

**WHOLESALE ELECTRICITY SPOT MARKET
RULES CHANGE COMMITTEE**

RESOLUTION NO. 2016-14

**Proposed Amendments to the WESM Rules relative to Bilateral Contract
Declaration and Line Rental Calculation**

WHEREAS, on 06 January 2016, the Philippine Electricity Market Corporation (PEMC) submitted to the Rules Change Committee (RCC) the Proposed Amendments to the WESM Rules relative to Bilateral Contract Declaration and Line Rental Calculation;

WHEREAS, the proposal sought to enhance the WESM settlement process¹, particularly on:

- (1) the submission of bilateral contract data, including the confirmation process by the counter-party to the bilateral contract quantity declaration, and
- (2) the calculation of energy trading amounts with adjustments for bilateral contracts in order to address the common misinterpretation that line rental trading amount is the cost of transporting electricity from the contracted generation plant to the customer's nodes, which is not the case in reality since, in a power system, the electricity used by the customer does not specifically come from its contracted generator;

WHEREAS, on 03 February 2016 during the RCC's 109th Meeting, PEMC presented the proposed amendments, as follows:

- (1) Shift the bilateral contract declaration timeline from ex-post (i.e., D + 1) to ex-ante or an hour prior to the delivery of the contract quantity (i.e., H - 1);
- (2) Provide for a mechanism that would still allow Trading Participants to adjust their bilateral contract quantities after the delivery of the contracted energy under certain conditions (the criteria and procedure allowing for exemptions in the proposed timeline is to be provided in the Billing and Settlement Manual);
- (3) Allow participants to specify the reference node of bilateral contract quantities declared in the WESM;
- (4) Specify that bilateral buy quantities have the same magnitude as bilateral sell quantities but with opposite sign;

¹ Proposed enhancements arising from key findings from the 4th Market Operations Audit in 2014

- (5) Provide the formula for calculating the equivalent spot settlement amount of bilateral contracts in the WESM, which is netted out of the trading amount of trading participants with bilateral contracts;
- (6) Change the handling of bilateral contracts in the WESM by netting out bilateral contract trading amounts from the gross settlement amount of each Trading Participant, instead of netting out quantities and calculating for line rental trading amounts; and
- (7) Add missing definition to defined terms (i.e., *bilateral buy quantity*, *bilateral contract quantity*, *bilateral contract trading amount*, *bilateral sell quantity*)

WHEREAS, upon initial discussions, the RCC approved during the same meeting the publication of the proposal in the Market Information Website to solicit comments from Market Participants and interested parties;

WHEREAS, the DOE, Aboitiz Power Corp., First Gen, SN Aboitiz Power, MERALCO and the Retail Electricity Suppliers Association submitted comments within the 30-working day commenting period after the publication of the proposal;

WHEREAS, during its 113th Meeting held on 27 April 2016, the RCC deliberated on the proposal with consideration to the comments received, as well as PEMC's responses and clarifications to the same;

WHEREAS, based on the comments regarding the proposed shift in bilateral contract declaration timeline (i.e., from D+1 to H-1), the RCC agreed that the criteria or conditions allowing for exemptions to the proposed timeline will need to be clarified first, which the proponent intended to specify in detail in the WESM Manual on Billing and Settlement, not in the WESM Rules. To better appreciate the proposal, the RCC hence requested PEMC to already provide an initial list of conditions when re-declaration at ex-post may be allowed;

WHEREAS, in response to comments expressing disagreement to the proposed approach of no longer having to calculate the line rental amounts, PEMC clarified that line rental amounts would still be calculated and provided albeit for informational purposes only;

WHEREAS, on 07 July 2016 during the RCC's 116th Meeting, PEMC presented the following conditions that will warrant a BCQ re-declaration, as previously requested by the RCC:

- (1) Changes due to metered quantities;

- (2) Changes on the generator node assignment for line rental flexibility; and
- (3) Changes based on ex-post agreements by the counter-parties;

WHEREAS, the RCC noted that PEMC's recommendation required counterparty confirmations for such re-declarations within a certain period of the BCQ re-declaration, otherwise, the Ex-Ante Quantity of the requesting generator shall be maintained by the Market Operator (MO);

