

NOTICE OF FIRST STAGE OF CONSULTATION

National Electricity Rules – Rule 8.9

Credit Limit Procedures: Application of Offsets in the Prudential Margin

Date of Notice: 23 February 2017

This notice informs all Registered Participants and interested parties (Consulted Persons) that AEMO is conducting a consultation on proposed amendments to the **Credit Limit Procedures**.

This consultation is being conducted under clause 3.3.8 of the National Electricity Rules (NER), in accordance with the Rules consultation requirements detailed in rule 8.9 of the NER. At the same time, AEMO is also seeking feedback on proposed changes to the **reallocation timetable** published under clause 3.15.11 of the NER.

Matter under consultation

The proposed amendments to the Credit Limit Procedures include the introduction of a mechanism to allow the offset of reallocation amounts against trading amounts in the prudential margin calculation, pursuant to the *National Electricity Amendment (Application of Offsets in the Prudential Margin) Rule 2016*. AEMO is also consulting on a number of additional amendments to correct or clarify other aspects of the Credit Limit Procedures.

AEMO also proposes to amend the **reallocation timetable** to incorporate changes required for the offset of reallocation amounts in the prudential margin.

Further details are provided in the Issues Paper published with this notice. A consultation draft of the **Credit Limit Procedures** and the **reallocation timetable** are also published with the Issues Paper.

The consultation process

The consultation process is outlined below. Dates are indicative only and subject to change.

PROCESS STAGE	INDICATIVE DATE
Closing date for submissions in response to this Notice and Issues Paper	31 Mar 2017
Publication of Draft Report and Determination	28 Apr 2017
Closing date for submissions in response to the Draft Report	16 May 2017
Publication of Final Report and Determination	28 Jun 2017

Invitation to make submissions

AEMO invites written submissions on the matter under consultation, including any alternative or additional proposals you consider may better meet the objectives of this consultation and the National Electricity Objective in section 7 of the National Electricity Law.

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so.

Please note that material identified as confidential may be given less weight in the decision-making process than material that is published.

Meetings

In your submission, you may request a meeting with AEMO to discuss the matter under consultation, stating why you consider a meeting is necessary or desirable.

If appropriate, meetings may be held jointly with other Consulted Persons. Subject to confidentiality restrictions, AEMO will generally make details of matters discussed at a meeting available to other Consulted Persons, and may publish them.

Closing Date and Time

Submissions in response to this Notice of First Stage of Rules Consultation should be sent by email to prudentials@aemo.com.au, to reach AEMO by 5.00pm (Sydney time) on 31 March 2017.

All submissions must be forwarded in electronic format (both pdf and Word). Please send any queries about this consultation to the same email address.

Submissions received after the closing date and time will not be valid, and AEMO is not obliged to consider them. Any late submissions should explain the reason for lateness and the detriment to you if AEMO does not consider your submission.

Publication

All submissions will be published on AEMO's website, other than confidential content.