i> under section 6.1.6 shall <i>disconnect</i> the relevant <i>registered facility</i> on the date stated in the <i>disconnection order</i>, subject only to section 3.5.1.5 of Chapter 5 and to the completion of any operating and decommissioning procedures contemplated in the <i>connection agreement</i> applicable to the <i>registered facility</i>. The <i>transmission licensee</i> shall promptly inform the <i>EMC</i> and the <i>PSO</i> once that <i>registered facility</i> has been <i>disconnected</i> from the <i>transmission system</i>.</p> | <p>Rule change: <i>To remove specification of time in the notice for consistency with the existing sections 6.1.3 and 6.1.4 (new sections 6.1.5 and 6.1.6).</i></p> <p>Rule change: <i>The reference to “PSO controlled system” should be to the “transmission system” instead.</i></p> |
| <p>[Existing section 6.1.4.2 – see above.]</p> | <p>6.1.8 The <i>EMC</i> shall cancel the registration of a <i>market</i></p> | <p>Clarification: <i>To clarify that “Where</i></p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| | <p><i>participant's registered facility if:</i></p> <p>6.1.8.1 that <i>market participant</i> files a notice in respect of that <i>registered facility</i> with the <i>EMC</i> under section 6.1.5; and</p> <p>6.1.8.2 the <i>transmission licensee</i> has informed the <i>EMC</i> that the <i>registered facility</i> has been <i>disconnected</i> from the <i>transmission system</i> under section 6.1.7.</p> <p>The date of such cancellation shall be the date that the <i>transmission licensee</i> informs the <i>EMC</i> as described above. The <i>EMC</i> shall notify the <i>market participant</i> of the cancellation of registration of its <i>registered facility</i>.</p> | <p><i>section 6.1.3 applies" is intended to mean where a market participant files a notice under the existing section 6.1.3.</i></p> <p>Clarification: <i>For consistency with the existing section 6.1.5.2 (the new section 6.1.7), the date of cancellation shall be the date that the transmission licensee informs (and not confirms to) the EMC that the registered facility has been disconnected from the transmission system.</i></p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| | | <i>Clarification: The EMC is <u>only</u> required to notify the market participant of cancellation of registration of its registered facility.</i> |
| 6.1.7 This section 6.1 shall apply to a <i>generation settlement facility</i> and, for such purposes, all references in this section 6.1 to a <i>registered facility</i> shall be deemed to include a reference to a <i>generation settlement facility</i> . | [Deleted] | <i>Explanatory note: See the new section 6.3 below.</i> |
| 6.2 <u>TRANSFER OF REGISTRATION</u> | 6.2 <u>TRANSFER OF REGISTRATION</u> | |
| 6.2.1 A <i>market participant</i> that wishes to transfer the registration of a <i>registered facility</i> whether as a result of the proposed transfer of the <i>registered facility</i> to another person by sale, assignment, lease, transfer of control or other means of disposition or otherwise shall, not less than 10 <i>business days</i> prior to the date on which the transfer is proposed to take effect, file with the <i>EMC</i> a request to transfer the registration of the | 6.2.1 A <i>market participant</i> that wishes to transfer the registration of a <i>registered facility</i> (“transferor”) to another person shall file with the <i>EMC</i> a request to transfer the registration of that <i>registered facility</i> , and shall at the same time provide a copy of that request to the <i>transmission licensee</i> and the <i>PSO</i> . That request shall: 6.2.1.1 be filed with the <i>EMC</i> at least ten | |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| <p><i>registered facility</i> in such form as may be required by the applicable <i>market manual</i> and containing the information described in section 6.2.2. The <i>market participant</i> shall, at the same time, provide a copy of the request to the <i>transmission licensee</i> and the <i>PSO</i>.