WHEREAS, considering that the proposal is limited to the amendment of the WESM Rules and hence only the general policy on the matter is being recommended, the body requested PEMC to also submit the proposed amendments to the relevant WESM Manual(s) detailing the proposal's implementation;

WHEREAS, the proposal was taken up again on 09 November 2016 during the RCC's 122nd Meeting, where PEMC presented revisions to its initially proposed amendments to the WESM Rules on Bilateral Contract Declaration presented during the 07 July 2016 meeting, along with the associated proposed amendments to the WESM Manuals on Billing and Settlement and Registration, Suspension and De-registration Criteria and Procedures;

WHEREAS, the RCC adopted said PEMC-revised WESM Rules amendment, which recommended retaining the current timeline of bilateral contract declaration (D+1). It was noted that the MO is currently developing an automated system that would facilitate the confirmation process by the counter-parties of the bilateral contract quantity declaration of the generators, the procedures for which were incorporated in the proposed revisions to the WESM Manual on Billing and Settlement, with the said system deemed to aid in ensuring the timely confirmation of bilateral contract quantity declaration by the counter-parties;

WHEREAS, as regards the proposed amendments to the WESM Rules calling for the revision of how trading amounts with adjustments for bilateral contracts are calculated such that calculating for line rental trading amounts would no longer be necessary, as detailed in the relevant Manuals, the RCC agreed to specify in the WESM Rules that the MO shall still calculate line rental amounts albeit for informational purposes only, hence also agreeing to retain the term *Line Rental* and its definition in the Glossary, since line rental amounts are used in existing bilateral contracts;

NOW THEREFORE, we, the undersigned and in behalf of the sector we represent, hereby resolve as follows:

RESOLVED, that the Proposed Amendments to the WESM Rules regarding Bilateral Contract Declaration and Line Rental Calculation, as amended, are hereby approved by the RCC;

RESOLVED FURTHER, that the Proposed Amendments to the WESM Rules regarding Bilateral Contract Declaration and Line Rental Calculation (herein attached as Annex) is hereby submitted to the PEM Board for approval and endorsement to the DOE.

Done this 09 November 2016, Pasig City.

Approved by:
RULES CHANGE COMMITTEE

Mailla Lourdes G. de Castro
Chairperson
Independent

Members:

Concepcion I. Tanglao
Independent

Francisco L.R. Castro, Jr.
Independent

Allan C. Nerves
Independent

Isidro E. Cacho, Jr.
Market Operator
Philippine Electricity Market Corporation
(PEMC)

Ambrosio R. Rosales
Transmission Sector
National Grid Corporation of the Philippines
(NGCP)

Abner B. Tolentino
Generation Sector
Power Sector Assets and Liabilities Management
Corporation (PSALM)

Atty. Jose Idebrando B. Ambrosio
Generation Sector
NorthWind Power Development Corporation

Theo C. Sunico
Generation Sector
Vivant Corporation

Ciprinilo C. Meneses
Distribution Sector (PDU)
Manila Electric Company
(MERALCO)

Jose P. Santos
Distribution Sector (EC)
Ilocos Norte Electric Cooperative, Inc.
(INEC)

Juanito Tolentino
Distribution Sector
Mactan Electric Company
(MECO)

Ludovico D. Lim
Distribution Sector
Antique Electric Cooperative, Inc.
(ANTECO)

Corrado H. Rivera
Supply Sector
TeaM (Philippines) Energy Corporation
(TPEC)

Certified True and Correct:
Elaine D. Gonzales
RCC Secretary
PEMC

Proposed Amendments to the WESM Rules relative to Bilateral Contract Declaration and Line Rental Calculation

