Appendix A Final Code amendment

A.1 This appendix shows changes the Authority will make to the existing Code. Code amendments are displayed as follows:

(a) black underlined – for additions that were proposed in the consultation paper

(b) ~~black strikethrough~~ – for deletions that were proposed in the consultation paper

(c) red underlined – for additions made following consultation

(d) ~~red strikethrough~~ – for deletions made following consultation

(e) ~~red underlined and strikethrough~~ – for additions that were proposed in the consultation paper but which will not now proceed.

Electricity Industry Participation Code 2010

Part 14
Clearing and settlement

…

14.16 Calculation of loss and constraint excess

(1) A **loss and constraint excess** accrues for a **billing period** when the total of the amounts owing by the **clearing manager** to **generators** for that **billing period** for the **electricity** sold and purchased in accordance with clause 14.3 is less than the total amount owing to the **clearing manager** for that **billing period** for the **electricity** sold and purchased in accordance with clause 14.6.

(2) The ~~**FTR**~~ **clearing manager** must—

~~(a)~~ determine the amount of **loss and constraint excess** for a **billing period** ~~that must be applied to the settlement of **FTRs** in accordance with Schedule 14.3; and~~

~~(b) advise the **clearing manager** of that amount no later than~~

(a)~~(i)~~ except where paragraphs (a) or (b) apply, no later than 1600 hours on the ~~7th~~ 9th **business day** of the month following the ~~relevant~~ **billing period**; or

(b)~~(ii)~~if **publication** of **final prices** is delayed for any **trading period** in the ~~relevant~~ **billing period**, so that **final prices** for a **trading period** in the **billing period** are **published** later than 1600 hours on the ~~6th~~ 9th **business day** of the month following the ~~relevant~~ **billing period**, no later than 1 **business day** after all **final prices** for the **billing period** are **published**; or

(c) ~~1600 hours on the 18th **business day** following the relevant **billing period** or otherwise as soon as practicable~~ in the case of a volume dispute which requires the **clearing manager** to recalculate the amount of **loss and constraint excess**, as soon as practicable and no later than 1600 hours on the 18th **business day** following the relevant **billing period**.

~~(3) Each **grid owner** and the **system operator** must provide information to the **FTR manager** in accordance with Schedule 14.3.~~

(4) Subject to subpart 8, the **clearing manager** must apply all of the **loss and constraint excess** ~~amount~~ determined ~~advised~~ under subclause (2) to the settlement of **FTRs** that relate to the **billing period**.

~~(5) Subject to subpart 8, if the amount that the **FTR manager** advises the **clearing manager** under subclause (2) exceeds the amount of the **loss and constraint excess** for the **billing period**, the **clearing manager** must apply all of the **loss and constraint excess** to the settlement of **FTRs**.~~

(6) If there is more than one **grid owner**—

~~(a) Tthe **Authority** must advise the **clearing manager** of any~~ the proportion of the **loss and constraint excess** and ~~**residual loss and constraint excess** that may be owing for a **billing period** to each **grid owner**; and~~

~~(b)~~ the **clearing manager** must calculate and pay any ~~the proportion of the~~ **residual loss and constraint excess** in respect of a **billing period** ~~that~~ to each **grid owner** in the proportions advised by the **Authority** ~~will receive and pay that amount to each **grid owner**~~.

(7) If there is only one **grid owner**, the **clearing manager** owes that **grid owner** the full amount of any **residual loss and constraint excess** in respect of a **billing period**. ~~Unless the **Authority** has directed otherwise under this clause, the amount owing to each **grid owner** in the proportions advised under subclause (6) is—~~

~~(a) the amount of any **loss and constraint excess** less the amount to be applied to the settlement of **FTRs** under subclause (4) or (5); and~~

~~(b) the amount of any **residual loss and constraint excess**.~~

14.17 Amounts owing for FTRs

(1) The **clearing manager** must calculate, for each **billing period**, the amount owing—

(a) by a **participant** to the **clearing manager** in respect of each **FTR** for which the **participant** is registered as the holder of the **FTR**; and

(b) by the **clearing manager** to a **participant** in respect of each **FTR** for which the **participant** is registered as the holder of the **FTR**; and

(c) by a **participant** to the **clearing manager** in respect of the assignment of an **FTR** under clause 13.249(4); and

(d) by the **clearing manager** to a **participant** in respect of the assignment of an **FTR** under clause 13.249(7).