</p> <p>6.2.2 The request referred to in section 6.2.1 shall specify:</p> <p>6.2.2.1 the identity of the proposed transferee which shall be a <i>market participant</i> and shall not be a <i>suspended market participant</i> as at the date of such request; and</p> <p>6.2.2.2 the date upon which the transfer is proposed to take effect,</p> <p>and shall be accompanied by a written declaration and undertaking by the proposed transferee, in such form as may be prescribed by the <i>EMC</i>, stating among other things that it is willing and able to assume, and will assume, control of the <i>registered facility</i> and that it will comply with all provisions of these <i>market rules</i> applicable to</p> | <p><i>business days</i> before the transfer is proposed to take effect;</p> <p>6.2.1.2 be in the form required by the applicable <i>market manual</i>;</p> <p>6.2.1.3 state the identity of the proposed transferee which shall be a <i>market participant</i> and not be a <i>suspended market participant</i> as at the date of the transfer request;</p> <p>6.2.1.4 state the date that the transfer is proposed to take effect; and</p> <p>6.2.1.5 be accompanied by a written declaration and undertaking by the proposed transferee, in such form as may be prescribed by the <i>EMC</i>, stating (among other things) that :</p> <p>(a) it is willing and able to assume, and will assume, control of the <i>registered facility</i>; and</p> <p>(b) it will comply with all provisions of these <i>market rules</i>, and any <i>contracted ancillary services</i></p> | <p>Clarification: <i>The existing section 6.2.2 provides that the proposed transferee declares and undertakes that it will “assume and comply with all provisions of any contracted ancillary services contract applicable to such registered facility”. It is clearer and more accurate to</i></p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| <p>such <i>registered facility</i> and that it will assume and comply with all provisions of any <i>contracted ancillary services</i> contract applicable to such <i>registered facility</i>.</p> | <p>contract, as applicable to the <i>registered facility</i>, as if the proposed transferee is the transferor.</p> | <p><i>say that the proposed transferee will “comply with” (rather than “assume”) such provisions. As such, the words “assume and” have been removed from the rewritten section 6.2.1.5(b).</i></p> <p><i>Clarification: The written declaration and undertaking by the proposed transferee must state, inter alia, that it will comply with all provisions of the market rules, and any contracted ancillary services contract, as</i></p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| | | <i>applicable to the registered facility, as if the proposed transferee is the transferor.</i> |
| <p>6.2.3 If the <i>EMC</i> is satisfied that the proposed transferee satisfies the requirements of section 6.2.2, the <i>EMC</i> shall approve the request to transfer, and shall effect the transfer, of the registration of a <i>registered facility</i>:</p> <p>6.2.3.1 on the date referred to in section 6.2.2.2; or</p> <p>6.2.3.2 on the 10th <i>business day</i> from the day on which the <i>EMC</i> is satisfied that the proposed transferee satisfies the requirements of section 6.2.2,</p> <p>whichever is later, provided that the proposed transferee shall, on the date referred to in section 6.2.3.1 or 6.2.3.2 as the case may be, remain a <i>market participant</i> and shall not be a <i>suspended market participant</i>.</p> | <p>6.2.2 If the <i>EMC</i> is satisfied that a request to transfer the registration of a <i>registered facility</i> satisfies all the requirements of section 6.2.1, the <i>EMC</i> shall approve the request to transfer, and shall effect the transfer:</p> <p>6.2.2.1 on the date referred to in section 6.2.1.4; or</p> <p>6.2.2.2 on the 10th <i>business day</i> from when the <i>EMC</i> was satisfied that the request to transfer the registration of the <i>registered facility</i> satisfies all the requirements of section 6.2.1,</p> <p>whichever is later. The <i>EMC</i>'s approval and transfer of registration under this section shall be subject to the condition that the proposed transferee, on the date of the transfer, remains a <i>market participant</i> and is not a <i>suspended market</i></p> | <p>Rule change: <i>The EMC shall approve a request to transfer registration of a registered facility if it is satisfied that the request to transfer satisfies the entire section 6.2.1 (and not only if the proposed transferee satisfies the conditions in the existing section 6.2.2 (or the new sections 6.2.1.3 to 6.2.1.5)).</i></p> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| | <i>participant.</i> | |