Title	Clause	Provision	Proposed Amendment	Rationale
Submission of Bilateral Contract Data	3.13.1.1	<p><i>Trading Participants</i> who sell electricity pursuant to <i>bilateral contracts</i> and wish those <i>bilateral contracts</i> to be accounted for in settlements shall, after each <i>trading day</i>, in accordance with the billing and settlements timetable:</p> <p>(a) Submit a schedule to the <i>Market Operator</i> specifying the MWH <i>bilateral sell quantities</i> at each relevant <i>market trading node</i>, in each <i>trading interval</i> of that <i>trading day</i>;</p> <p>(b) Identify the counterparty to the bilateral contract and the party that will pay the line rental trading amount associated with the bilateral contract quantity submitted; provided, however, that in case only one of the bilateral counter parties is registered as a <i>Direct WESM Member</i>, that <i>WESM Member</i> shall be the party that will pay the line rental to the <i>Market Operator</i>; and</p>	<p><i>Trading Participants</i> who sell electricity pursuant to <i>bilateral contracts</i> and wish those <i>bilateral contracts</i> to be accounted for in settlements shall, <u>up to the end of the following after each trading day</u>, in accordance with the billing and settlements timetable:</p> <p>(a) Submit a schedule to the <i>Market Operator</i> the MWH <i>bilateral sell quantities</i> <u>for at each relevant market trading node, trading participant who buys electricity pursuant to that bilateral contract for</u> in each <i>trading interval</i> of that <i>trading day</i>;</p> <p>(b) Identify the <u>market trading node</u> counterparty to the bilateral contract and the party that will pay the line rental trading amount associated with the bilateral contract quantity submitted; provided, however, that in case <u>the market trading node is not identified prior to the submission of the bilateral contract quantity, the market trading node associated with the bilateral contract quantity shall be set to the market trading node of the selling Trading Participant;</u> only one of the</p>	<p>Specify the timeline for the submission of bilateral contract quantities in the WESM as currently practiced</p> <p>Allow participants to specify the reference node of bilateral contract quantities declared in the WESM.</p>

Title	Clause	Provision	Proposed Amendment	Rationale
		(c) Provide evidence that the counterparty to the <i>bilateral contract</i> agrees with the submission made under this clause 3.13.1.1. Such evidence shall be attached to the submission of schedule in 3.13.1.1(a).	<p>bilateral counter parties is registered as a Direct WESM Member, that WESM Member shall be the party that will pay the line rental to the Market Operator, and</p> <p>(c) Provide evidence that the counterparty to the <i>bilateral contract</i> agrees with the submission made under this WESM Rules Clause 3.13.1.1. Such evidence shall be attached to the submission of schedule in 3.13.1.1(a).</p>	
Submission of Bilateral Contract Data	3.13.1.2	<i>Bilateral sell quantities</i> submitted in accordance with clause 3.13.1.1 (a) are to be deemed to be <i>bilateral buy quantities</i> for the party identified in clause 3.13.1.1 (b), at the same <i>market trading node</i> .	<i>Bilateral sell quantities</i> submitted in accordance with WESM Rules Clause 3.13.1.1 (a) are to be deemed to be the negative of the bilateral buy quantities for the party buying trading participant identified in WESM Rules Clause 3.13.1.1 (a)(b), at the same market trading node identified in WESM Rules Clause 3.13.1.1(b) .	
Data for Bilateral Contracts and Transmission Rights	3.13.3	<p>The <i>Market Operator</i> shall:</p> <p>(a) Inform the <i>Trading Participants</i> which submitted data under clause 3.13, if any of the data provided is invalid or incomplete; and</p> <p>(b) If the data provided under clause 3.13 is valid or complete, employ that data for settlements purposes in accordance with clauses 3.13.7 and 3.13.13.</p>	<p>The <i>Market Operator</i> shall:</p> <p>(a) Inform the <i>Trading Participants</i> which submitted data under WESM Rules Clause 3.13, if any of the data provided is invalid or incomplete; and</p> <p>(b) If the data provided under WESM Rules Clause 3.13 is valid or complete, employ that data for settlements purposes in accordance with WESM Rules Clauses 3.13.7 and 3.13.13.</p>	Removes reference to Clause 3.13.7 which is proposed for deletion.

