

Electricity Industry (Wholesale Electricity Market) Regulations 2004

Wholesale Electricity Market Amendment (Tranche 6A Amendments) Rules 2023

Commencement

- The amending rules set out in Schedule A come into operation at 8:00 AM (WST) on 17 April 2023.
- The amending rules set out in Schedule B come into operation at a time specified by the Minister in a notice published in the Gazette. Different days may be specified for different provisions.

Where there are market rules made by the Minister for Energy in accordance with regulation 7(5) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* prior to the date this Instrument is made which are specified to come into operation on the same day as the amending rules set out in this Instrument, the amending rules set out in this Instrument come into operation immediately after the commencement of those market rules.

Schedule A

1. Section 1.43B added

1.1 Insert the following new section 1.43B:

1.43B. Specific Transitional Provisions – Application of Section 1.43A to WEM Procedures for Particular Wholesale Electricity Market and Constrained Network Access Reform Amending Rules

1.43B.1. Where an Amending Rule in the *Wholesale Electricity Market (Tranche 6 Amendments) Rules 2022* and the *Wholesale Electricity Market (Tranche 6A Amendments) Rules 2023* requires or provides for a WEM Procedure to be developed or documented (however described) by the Coordinator, AEMO or a Network Operator, then the provisions of clause 1.43A will apply to that Amending Rule as if:

- (a) the Amending Rule was a Specified Amending Rule as defined in clause 1.43A.1; and
- (b) where the Amending Rule obliges a Network Operator to develop or document a WEM Procedure, section 1.43A was amended to apply to WEM Procedures required to be developed by a Network Operator.

2. Section 1.60 added

2.1 Insert the following new section 1.60:

1.60. Specific Transitional Provisions for Reviews of the Energy Price Limits and FCESS Offer Price Ceilings

1.60.1. In this section 1.60:

Post-Amended Rules: Means the WEM Rules as in force immediately after the New WEM Commencement Day.

1.60.2. Notwithstanding clause 6.20.6, the Economic Regulation Authority is not required to annually review the appropriateness of the value of the Maximum STEM Price and the Alternative Maximum STEM Price under clause 6.20.6 after 30 June 2023.

1.60.3. Notwithstanding clause 6.20.13, the Economic Regulation Authority is not required to annually review the value of the Minimum STEM Price under clause 6.20.13 after 1 February 2023.

1.60.4. Subject to clause 1.60.5, prior to the New WEM Commencement Day, the Economic Regulation Authority must determine the values of the Contingency Reserve Raise Offer Price Ceiling, Contingency Reserve Lower Offer Price Ceiling, RoCoF Control Service Offer Price Ceiling, Regulation Raise Offer Price Ceiling and Regulation Lower Offer Price Ceiling (as defined in the Post-Amended Rules) that will take effect from the New WEM Commencement Day, in accordance with clause 2.26.2A of the Post-Amended Rules.

1.60.5. Notwithstanding clause 2.26.2A, for the period commencing from the New WEM Commencement Day to the end of the Trading Interval starting at 7:30 AM on 1 March 2024, the value determined by the Economic Regulation Authority for each FCESS Offer Price Ceiling in accordance with clauses 1.60.4 and 2.26.2A must be a single identical price.

3. Section 4.1 amended

3.1 Clause 4.1.19 is amended by:

- (a) deleting the word 'AEMO' and replacing it with the words 'The Economic Regulation Authority'; and
- (b) deleting the word 'approve' and replacing it with the word 'determine'.

Schedule B

1. Section 1.61 added

1.1 Insert the following new section 1.61:

1.61. Specific Transitional Provisions for the Market Price Limits

1.61.1. In this section 1.61:

Pre-Amended Rules: Means the WEM Rules as in force immediately before the New WEM Commencement Day.

1.61.2. Notwithstanding clause 2.26.1, the Economic Regulation Authority must complete its first review of the Energy Offer Price Ceiling under clause 2.26.1 by 1 June 2024.

1.61.3. Notwithstanding clause 2.26.2A, the Economic Regulation Authority must complete its first review of the FCESS Offer Price Ceilings under clause 2.26.2A by 1 June 2026.

1.61.4. Notwithstanding clause 2.26.2C, the Economic Regulation Authority must complete its first review of the Energy Offer Price Floor under clause 2.26.2C by 1 June 2025.

