

ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY - MARKET)
REGULATIONS 2004
Wholesale Electricity Market Rules

IMO AMENDING RULES RC_2011_02 MADE ON 3 July 2012
These Amending Rules commence at 08.00am on 1 July 2013

The following clauses are amended (~~deleted wording~~, new wording):

- 2.22.8. Where, taking into account any adjustment under clause 2.22.7, the budget proposal is likely to result in revenue recovery, over the relevant Review Period, being at least more than 15% greater than the Allowable Revenue determined by the Economic Regulation Authority, the IMO must apply to the Economic Regulation Authority to reassess the Allowable Revenue. The IMO must endeavour to make such an application in sufficient time to allow its budget proposal to be approved under clause 2.22.9 before the commencement of the Financial Year to which it relates. The Economic Regulation Authority may amend a determination under clause 2.22.3(c) if the IMO makes an application under this clause 2.22.8. Clause 2.22.3(b) applies in the case of an application under this clause 2.22.8.
- 2.22.8A. The IMO must apply to the Economic Regulation Authority to approve the adjusted Forecast Capital Expenditure for the current Review Period if the budget proposal is likely to result in Capital Expenditure, over the relevant Review Period, being at least 10% greater than the Capital Expenditure approved by the Economic Regulation Authority.
- 2.22.8B. The IMO must endeavour to make an application under clauses 2.22.8 or 2.22.8A in sufficient time to allow its budget proposal to be approved under clause 2.22.9 before the commencement of the Financial Year in which it relates. The Economic Regulation Authority may amend a determination under clause 2.22.3(c) if the IMO makes an application under clauses 2.22.8 or 2.22.8A. Clause 2.22.3(b) applies in the case of an application made under clauses 2.22.8 or 2.22.8A.
- 2.22.13. Subject to clauses 2.22.14 and 2.23.13, the IMO may declare a project to be a Declared Market Project if:
- (a) the project involves:
- i. a major change to a function of the IMO or System Management under these Market Rules; or
 - ii. a major change to any of the computer software or systems that the IMO or System Management uses in the performance of any of its functions under these Market Rules; and

- (b) the IMO estimates that, ~~the cost to implement the changes would cause for either the IMO's budget or System Management~~ the sum of:
- i. the recurring expenditure associated with the change; and
 - ii. the Forecast Capital Expenditure required to implement the change
- would be greater than the sum of Allowable Revenue determined and Forecast Capital Expenditure approved by the Economic Regulation Authority for the current Review Period by more than 10%.
- ~~'s budgets during the current Review Period to exceed their respective approved Allowable Revenue by more than 15%.~~
- 2.22.14. Before the IMO commences a Declared Market Project the IMO must obtain approval from the Economic Regulation Authority for an increase in the Allowable Revenue relevant to the Declared Market Project, including the period over which the incremental Allowable Revenue and Forecast Capital Expenditure will apply.
- 2.22.15. During a Review Period, the IMO may seek the approval of an adjustment to its determined Allowable Revenue and approved Forecast Capital Expenditure for that Review Period from the Economic Regulation Authority for each of the services described in clause 2.22.1 in accordance with the following:
- (a) the Economic Regulation Authority may, but is not required to, engage in public consultation before making a determination under clause 2.22.15; and
 - (b) a determination under clause 2.22.15 is binding on the Economic Regulation Authority, but a decision not to make such a determination creates no presumption that future expenditure will not meet the relevant criteria under clause 2.22.12(b).
- 2.23.8. Where, taking into account any adjustment under clause 2.23.7, the budget proposal is likely to result in revenue recovery, over the relevant Review Period, being at least more than 15% greater than the Allowable Revenue determined by the Economic Regulation Authority, System Management must apply to the Economic Regulation Authority to reassess the Allowable Revenue. ~~System Management must endeavour to make such an application in sufficient time to meet its obligation under clause 2.23.9. The Economic Regulation Authority may amend a determination under clause 2.23.3(c) if System Management makes an application under this clause 2.23.8. Clause 2.23.3(b) applies in the case of an application under this clause 2.23.8.~~
- 2.23.8A. System Management must apply to the Economic Regulation Authority to approve the adjusted Forecast Capital Expenditure for the current Review Period if the budget proposal is likely to result in Capital Expenditure, over the relevant Review Period, being at least 10% greater than the Capital Expenditure approved by the Economic Regulation Authority.

2.23.8B. System Management must endeavour to make an application under clauses 2.23.8 or 2.23.8A in sufficient time to meet its obligations under clause 2.23.9. The Economic Regulation Authority may amend a determination under clause 2.23.3(c) if System Management makes an application under clauses 2.23.8 or 2.23.8A. Clause 2.23.3(b) applies in the case of an application under clauses 2.23.8 and 2.23.8A.

2.23.13. Before System Management commences a Declared Market Project System Management must obtain approval from the Economic Regulation Authority for an increase in the Forecast Capital Expenditure relevant to the Declared Market Project, including the period over which the incremental Allowable Revenue and Forecast Capital Expenditure will apply.

2.23.14. During a Review Period, System Management may seek the approval of an adjustment to its determined Allowable Revenue and approved Forecast Capital Expenditure for that Review Period from the Economic Regulation Authority for each of the services described in clause 2.23.1 in accordance with the following:

- (a) the Economic Regulation Authority may, but is not required to, engage in public consultation before making a determination under clause 2.23.14; and
- (b) a determination under clause 2.23.14 is binding on the Economic Regulation Authority, but a decision not to make such a determination creates no presumption that future expenditure will not meet the relevant criteria under clause 2.23.12(b).