Title	Clause	Provision	Proposed Amendment	Rationale
Defining the Gross Ex-Ante Energy Settlement Quantity for Market Trading Nodes	3.13.5.1	For each <i>trading interval</i> , the gross <i>ex-ante energy settlement quantity</i> before being adjusted for bilateral contracts for each <i>market trading node</i> shall be determined by the <i>Market Operator</i> as follows: XXX	For each <i>trading interval</i> , the gross <i>ex-ante energy settlement quantity</i> before being adjusted for bilateral contracts for each <i>market trading node</i> shall be determined by the <i>Market Operator</i> as follows: XXX	Address the audit finding on the handling of bilateral contracts in the WESM by specifying that bilateral contract quantities are not netted out of the ex-ante quantities.
Defining the Gross Ex-Post Energy Settlement Quantity for Market Trading Nodes	3.13.6	For each <i>trading interval</i> , the gross <i>ex-post energy settlement quantity</i> before being adjusted for bilateral contracts for each <i>market trading node</i> shall be determined by the <i>Market Operator</i> as follows: XXX	For each <i>trading interval</i> , the gross <i>ex-post energy settlement quantity</i> before being adjusted for bilateral contracts for each <i>market trading node</i> shall be determined by the <i>Market Operator</i> as follows: XXX	Clarify that ex-post energy quantities are not adjusted for bilateral contracts in the WESM.
Energy Settlement Quantity Adjustments for Bilateral	3.13.7	For settlement purposes, the ex-ante energy settlement quantity for any <i>market trading node</i> in any <i>trading interval</i> shall be determined by the <i>Market Operator</i> by adjusting the gross - ex-ante energy settlement quantity for that <i>market trading node</i> and any <i>trading interval</i> , as measured in accordance with clause 3.13.5 for bilateral contract quantities notified to the <i>Market Operator</i> under clause 3.13.1.1, or inferred by the <i>Market Operator</i> under clause 3.13.1.1	For settlement purposes, the ex-ante energy settlement quantity for any <i>market trading node</i> in any <i>trading interval</i> shall be determined by the <i>Market Operator</i> by adjusting the gross - ex-ante energy settlement quantity for that <i>market trading node</i> and any <i>trading interval</i>, as measured in accordance with clause 3.13.5 for bilateral contract quantities notified to the <i>Market Operator</i> under clause 3.13.1.1, or inferred by the <i>Market Operator</i> under clause 3.13.1.1	Address the audit finding on the handling of bilateral contracts in the WESM by deleting the clause on netting out bilateral contract quantities from ex-ante quantities.

Title	Clause	Provision	Proposed Amendment	Rationale
		<p>and accepted as valid under clause 3.13.1.2 by:</p> <p>(a) Subtracting all <i>bilateral sell quantities</i> notified for that node in that <i>trading interval</i> from the measured or estimated gross <i>energy settlement quantity</i> for that node in that <i>trading interval</i>; and</p> <p>(b) Adding all <i>bilateral buy quantities</i> inferred for that node in that <i>trading interval</i> to the measured or estimated gross <i>energy settlement quantity</i> for that node in that <i>trading interval</i>.</p>	<p>and accepted as valid under clause 3.13.1.2 by:</p> <p>(a) Subtracting all <i>bilateral sell quantities</i> notified for that node in that <i>trading interval</i> from the measured or estimated gross <i>energy settlement quantity</i> for that node in that <i>trading interval</i>; and</p> <p>(b) Adding all <i>bilateral buy quantities</i> inferred for that node in that <i>trading interval</i> to the measured or estimated gross <i>energy settlement quantity</i> for that node in that <i>trading interval</i>.</p>	
Determining the Ex Ante Energy Trading Amount	3.13.8	For <i>settlement</i> purposes, the <i>ex-ante energy trading amount</i> for each <i>market trading node</i> and <i>trading interval</i> will be determined as the <i>ex-ante energy settlement price</i> for that <i>node</i> in that <i>trading interval</i> multiplied by the <i>ex-ante energy settlement quantity</i> (in MWh) for that <i>node</i> in that <i>trading interval</i> .	For <i>settlement</i> purposes, the <i>ex-ante energy trading amount</i> for each <i>market trading node</i> and <i>trading interval</i> will be determined as the gross <i>ex-ante energy settlement price</i> for that <i>node</i> in that <i>trading interval</i> multiplied by the gross <i>ex-ante energy settlement quantity</i> (in MWh) for that <i>node</i> in that <i>trading interval</i> .	Specify that the ex-ante energy trading amount will be calculated using the gross ex-ante energy quantity instead of the ex-ante energy quantity adjusted for bilateral contracts
Calculation of Line Rental Trading Amounts	3.13.12 (Heading)	Calculation of Line Rental Trading Amounts	Ex-Ante Energy Trading Amount Adjustments for Bilateral Contracts Calculation of Line Rental Trading Amounts	Change the handling of bilateral contracts in the WESM by netting out bilateral contract trading amounts instead of netting out quantities and calculating for line rental trading amounts