(2) The amount owing by a **participant** to the **clearing manager** in respect of an **FTR** is the net amount of the **FTR acquisition cost** for the **FTR** minus the **FTR hedge value** for the **FTR**, if that net amount is positive.

(3) The amount owing by the **clearing manager** to a **participant** in respect of an **FTR** is the net amount of the **FTR hedge value** for the **FTR** minus the **FTR acquisition cost** for the **FTR**, if that net amount is positive.

(4) The **clearing manager** must **publish**, for each **billing period**,—

(a) the amount owing by a **participant** to the **clearing manager** for each **FTR**; and

(b) the amount owing by the **clearing manager** to a **participant** for each **FTR**.

(5) Subclause (6) applies if, in respect of a **billing period**, the total amount to be advised as owing by the **clearing manager** under paragraphs (b) and (d) of subclause (1) exceeds the sum of the following amounts:

(a) the total amount to be advised as owing to the **clearing manager** under subclause (1)(a):

(b) any amount available under clause 13.249(6) for the settlement of **FTRs** in the **billing period**:

(c) the amount of the **loss and constraint excess** to be applied to the settlement of **FTRs** under clause 14.16(4) ~~or (5).~~

(6) The **clearing manager** must, in calculating the amount owing in respect of each **FTR** under paragraph (a) or (b) of subclause (1), use an amended **FTR hedge value** scaled according to the formula specified in Schedule 14.1.

…

14.20 Amounts owing by clearing manager to participant

(1) When advising a **participant** of amounts owing under clause 14.18(1)(b), the **clearing manager** must specify any amount owing by the **clearing manager** to the **participant** for—

(a) the relevant **billing period**, to the extent that the **clearing manager** has received the necessary information; and

(b) any prior **billing period** if the **clearing manager** receives the necessary information for that **billing period** after the date that amounts owing for that **billing period** were required to be advised by the **clearing manager**.

(2) The **clearing manager** must specify any amount owing by the **clearing manager** to the **participant** in respect of the periods referred to in subclause (1) for the following:

(a) **electricity** sold under clauses 14.2 to 14.7:

(b) **constrained off compensation** under clause 13.201A:

(c) **constrained on compensation** under clause 13.212:

(d) a **washup** amount and any interest on that amount under subpart 6:

(e) **auction revenue** under clause 13.112:

(f) **ancillary services** under clause 8.55(a):

(fa) *[Revoked]*

(g) payment of an amount under any **hedge settlement agreement**:

(h) for each **FTR** in respect of which the **participant** is registered as the holder of the **FTR**, the net amount of the **FTR hedge value** for the **FTR** minus the **FTR acquisition cost** for the **FTR**, if that net amount is positive:

(i) any amount owing in respect of the assignment of any **FTR** under clause 13.249(7):

(j) **GST**:

(k) ~~any amount payable under clause 14.16(4):~~ ~~**loss and constraint excess** and~~

~~(l)~~ any **residual loss and constraint excess** under clause 14.16(6) or (7).

…

14.39 Washups for grid owners

If a **washup** has occurred due to incorrect **consumption information** being used to determine amounts owing in accordance with subpart 4 that affects **grid owners**, the **clearing manager** must credit or debut a **washup** amount to or from each **grid owner** as follows:

(a) if a **grid owner's washup** amount is a credit, the **clearing manager** must add the credit to any amount owing to the **grid owner** in accordance with clause 14.16(6) or (7) in respect of the current **billing period**:

(b) if a **grid owner's washup** amount is a debit, the **clearing manager** must subtract the debit from any amount owing to the **grid owner** in accordance with clause 14.16(6) or (7) in respect of the current **billing period**:

(c) if the **washup** amount is greater than the amount owing, the **clearing manager** must advise the **grid owner** of any amount owing for the **washup** amount concurrently with advising **participants** of any amount owing under clause 14.18, and payment of the **washup** amount must be made by the **grid owner** by the time for payment set out in clause 14.31:

(d) daily interest (less any deduction for resident withholding tax) on the **washup** amount, calculated at the **bank bill bid rate**, must be debited or credited (as the case may be) to the amount owing to the **grid owner** in accordance with clause 14.16(6) or (7), and accrues from the date that payment based on the incorrect information to which the **washup** relates was made until the date of advice in accordance with clause 14.18 resulting in the **grid owner's washup** amount, and must be compounded at the end of each calendar month.