| 6.2.4 [Deleted and Intentionally Left Blank] | [Deleted] | |
| 6.2.5 This section 6.2 shall apply to a <i>generation settlement facility</i> and, for such purposes, all references in this section 6.2 to a <i>registered facility</i> shall be deemed to include a reference to a <i>generation settlement facility</i> . | [Deleted] | <i>Explanatory note: See the new section 6.3 below.</i> |
| [New section 6.3] | 6.3 <u>APPLICABILITY TO GENERATION SETTLEMENT FACILITY</u> | |
| [New section 6.3.1] | 6.3.1 All references in section 6 to a <i>registered facility</i> shall also include references to a <i>generation settlement facility</i> . | <i>Explanatory note: This the new section 6.3 replaces the existing sections 6.1.7 and 6.2.5.</i> <i>Clarification: The existing sections 6.1.7 and 6.2.5 were not intended to apply the provisions of sections 6.1 and 6.2</i> |

| Current Rules (As at 01 Apr 2006.) | Re-write of Current Rules | Comments/Remarks |
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| Re-write of Sections 3 and 6 of Chapter 2 | | |
| | | <i>respectively exhaustively to generation settlement facilities. Sections 6.1 and 6.2 should apply to all registered facilities and generation settlement facilities.</i> |

ANNEX 2: ANCILLARY RULE CHANGES

| Current Rules (As at 01 Apr 2006.) | Proposed Rules | Comments/Remarks |
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| Ancillary Changes to Chapter 2 | | |
| <p>7.3.1 Each person who applies for registration as a <i>market participant</i> shall provide to the <i>EMC</i>, in or with its <i>participant registration application</i> or as may otherwise be required by the <i>EMC</i>, such person's estimation of its average daily exposure and any other information as the <i>EMC</i> may reasonably require, for the purpose of determining that person's <i>credit support value</i> that will apply immediately when the person begins participating in the <i>wholesale electricity market</i>.</p> | <p>7.3.1 Each <i>participation applicant</i> shall provide to the <i>EMC</i>, in or with its <i>participant registration application</i> or as may otherwise be required by the <i>EMC</i>, the estimated average daily exposure (as defined in the applicable <i>market manual</i>) and any other information as the <i>EMC</i> may reasonably require, for the purpose of determining the <i>participation applicant's credit support value</i> that will apply immediately when it begins participating in the <i>wholesale electricity market</i>.</p> | <p>Clarification: <i>The expression "estimation of its average daily exposure" should be "estimated average daily exposure (as defined in the applicable market manual)".</i></p> |
| <p>7.3.2 A <i>market participant</i> who intends to participate in the <i>wholesale electricity market</i> shall determine and provide <i>credit support</i> to the <i>EMC</i> in accordance with the form as specified in section 7.6.2 that is thirty times the <i>estimated average daily exposure</i> of the <i>market participant</i>, where the <i>estimated average daily exposure</i> shall be defined in the <i>market manual</i>. For the avoidance of doubt, the <i>credit support value</i> of a <i>market</i></p> | <p>7.3.2 A <i>market participant</i> who intends to participate in the <i>wholesale electricity market</i> shall determine and provide <i>credit support</i> to the <i>EMC</i> in accordance with the form as specified in section 7.6.2 that is thirty times the estimated average daily exposure (as defined in the applicable <i>market manual</i>) of the <i>market participant</i>. For the avoidance of doubt, the <i>credit support value</i> of a <i>market participant</i> shall be calculated in</p> | <p>Clarification: <i>"Estimated average daily exposure" is not defined in Chapter 8 and should not be italicised.</i></p> |

| Current Rules (As at 01 Apr 2006.) | Proposed Rules | Comments/Remarks |
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| <p><i>participant</i> shall be calculated in accordance with the following formula:</p> <p><i>Credit Support Value = Estimated Average Daily Exposure x 30 days</i></p> | <p>accordance with the following formula:</p> <p><i>Credit Support Value = Estimated Average Daily Exposure x 30 days</i></p> | |