Title	Clause	Provision	Proposed Amendment	Rationale
Calculation of Line Rental Trading Amounts	3.13.12	The <i>Market Operator</i> shall calculate the line rental trading amounts for each bilateral contract associated with the delivery of the bilateral contract quantities (BCQ) through the <i>transmission line</i> in the <i>market network model</i> as: (a) The expected flow of energy out of the <i>receiving node</i> of the <i>market network line</i> as determined by the <i>market dispatch optimization model</i> multiplied by the <i>ex-ante nodal energy settlement price</i> at that node; less (b) The expected flow of energy into the sending node multiplied by the <i>ex-ante nodal energy settlement price</i> at that node of the <i>market network line</i> as determined by the <i>market dispatch optimization model</i> .	<p><u>For settlement purposes, the aggregate ex-ante energy trading amount for each trading participant with bilateral contracts and trading interval will be determined as:</u></p> <p><u>(a) the sum of the ex-ante energy trading amounts for each market trading node for which the trading participant is responsible calculated in accordance with WESM Rules Clause 3.13.8; less</u></p> <p><u>(b) the sum of bilateral contract trading amounts of the trading participant for each bilateral contract associated with the delivery of the bilateral contract quantities calculated as the bilateral buy quantity, if the trading participant is the buyer in the bilateral contract, or bilateral sell quantity, if the trading participant is the seller in the bilateral contract, multiplied by the ex-ante nodal energy settlement price at the node specified in WESM Rules Clause 3.13.1.1(b). The Market Operator shall calculate the line rental trading amounts for each bilateral contract associated with the delivery of the bilateral contract quantities (BCQ) through the transmission line in the market network model as: (a) The expected flow of energy out of the receiving node of the</u></p>	Provide the formula for calculating the equivalent spot settlement amount of bilateral contracts in the WESM, which is netted out of the trading amount of trading participants with bilateral contracts.

Title	Clause	Provision	Proposed Amendment	Rationale
			<p>market network line as determined by the market dispatch optimization model multiplied by the ex-ante nodal energy settlement price at that node; less (b) The expected flow of energy into the sending node multiplied by the ex-ante nodal energy settlement price at that node of the market network line as determined by the market dispatch optimization model.</p> <p><u>For informational purposes, the Market Operator shall calculate line rental trading amounts for each bilateral contract quantity declaration.</u></p>	
Settlement Amounts for Trading Participants with Bilateral Contracts	3.13.17.2	<p>The aggregate trading amount for a Trading Participant for a trading interval equals the sum of:</p> <p>(a) The ex-ante energy trading amounts for each market trading node for which the Trading Participants is responsible calculated in accordance with clauses 3.13.7 and 3.13.8 (which will typically be positive for a Generation Company and negative for a Customer); plus</p> <p>(b) The ex-post energy trading amounts for each market trading node for which the Trading Participant is responsible</p>	<p>The aggregate trading amount for a <u>Trading Participant</u> for a <u>trading interval</u> equals the sum of:</p> <p>(a) The <u>aggregate ex-ante energy trading amounts</u> for each market trading node for which the Trading Participants is responsible <u>adjusted for bilateral contracts</u> calculated in accordance with <u>WESM Rules</u> Clauses 3.13.7 and 3.13.8<u>12</u> (which will typically be positive for a <u>Generation Company</u> and negative for a <u>Customer</u>); plus</p> <p>(b) The <u>ex-post energy trading amounts</u> for each <u>market trading node</u></p>	<p>Change the handling of bilateral contracts in the WESM by netting out bilateral contract trading amounts instead of netting out quantities and calculating for line rental trading amounts.</p> <p>Add formatting changes on defined terms.</p>