1.61.5. For the purposes of section 2.26, the last review of the Minimum STEM Price in accordance with clause 6.20.6 of the Pre-Amended Rules will be taken to be the previous review of the Energy Offer Price Floor until the first review of the Energy Offer Price Floor under clause 2.26.2C has been completed.

1.61.6. Subject to clause 2.26.2V, the Energy Offer Price Ceiling that will apply from the New WEM Commencement Day is deemed to be the value equal to the Alternative Maximum STEM Price under the Pre-Amended Rules immediately prior to the New WEM Commencement Day.

1.61.7. Subject to clause 2.26.2V, the Energy Offer Price Floor that will apply from the New WEM Commencement Day is deemed to be the value equal to the Minimum STEM Price that applied under the Pre-Amending Rules immediately prior to the New WEM Commencement Day.

2. Section 1.62 added

2.1 Insert the following new section 1.62:

1.62. Specific Transitional Provisions for Portfolio Assessments

1.62.1. Notwithstanding section 2.16B, the Economic Regulation Authority is not required to:

- (a) complete its initial assessment to identify each Portfolio operating in the Wholesale Electricity Market in accordance with clause 2.16B.1 until 1 December 2023; and
- (b) complete its initial assessment to identify each Constrained Portfolio in accordance with clause 2.16B.2 until 10 Business Days after the end of the

first Rolling Test Window commencing on the New WEM Commencement Day.

3. Section 2.13 amended

3.1 Clause 2.13.12(a) is amended by deleting the word 'extend' and replacing it with the word 'extent'.

3.2 Clause 2.13.21 is amended by deleting the word 'may' and replacing it with the word 'must'.

3.3 Clause 2.13.23 is deleted and replaced with the following:

2.13.23 Subject to clause 2.13.26, a Rule Participant (including AEMO and a Network Operator) who is aware that it has breached, or has reasonable cause to suspect it may have breached, the WEM Rules or a WEM Procedure, must notify the Economic Regulation Authority in writing unless the Economic Regulation Authority has notified the Rule Participant that the breach or suspected breach is already under investigation. A Rule Participant may, at any time after notifying the Economic Regulation Authority, provide updated information to the Economic Regulation Authority in relation to the breach or suspected breach.

3.4 Clause 2.13.26 is deleted and replaced with the following:

2.13.26. Where a Market Participant considers that it has been non-compliant, or has reasonable cause to suspect it may have been non-compliant, with a Registered Generator Performance Standard or the Generator Monitoring Plan approved by AEMO for its Transmission Connected Generating System, the Market Participant must follow the relevant process set out in Chapter 3A.

3.5 Clause 2.13.27(d) is deleted and replaced with the following:

(d) if the Economic Regulation Authority investigates an alleged breach, and the investigation is not suspended or closed under clause 2.13.33, then it must determine whether a breach of the WEM Rules or WEM Procedures has occurred; and

3.6 Clause 2.13.35 is amended by deleting the words 'clauses 2.13.23 or 2.13.24' and replacing them with the words 'clause 2.13.23'.

3.7 Clause 2.13.36 is amended by deleting the words 'taken place' and replacing them with the word 'occurred'.

3.8 Clause 2.13.36(b) is deleted and replaced with the following:

(b) [Blank]

3.9 Clause 2.13.36(c) is deleted and replaced with the following:

(c) issue a civil penalty notice where the contravention relates to a Category A, Category B or Category C WEM Rule, in accordance with the WEM Regulations; and

