

NOTICE OF FIRST STAGE OF CONSULTATION

National Electricity Rules – Rule 8.9

CREDIT LIMIT PROCEDURES (CLP)

Date of Notice: 2 May 2014

This notice informs all Registered Participants and interested parties (**Consulted Persons**) that AEMO is conducting a consultation on the documents listed below (CLP).

This consultation is being conducted under clause 3.3.8 of the National Electricity Rules (**Rules**), in accordance with the Rules consultation requirements detailed in rule 8.9 of the Rules.

CLP

Clause 3.3.8 of the Rules requires AEMO to develop and publish the CLP for the determination of prudential settings for market participants in the NEM. The original CLP became effective on 28 November 2013 and the first maximum credit limit (MCL) review in accordance with the CLP was done on the same date.

Objectives of Consultation

The objectives of the consultation are to:

- Give Consulted Persons the opportunity to be involved in the further development of the CLP.
- Ensure that the CLP is consistent with the Rules objectives in clause 3.3.8.
- Ensure that Consulted Persons are properly informed about the proposed amendments and the final outcome.

Matters under Consultation

AEMO is proposing amendments to the CLP to address the proposed repeal of the Clean Energy Act 2011 (CEA), to align the credit support requirements of new market generators (not yet generating), small generation aggregators (not yet generating) and exiting (inactive) market participants more closely with the standard credit support requirements. Some minor corrections and editorial amendments are also proposed.

A more detailed summary of these matters, and the proposed changes to the CLP, is set out in the 'Credit Limit Procedures v2 – Summary of Changes' document that accompanies this notice.

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 received in response to this Notice and Issues Paper	10 June 2014
Publication of the Draft Report	24 June 2014
Closing date for submissions received in response to the Draft Report	11 July 2014
Publication of the Final Report and Determination	25 July 2014

Invitation to Make Submissions

AEMO invites written submissions on the proposed amendments to the CLP, including any alternative or additional proposals that Consulted Persons consider may better meet the objectives of the consultation, and the other relevant objectives specified in the Rules.

Please identify any information in your submission that you consider is to be confidential, and provide the reasons why you wish that information to be treated as confidential. AEMO reserves the right to publish material that it does not consider to be confidential, but will consult with you before doing so.

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 matters under consultation. If you request a meeting, you must state why you consider it necessary or desirable.

If appropriate, meetings may be held jointly with other Consulted Persons. Please note that, subject to confidentiality restrictions, details of matters discussed at a meeting may be made available to other Consulted Persons.

Closing Date for Submissions

Submissions in response to this Notice of First Stage of Rules Consultation on Credit Limit Procedures should reach AEMO by 5.00 pm (Sydney time) on 10 June 2014.

AEMO may consider late submissions, but is not obliged to do so. Late submissions should explain:

1. The reason for lateness.
2. The detriment to you if AEMO fails to consider your submission.

Contact Details and Publication

Please send all submissions by email to chuang@aemo.com.au. All submissions must be forwarded in electronic format (both pdf and Word). Please send any queries about this consultation to the same address.

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