

# ISO Rules

## Part 100 General

### Division 103 Administration

#### Section 103.5 Net Settlement Instruction



#### Applicability

- 1 Section 103.5 applies to:
  - (a) a **pool participant**; and
  - (b) the **ISO**.

#### Requirements

##### Net Settlement Instruction

2 The **ISO** must net out the **net settlement instruction** volumes against metered energy volumes when calculating any **power pool** settlement for **pool participants**, if 2 **pool participant** counterparties enter into a form of bilateral agreement, one acting as a buyer and the other acting as a seller, and complete all of the requirements under this Section 103.5 for electronically registering a **net settlement instruction** with the **ISO**.

##### Electronic Registration of Net Settlement Instruction

3(1) A **pool participant** may electronically register a **net settlement instruction** through the Energy Trading System if the following criteria are satisfied:

- (a) the counterparties to the **net settlement instruction** are registered and have digital certificates under Section 201.1 of the **ISO rules**, *Pool Participant Registration*;
- (b) the initiating **pool participant** electronically submits the **net settlement instruction** to the **ISO** through the Energy Trading System not less than 20 minutes before the beginning of the **settlement interval** in which the **net settlement instruction** is to take effect;
- (c) the **source asset** and **sink asset** are metered **pool assets**, or either the **source asset** or the **sink asset** is a metered **pool asset**;
- (d) the submitted **net settlement instruction** information includes:
  - (i) the name of the **net settlement instruction**;
  - (ii) the name of the **pool participant** as seller;
  - (iii) the **source asset** the seller designates;
  - (iv) the name of the **pool participant** as buyer;
  - (v) the **sink asset** the buyer designates;
  - (vi) the MWh volume or percentage output of the **net settlement instruction**;
  - (vii) the commencement date and **settlement interval** of the **net settlement instruction**; and
  - (viii) the expiry date and **settlement interval** of the **net settlement instruction**; and
- (e) the **pool participant** counterparty accepts the **net settlement instruction** through the Energy Trading System not less than 20 minutes before the beginning of the **settlement interval** in which the **net settlement instruction** is to take effect.

(2) The **ISO** may, subject to subsection 6, reject the electronic registration or de-registration of a **net settlement instruction** if it does not satisfy the criteria under this Section 103.5 for electronic registration or de-registration .

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### Division 103 Administration

#### Section 103.5 Net Settlement Instruction



#### Request for De-registration of a Net Settlement Instruction

**4(1)** Either of the **pool participant** counterparties may request to de-register the **net settlement instruction** in subsection 3(1) by delivering a written request to the **ISO** which:

- (a) the **ISO** receives:
  - ~~(i) no less than 3 **business days** prior to the requested date for **de-registration**, if the **pool participant** counterparties currently have adequate **financial security** in place for their **financial obligations** post de-registration, or~~
  - ~~(ii) no less than 15 **business days** prior to the requested date for de-registration, if the **pool participant** counterparties currently do not have adequate **financial security** in place for their **financial obligations** post de-registration; and~~
- (b) includes the following information:
  - (i) a statement that the **net settlement instruction** is to be de-registered;
  - (ii) the **net settlement instruction** registration number;
  - (iii) the name of the **pool participant** as seller;
  - (iv) the designated **source asset**;
  - (v) the name of the **pool participant** as buyer;
  - (vi) the designated **sink asset**; and
  - (vii) the desired effective date and **settlement interval** for which the de-registration is to take effect.

**(2)** The **ISO** ~~may~~**must** de-register any **net settlement instruction** that is the subject of the request, on the effective date specified in the request, if:

- ~~(a) the **ISO** receives a request that complies with the requirements of subsection 4(1);~~
- ~~(b) the **pool participant** counterparties have delivered to the **ISO** any additional or replacement **financial security** as may be required under Section 103.3 of the **ISO rules**, *Financial Security Requirements*; and~~
- ~~(c) the **ISO** is satisfied that de-registration will not have any adverse effects~~

**(3)** A **pool participant** must register a new **net settlement instruction** replacing the one requested for de-registration if the initiating **pool participant** submits a new **net settlement instruction** in accordance with this Section 103.5 and the non-initiating counterparty, through the Energy Trading System, accepts the new **net settlement instruction**.

**(4)** The **ISO** must notify the non-requesting **pool participant** counterparty, no later than the close of business on the 1<sup>st</sup> **business day** after receiving the de-registration request under subsection 4(1), that the **net settlement instruction** is being de-registered in accordance with this subsection 4.

#### Mandatory De-registration of a Net Settlement Instruction

**5(1)** A **pool participant** must provide notice to the **ISO** to de-register a **net settlement instruction** if there is:

- (a) a change in the registered **pool participant** for any **pool asset** that is the subject of the **net settlement instruction**; or
- (b) a voluntary termination of the registration of the **pool participant** under subsection 9 of

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Section 201.1 of the **ISO rules**, *Pool Participant Registration*.

(2) The **pool participant** must provide notice to the **ISO** of the de-registration of the **net settlement instruction** at least 3 **business days** in advance of an event referred to in subsection 5(1).

#### ISO Initiated De-registration

6 The **ISO** may, in addition to the right to suspend any **net settlement instruction** under Section 103.7 of the **ISO rules**, *Financial Default and Remedies*, de-register one (1) or more **net settlement instructions** if:

- (a) the **ISO** suspends or terminates the registration of the **pool participant** in accordance with subsection 8 of Section 201.1 of the **ISO rules**, *Pool Participant Registration*;
- (b) a **pool participant** voluntarily terminates its registration in accordance with subsection 9 of Section 201.1 of the **ISO rules**, *Pool Participant Registration*; or
- (c) a **pool participant** fails to de-register the **net settlement instruction** as required under subsection 5.

#### Revision History

Effective	Description
<del>2021-10-12</del> 2024-202x-xx-xx	Updated subsection 4(2) to require the delivery of financial security before cancelling a net settlement instruction and the ISO's satisfaction of no adverse effects.  Other minor updates to align with AESO drafting principles.
2011-07-01	Initial release