3.10 Delete clause 2.13.36(cA).

- 3.11 Clause 2.13.36(d) is deleted and replaced with the following:
- (d) apply to the Electricity Review Board for one or more orders by the Electricity Review Board under regulation 33 of the WEM Regulations.
- 3.12 Clause 2.13.37 is deleted and replaced with the following:
- 2.13.37. [Blank]
- 3.13 Clause 2.13.38 is deleted and replaced with the following:
- 2.13.38. [Blank]
- 3.14 Clause 2.13.39 is deleted and replaced with the following:
- 2.13.39. The orders that the Electricity Review Board may make for a breach of the WEM Rules and the matters the Electricity Review Board must have regard to before making an order are set out in the WEM Regulations.
- 3.15 Clause 2.13.42 is deleted and replaced with the following:
- 2.13.42. Before the Economic Regulation Authority issues a civil penalty notice under clause 2.13.36(c), the Economic Regulation Authority must have regard to all relevant matters, including:
- (a) the nature and extent of the breach, including whether the breach is ongoing;
 - (b) whether the Rule Participant has self-reported or has taken any mitigating actions;
 - (c) the nature and extent of any loss or damage suffered as a result of the breach;
 - (d) the impact and potential impact of the breach on the market and the power system;
 - (e) the circumstances in which the breach took place;
 - (f) whether the relevant Rule Participant has previously been found by the Economic Regulation Authority, or the Electricity Review Board in proceedings under the Electricity Industry Act, to have engaged in any similar conduct; and
 - (g) whether a daily amount, as provided for under the WEM Regulations, should be imposed in the circumstances, which must include consideration of:
 - i. the financial impact of the total civil penalty on the Rule Participant, if a daily amount were to be imposed; and

- ii. any benefit gained by the Rule Participant as a result of the breach.

3.16 Clause 2.13.43 is deleted and replaced with the following:

2.13.43. If the Economic Regulation Authority issues a civil penalty notice under clause 2.13.36(c), it must inform AEMO of the determination and penalty amount to assist with the settlement processes in Chapter 9.

3.17 Insert the following new clause 2.13.43A:

2.13.43A. If, during the course of an investigation, the Economic Regulation Authority has identified a person, other than a Rule Participant, that has suffered a material loss as a result of a breach, the Economic Regulation Authority may direct AEMO and/or Rule Participants to distribute a specified portion of the Civil Penalty Amount to that person, in a manner that is not consistent with section 9.21.

3.18 Clause 2.13.44 is deleted and replaced with the following:

2.13.44. Where the Economic Regulation Authority issues a civil penalty notice under clause 2.13.36(c), the Rule Participant to whom the civil penalty notice is issued may seek a review of the Economic Regulation Authority's decision to issue the civil penalty notice by the Electricity Review Board in accordance with the WEM Regulations.

3.19 Clause 2.13.45(g) is deleted and replaced with the following:

(g) unless they have been set aside by the Electricity Review Board, civil penalties imposed by the Economic Regulation Authority under clause 2.13.36(c).

3.20 Clause 2.13.49(a) is deleted and replaced with the following:

(a) breaches of the WEM Rules where the Economic Regulation Authority issued a civil penalty notice under clause 2.13.36(c), that was not set aside by the Electricity Review Board;

3.21 Insert the following new clause 2.13.49A:

2.13.49A. The Economic Regulation Authority must keep a public register of:

- (a) investigations commenced by the Economic Regulation Authority of alleged breaches of these WEM Rules by Rule Participants, provided that any information identifying Rule Participants is redacted or otherwise anonymised;
- (b) investigations closed by the Economic Regulation Authority, where it was determined by the Economic Regulation Authority that no breach had occurred, including any reasons for its determination; and

- (c) investigations closed or suspended by the Economic Regulation Authority under clause 2.13.33, including its reasons for closing or suspending the investigation.

4. Section 2.15 amended

4.1 Clause 2.15.3(a) is deleted and replaced with the following:

- (a) the Economic Regulation Authority's monitoring processes for assessing compliance with the WEM Rules and WEM Procedures by Rule Participants, which must include:
 - i. a process for notice to be given by the Economic Regulation Authority to a Rule Participant that identifies the alleged breach to be investigated by the Economic Regulation Authority; and
 - ii. a process through which a Rule Participant may make submissions to the Economic Regulation Authority to explain an alleged breach, prior to the Economic Regulation Authority reaching a decision on whether a Rule Participant has breached the WEM Rules or WEM Procedures;

4.2 Clause 2.15.3(b) is amended by deleting the word 'clause' and replacing it with the word 'clauses'.

4.3 Clause 2.15.3(f) is amended by deleting the words 'clause 2.13.36' and replacing them with the words 'clause 2.13.33'.