Title	Clause	Provision	Proposed Amendment	Rationale
		<p>calculated in accordance with clauses 3.13.7 and 3.13.9 (which will typically be positive or negative for any Trading Participant); plus</p> <p>(c) The line rental trading amount corresponding to the quantity of bilateral contract of that Trading Participant calculated in accordance with clause 3.13.12; plus</p> <p>XXX</p>	<p>for which the <u>Trading Participant</u> is responsible calculated in accordance <u>WESM Rules</u> Clauses 3.13.7 and 3.13.9 (which will typically be positive or negative for any <u>Trading Participant</u>); plus</p> <p>(c) The line rental trading amount corresponding to the quantity of bilateral contract of that Trading Participant calculated in accordance with clause 3.13.12; plus</p> <p>(c)(d) xxx</p> <p>(d)(e) xxx</p> <p>(e)(f) xxx</p> <p>(f)(g) xxx</p>	
Amount of Security	3.15.4.1	<p>XXX</p> <p>If there is a change in the <i>bilateral contract</i> of a <i>WESM member</i>, the <i>Maximum Exposure</i> shall be computed based on the settlement amounts estimated by the <i>Market Operator</i> using the average actual market price based on the billing period of 26th March to 25th September. In no case shall the <i>Maximum Exposure</i> be less than ten percent (10%) of the total demand.</p>	<p>XXX</p> <p>If there is a change in the <i>bilateral contract</i> of a <i>WESM member</i>, the <i>Maximum Exposure</i> shall be computed based on the settlement amounts estimated by the <i>Market Operator</i> using the average actual market price based on the billing period of 26th March to 25th September. In no case shall the <i>Maximum Exposure</i> be less than ten percent (10%) of the total demand.</p>	Reflect the change in the handling of bilateral contracts in the WESM

Title	Clause	Provision	Proposed Amendment	Rationale
		<p>Average actual market price shall refer to the ratio of the total <i>spot market</i> payment of a <i>WESM member</i>, which may include <i>Spot Market</i> energy and reserve transactions and <i>Line Rental</i> amount for contracted quantities, to the total metered quantities net of <i>bilateral contract</i> quantities for each billing month.</p> <p>XXX</p>	<p>Average actual market price shall refer to the ratio of the total <i>spot market</i> payment of a <i>WESM member</i>, which may include <i>Spot Market</i> energy and reserve transactions and <i>Line Rental</i> amount for contracted quantities, to the total metered quantities net of <i>bilateral contract</i> quantities for each billing month.</p> <p>XXX</p>	
Glossary	Bilateral buy quantity	(New)	<u>The quantity of electricity purchased by a trading participant pursuant to a bilateral contract determined in accordance with WESM Rules Clause 3.13.1.2.</u>	Add missing definition to the defined term
Glossary	Bilateral Contract Quantity	(New)	<u>A bilateral sell quantity or bilateral buy quantity.</u>	Add missing definition to the defined term
Glossary	Bilateral Contract Trading Amount	(New)	<u>The equivalent settlement amount of a bilateral contract quantity calculated in accordance with WESM Rules Clause 3.13.12.</u>	Provide the definition for the new term
Glossary	Bilateral sell quantity	(New)	<u>The quantity of electricity sold by a trading participant pursuant to a bilateral contract submitted to the Market Operator under WESM Rules Clause 3.13.1.1(a) or revised in accordance with WESM Rules Clause 3.13.1.3.</u>	Add missing definition to the defined term

Title	Clause	Provision	Proposed Amendment	Rationale
Glossary	Ex-Ante Energy Settlement Quantity	The gross amount determined by the <i>Market Operator</i> in accordance with clause 3.13.5, and adjusted for <i>bilateral contracts</i> in accordance with clause 3.13.7.	The gross amount determined by the <i>Market Operator</i> in accordance with clause 3.13.5, and adjusted for <i>bilateral contracts</i> in accordance with clause 3.13.7.	Delete the term since it will not be used in the WESM Rules anymore with the proposed changes
Glossary	Gross Ex-Ante/Ex-Post Energy Settlement Quantity.	The <i>ex-ante/ex-post energy settlement quantity</i> determined in accordance with clauses 3.13.5/3.13.6 for a <i>market trading node</i> , in a <i>trading interval</i> before any adjustment for bilateral contracts.	The <i>ex-ante/ex-post energy settlement quantity</i> determined in accordance with <u>WESM Rules</u> Clauses 3.13.5/3.13.6 for a <i>market trading node</i> , in a <i>trading interval</i> before any adjustment for bilateral contracts.	Clarify that no adjustments to energy quantities will be performed
Glossary	Line Rental	The economic rental arising from the use of a transmission line, calculated as the difference in value between flows out of the receiving node of that line and flows into the sending node, in accordance with clause 3.13.11.	The economic rental arising from the use of a transmission line, calculated as the difference in value between flows out of the receiving <u>of bilateral contract quantities from a market trading</u> node of that line and flows into the sending node, in accordance with clause 3.13.11 <u>the selling trading participant to a market trading node of the buying trading participant.</u>	Revised reference clause consistent with the deletion of Clause 3.13.11.
Glossary	Net Settlement Surplus	The <i>settlement surplus</i> remaining after all market transactions have been accounted for, including the assignment of <i>transmission line rentals</i> to <i>Network Service Providers</i> . This remainder is assumed to be attributable to economic rentals arising from other binding	The <i>settlement surplus</i> remaining after all market transactions have been accounted for, including the assignment of transmission line rentals to Network Service Providers. This remainder is assumed to be attributable to economic rentals arising from other binding <i>constraints</i> , and accounted for in	Remove reference to line rental since it will not be used in the WESM Rules anymore with the proposed changes