| <p>8.2.1 Each person that applies for registration as a <i>market participant</i> shall, as a condition of obtaining registration as a <i>market participant</i> pursuant to section 3, certify to the <i>EMC</i> that its:</p> <p>8.2.1.1 voice communication facilities and equipment;</p> <p>8.2.1.2 monitoring and control facilities and equipment; and</p> <p>8.2.1.3 electronic communication facilities and equipment,</p> <p>comply with the applicable technical requirements of Appendix 2A.</p> | <p>8.2.1 Each <i>participation applicant</i> shall, as a condition of obtaining registration as a <i>market participant</i> pursuant to section 3, certify to the <i>EMC</i> that its:</p> <p>8.2.1.1 voice communication facilities and equipment;</p> <p>8.2.1.2 monitoring and control facilities and equipment; and</p> <p>8.2.1.3 electronic communication facilities and equipment,</p> <p>comply with the applicable technical requirements of Appendix 2A.</p> | <p>Rule change: To extend the certification obligations under section 8.2.1 to not only “persons that apply for registration as market participants” but also to market support services licensees that apply for authorisation to participate in the wholesale electricity market..</p> |
| <p>8.2.2 Each person that applies for registration as a</p> | <p>8.2.2 Each <i>participation applicant</i> shall, as a condition</p> | <p>Rule change: To</p> |

| Current Rules (As at 01 Apr 2006.) | Proposed Rules | Comments/Remarks |
|---|---|--|
| <p><i>market participant</i> shall, as a condition of obtaining registration as a <i>market participant</i> pursuant to section 3, successfully complete such testing and permit such inspection as the <i>EMC</i> may reasonably require for the purposes of testing or inspecting whether the person's facilities and equipment referred to in sections 8.2.1.1 to 8.2.1.3 meet all applicable technical requirements set forth in Appendix 2A.</p> | <p>of obtaining registration as a <i>market participant</i> pursuant to section 3, successfully complete such testing and permit such inspection as the <i>EMC</i> may reasonably require for the purposes of testing or inspecting whether the <i>participation applicant's</i> facilities and equipment referred to in sections 8.2.1.1 to 8.2.1.3 meet all applicable technical requirements set forth in Appendix 2A.</p> | <p><i>extend the completion and permission obligations under section 8.2.2 to not only "persons that apply for registration as market participants" but also to market support services licensees that apply for authorisation to participate in wholesale electricity markets.</i></p> |
| Ancillary Changes to Chapter 8 | | |
| [New section 1.1.26A] | 1.1.26A <i>conditional registration</i> means a conditional registration granted by the <i>EMC</i> pursuant to section 3.1.4.2 of Chapter 2; | |
| [New section 1.1.53A] | 1.1.53A <i>disconnection order</i> means an order issued to direct a <i>transmission licensee</i> to <i>disconnect</i> one or more facility(ies) or other equipment from the | |

| Current Rules (As at 01 Apr 2006.) | Proposed Rules | Comments/Remarks |
|---------------------------------------|--|------------------|
| | <i>transmission system;</i> | |
| [New section 1.1.173A] | 1.1.173A <i>participation applicant</i> means a person filing a <i>participation registration application</i> pursuant to section 3.1.1 of Chapter 2 and, where applicable, shall have the extended meaning ascribed to it in section 3.1.11.3 of Chapter 2; | |
| [New section 1.1.199A] | 1.1.199A <i>registration terms</i> means the terms and conditions which the <i>EMC</i> may impose on the registration of a <i>participation applicant</i> as a <i>market participant</i> under section 3.1.4.1 or 3.1.6 of Chapter 2 (as the case may be); | |
| [New section 1.1.248A] | 1.1.248A <i>technical assessment</i> , in respect of the removal from service of a <i>registered facility</i> , means a technical assessment of the impact of removing the <i>registered facility</i> from service on the <i>reliability</i> or <i>security</i> of the <i>PSO controlled system</i> referred to in section 6.1.2 of Chapter 2; | |