Proposed Amendments to the WESM Rules for the Implementation of ERC Resolution No. 07 Series of 2019 entitled "A Resolution Adopting Amendments to the Rules for the Distribution of Net Settlement Surplus (NSS)

	WESM Rules (Current Design)						
Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholders Comments	Stakeholders Rationale	
Treatment of	3.13.16.1	If the transactions required by clauses 3.13.14.2 (a), (b) and (d), in aggregate,	If the transactions required by clauses 3.13.14.2 (a), (b) and (d), in aggregate,	For harmonization with the definition of NSS			
Remaining		result in a surplus or deficit remaining,	result in a surplus or deficit remaining,	and NSD of ERC			
Settlement		this will be known as the <i>net settlement</i>	this will be known as the <i>net settlement</i>	Resolution No. 7			
Surplus		surplus.	surplus or net settlement deficit.	Series of 2019			
Treatment	3.13.16.2	The net settlement surplus:	The net settlement surplus or <u>net</u>	For harmonization with			
of		(a) May be retained by the Market	settlement deficit	the definition of NSS			
Remaining		Operator, to fund deficit as a	(a) May be retained by the Market	and NSD of ERC			
Surplus		result of transactions required in	Operator, to fund deficit as a	Resolution No. 7			
		clauses 3.13.14, or may be	result of transactions required in	Series of 2019			
		flowed back to the Market	clauses 3.13.14, or m<u></u>M ay be				
		Participants in accordance with	flowed back to the Market	Provisions for the			
		the procedures to be developed	Participants in accordance with	retention of NSS was			
		under 3.13.16.3, or may be used	the procedures to be developed	removed in previous			
		by the Market Operator to	under 3.13.16.3, or may be used	version of Amended			
		establish and support the market	by the Market Operator to	Rules for the			
		for Financial Transmission	establish and support the market	Distribution of Net			
		Rights subject to the approval of	for Financial Transmission	Settlement Surplus			
		the PEM Board; and,	Rights subject to the approval of	(ERC Resolution No. 1			
		(b) Shall be clearly accounted for	the PEM Board; and,	Series of 2018).			
		and taken into account when	(b) Shall be clearly accounted for				
		setting the allowable charges	and taken into account when				
		under any regulatory	setting the allowable charges				
		instruments applying to the	under any regulatory instruments				
		Market Operator and the System	applying to the Market Operator				
		operator.	and the System operator.				

	WESM Rules (Current Design)							
Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholders Comments	Stakeholders Rationale		
Treatment of Remaining Settlement Surplus		(new)	3.13.16.4 The calculation and flow back mechanism of net settlement surplus or deficit shall be approved by the Energy Regulatory Commission (ERC) as prescribed in its Rules for the Distribution of Net Settlement Surplus.	Reflect the ERC's authority to approve the rules for calculation and flow back mechanism of NSS/NSD.				
Treatment of Remaining Settlement Surplus		(new)	3.13.16.5 The ERC may issue changes to the flow back of the net settlement surplus or deficit to Market Participants. Such changes shall be reflected in the procedures referred to in Clause 3.13.16.3 by the Market Operator in accordance with the Rules change process in chapter 8.	 Reflect the ERC's authority to amend, motu propio. Ensure that the amended NSS Rules are reflected in the NSS Manual. 				
Definition of NSS	Glossary	Net Settlement Surplus. The settlement surplus 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 constraints, and accounted for in accordance with clause 3.13.16.	Net Settlement Surplus or Net Settlement Deficit. The settlement surplus or settlement deficit 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 constraints, and accounted for in accordance with clause 3.13.16.	For harmonization with the definition of NSS and NSD of ERC Resolution No. 7 Series of 2019				

	WESM Rules (Enhanced Design)							
Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholders Comments	Stakeholders Rationale		
Treatment	3.13.12.1	If the transactions required by Clauses	If the transactions required by Clauses	For harmonization				
of		3.13.12.2 (a), (b) and (d), in aggregate,	3.13.12.2 (a), (b) and (d), in aggregate,	with the definition of				
Remaining		result in a surplus or deficit remaining,	result in a surplus or deficit remaining, this	NSS and NSD of				
Settlement		this will be known as the net settlement	will be known as the net settlement surplus	ERC Resolution No.				
Surplus		surplus.	or net settlement deficit.	7 Series of 2019				
Treatment	3.13.12.2	The net settlement surplus:	The net settlement surplus or net	For harmonization				
of		(a) May be retained by the Market	settlement deficit	with the definition of				
Remaining		Operator, to fund deficit as a	(a) May be retained by the Market	NSS and NSD of				
Surplus		result of transactions required in	Operator, to fund deficit as a result of	ERC Resolution No.				
		Clauses 3.13.11, or may be	transactions required in clauses	7 Series of 2019				
		flowed back to the WESM	3.13.11, or mMay be flowed back to					
		Participants in accordance with	the Market Participants in accordance	Provisions for the				
		the procedures to be developed	with the procedures to be developed	retention of NSS was				
		under 3.13.12.3, or may be used	under 3.13.12.3, or may be used by	removed in previous				
		by the <i>Market Operator</i> to	the Market Operator to establish and	version of Amended				
		establish and support the market	support the market for Financial	Rules for the				
		for financial transmission rights	Transmission Rights subject to the	Distribution of Net				
		subject to the approval of the	approval of the PEM Board; and,	Settlement Surplus				
		PEM Board; and,	(b) Shall be clearly accounted for and	(ERC Resolution No.				
		(b) Shall be clearly accounted for	taken into account when setting the	1 Series of 2018).				
		and taken into account when	allowable charges under any					
		setting the allowable charges	regulatory instruments applying to the					
		under any regulatory instruments	Market Operator.					
		applying to the Market Operator.						
Treatment		(new)	3.13.12.4 The calculation and flow back	Reflect the ERC's				
of			mechanism of net settlement surplus or	authority to				
Remaining			deficit shall be approved by the Energy	approve the rules				
Settlement			Regulatory Commission (ERC) as	for calculation and				
Surplus			prescribed in its Rules for the	flow back				
			<u>Distribution of Net Settlement Surplus.</u>	mechanism of NSS/NSD.	_			

WESM Rules (Enhanced Design)								
Title	Clause	Provision	Proposed Amendment	Rationale	Stakeholders Comments	Stakeholders Rationale		
Treatment of Remaining Settlement Surplus		(new)	3.13.12.5 The ERC may issue changes to the flow back of the net settlement surplus or deficit to Market Participants. Such changes shall be reflected in the procedures referred to in Clause 3.13.16.3 by the Market Operator in accordance with the Rules change process in chapter 8.	 Reflect the ERC's authority to amend, motu propio. Ensure that the amended NSS Rules are reflected in the NSS Manual. 				