Title	Clause	Provision	Proposed Amendment	Rationale
		<i>constraints</i> , and accounted for in accordance with clause 3.13.16.	accordance with <u>WESM Rules</u> Clause 3.13.16.	
Glossary	Receiving node	For a transmission line, the <i>node</i> from which there is a <i>net flow</i> of electricity out of that line in a particular <i>trading interval</i> to be accounted for in determining the <i>line rental</i> , in accordance with clause 3.13.12. For a <i>transmission right</i> , the node to which the issuer of the <i>transmission right</i> is deemed to guarantee transfer of electricity, to be advised to the <i>Market Operator</i> in accordance with clause 3.13.2 and accounted for in accordance with clause 3.13.15.	For a transmission line, the node from which there is a net flow of electricity out of that line in a particular trading interval to be accounted for in determining the line rental , in accordance with clause 3.13.12. For a <i>transmission right</i> , the node to which the issuer of the <i>transmission right</i> is deemed to guarantee transfer of electricity, to be advised to the <i>Market Operator</i> in accordance with <u>WESM Rules</u> Clause 3.13.2 and accounted for in accordance with <u>WESM Rules</u> Clause 3.13.15.	Remove reference to line rental since it will not be used in the WESM Rules anymore with the proposed changes
Glossary	Sending node	For a <i>transmission line</i> , the node into which there is a net flow of electricity out of that line in a particular <i>trading interval</i> to be accounted for in determining the line rental, in accordance with clause 3.13.12. For a <i>transmission right</i> , the node from which the issuer of the <i>transmission right</i> is deemed to guarantee transfer of electricity, to be advised to the <i>Market Operator</i> in accordance with clause 3.13.2 and accounted for in accordance with clause 3.13.15.	For a transmission line , the node into which there is a net flow of electricity out of that line in a particular trading interval to be accounted for in determining the line rental , in accordance with clause 3.13.12. For a <i>transmission right</i> , the node from which the issuer of the <i>transmission right</i> is deemed to guarantee transfer of electricity, to be advised to the <i>Market Operator</i> in accordance with <u>WESM Rules</u> Clause 3.13.2 and accounted for in accordance with <u>WESM Rules</u> Clause 3.13.15.	Remove reference to line rental since it will not be used in the WESM Rules anymore with the proposed changes
Glossary	Trading Amount	The amount to be paid by, or paid to a <i>Trading Participant</i> , or <i>Network Service Provider</i> in respect of <i>energy</i> , <i>reserve</i> , <i>line rentals</i> , or <i>transmission rights</i>	The amount to be paid by, or paid to a <i>Trading Participant</i> , or <i>Network Service Provider</i> in respect of <i>energy</i> , <i>reserve</i> , line rentals , or <i>transmission rights</i>	Remove reference to line rental since it will not be used in the WESM Rules anymore with the proposed changes.

Title	Clause	Provision	Proposed Amendment	Rationale
		calculated in accordance with clauses 3.13.7, 3.13.8, 3.13.9, 3.13.10, or 3.13.14 respectively.	calculated in accordance with <u>WESM Rules C</u> clauses <u>3.13.14 or 3.13.17</u> .	Simplify references to trading amount calculations.