…

14.56 Calculation of revised amount owing for general amounts

(1) The **clearing manager** must apply any amount available for the settlement of general amounts in accordance with the following order of priority:

(a) to satisfy any liability to pay **GST** and other governmental charges or levies, that are payable by the **clearing manager** in respect of the amounts owing and payable under subparts 4 to 6, taking into account any **GST** input tax credits available to the **clearing manager** in respect of payments under paragraphs (b) to (e):

(ab) *[Revoked]*

(b) to satisfy any amounts owing to the **system operator** for **ancillary services** under clauses 8.6, 8.31(1)(a), and 8.55 to 8.67:

(i) the **system operator** for **ancillary services** under clauses 8.6, 8.31(1)(a), and 8.55 to 8.67:

(ii) an **extended reserve provider** for **extended reserve** under clauses 8.55(2) and 8.68(4):

(c) to satisfy any amount of **loss and constraint excess** to be applied to the settlement of **FTRs** under clause 14.16(4) ~~or (5)~~:

~~(d) to satisfy any amount owing to each **grid owner** for any **residual loss and constraint excess** in accordance with clause 14.16(6) or (7)(a):~~

(e) to satisfy any other general amount owing by the **clearing manager** to a **participant**.

(2) If there is an insufficient amount available for the settlement of general amounts, the **clearing manager** must calculate the revised amounts owing by the **clearing manager** to **participants** in respect of general amounts as follows:

(a) first apply the full amount available to satisfy each amount owing in the order of priorities in subclause (1):

(b) if there is an insufficient amount to satisfy the full amount owing under any of paragraphs (a) to (e) of subclause (1), calculate the revised amount owing to each **participant** under that paragraph according to the following formula:

$AO_{CM\ (revised)} = AO_{CM\ (general)} \times (A_{general}/R_{general})$

where

$AO_{CM\ (revised)}$ is the revised amount owing by the **clearing manager** to the **participant** in respect of the general amounts

$AO_{CM\ (general)}$ is the amount owing by the **clearing manager** to the **participant** in respect of that **billing period** under the relevant paragraph in subclause (1)

$A_{general}$ is the total amount available for the settlement of amounts owing by the **clearing manager** in the relevant **billing period** under the relevant paragraph in subclause (1)

$R_{general}$ is the sum of all amounts required to settle those amounts in respect of the **billing period**

14.57 Calculation of revised amount owing for FTR amounts

(1) The **clearing manager** must apply any amount available for the settlement of **FTRs** in accordance with the following order of priority:

(a) to satisfy any amount owing to a **participant** in respect of **FTRs**:

(b) to satisfy any amount owing to each **grid owner** for any **residual loss and constraint excess** under clause 14.16(6) or (7)~~(b)~~.

(2) If there is an insufficient amount available for the settlement of **FTRs**, the **clearing manager** must calculate the revised amount owing in respect of **FTRs** as follows:

(a) first apply the amount available for the settlement of **FTRs** in the relevant **billing period** to satisfy each amount owing to a **participant** in respect of an **FTR**:

(b) if there is an amount remaining for the settlement of **FTRs** in the relevant **billing period** after the **clearing manager** has satisfied each amount owing to a **participant** in respect of an **FTR**, the **clearing manager** must allocate that amount to each **grid owner** under clause 14.16(6) or (7)~~(b):~~

(c) if there is an insufficient amount to satisfy each amount owing under paragraph (a), the **clearing manager** must adjust each amount owing to a **participant** in respect of an **FTR** according to the following formula:

$AO_{CM\ (revised)} = AO_{CM\ (FTRs)} * (C_{FTR}/FTR_{required})$

where

$AO_{CM\ (revised)}$ is the revised amount owing by the **clearing manager** to the **participant** in respect of **FTRs**

$AO_{CM\ (FTRs)}$ is the amount advised to the **participant** under clause 14.20 as being owing to the **participant** in respect of that **billing period** in respect of an amount specified in clause 14.20(2)(h) or (i)

C_{FTR} is the total amount available for the settlement of **FTRs** in the relevant **billing period**

$FTR_{required}$ is the sum of all amounts required to settle **FTRs** in respect of the **billing period**

~~Schedule 14.3~~
~~Calculation of amount of loss and constraint excess to be applied to the settlement of FTRs~~

[Revoked]