4.4 Clause 2.15.3(j) is deleted and replaced with the following:

- (j) the processes to be followed by the Economic Regulation Authority, including the matters the Economic Regulation Authority may take into account and the circumstances it may have regard to, when deciding to issue a civil penalty notice under clause 2.13.36(c) and determining the Civil Penalty Amount to be imposed;

5. Section 2.16 amended

5.1 Clause 2.16.9A is deleted and replaced with the following:

2.16.9A. [Blank]

5.2 Clause 2.16.9B is deleted and replaced with the following:

2.16.9B. [Blank]

5.3 Clause 2.16.9C is deleted and replaced with the following:

2.16.9C. [Blank]

5.4 Clause 2.16.9D is deleted and replaced with the following:

2.16.9D. [Blank]

5.5 Clause 2.16.9E is deleted and replaced with the following:

2.16.9E. Where the Economic Regulation Authority conducts an investigation after receiving a notification from a Rule Participant under clause 2.16.8, or from AEMO under clause 2.16.8A, then, without limitation, the Economic Regulation Authority must examine any information provided in the notification, any information or data in its possession, including any data or information the Economic Regulation Authority requests from the relevant Rule Participant under clause 2.16.6, or from AEMO under clause 2.16.8, to assist in the investigation.

5.6 Clause 2.16.9F is amended by:

- (a) deleting the words 'issuing a request for an explanation under clause 2.16.9B or from'; and
- (b) inserting the words ', or from AEMO under clause 2.16.8A' immediately after the words 'under clause 2.16.8'.

5.7 Clause 2.16.9FB is deleted and replaced with the following:

2.16.9FB. A notice of extension under clause 2.16.9FA must not include any information identifying the Rule Participant under investigation.

5.8 Clause 2.16.9G is deleted.

5.9 Clause 2.16.13B is deleted and replaced with the following:

2.16.13B. In carrying out its responsibilities under clause 2.16.13A, the Coordinator must also monitor:

- (a) the effectiveness of the compliance monitoring and enforcement measures in the WEM Rules and Regulations, including, but not limited to:
 - i. the effectiveness of the Economic Regulation Authority's surveillance activities under sections 2.16A to 2.16D; and
 - ii. the appropriateness of the parameters for determining a Material Portfolio and Material Constrained Portfolio under clauses 2.16C.1 and 2.16C.2;
- (b) the effectiveness of AEMO in carrying out its functions under the Regulations, the WEM Rules and WEM Procedures;
- (c) the effectiveness of Network Operators in carrying out their functions under the WEM Rules and WEM Procedures; and
- (d) the efficiency and effectiveness of the methodologies for determining the Market Price Limits and the Benchmark Reserve Capacity Price.

6. Section 2.16A added

6.1 Insert the following new section 2.16A:

Market Power Mitigation

2.16A. General Trading Obligations

- 2.16A.1. A Market Participant must offer prices in each of its STEM Submissions and Real-Time Market Submissions that reflect only the costs that a Market Participant without market power would include in forming profit-maximising price offers in a STEM Submission or Real-Time Market Submission.
- 2.16A.2. The Economic Regulation Authority must not determine that a Market Participant has engaged in conduct prohibited by clause 2.16A.1 unless the Economic Regulation Authority has first determined that the Market Participant had market power at the time of offering the relevant prices in its STEM Submission or Real-Time Market Submission.
- 2.16A.3. A Market Participant must not engage in conduct in the STEM or Real-Time Market that:
- (a) is false, misleading or deceptive, or likely to mislead or deceive;
 - (b) is fraudulent, dishonest or in bad faith; or
 - (c) has the purpose, or has or is likely to have the effect, of distorting or manipulating prices in the Wholesale Electricity Market.
- 2.16A.4. In determining whether a Market Participant has engaged in conduct prohibited by clause 2.16A.3, the Economic Regulation Authority may take into account:
- (a) historical STEM Submissions or Real-Time Market Submissions made by the Market Participant with effect on or after the New WEM Commencement Day, including changes to STEM Submissions and Real-Time Market Submissions in which there is, or there appears to be, a pattern of behaviour that may indicate such conduct was engaged in;
 - (b) the timeliness and accuracy of notification of Forced Outages by the Market Participant;
 - (c) information regarding whether the Market Participant did not comply with a Dispatch Instruction in respect of its Facility and the reasons for the non-compliance; and
 - (d) any other information the Economic Regulation Authority considers relevant to its determination.
- 2.16A.5. A STEM Submission or a Real-Time Market Submission is not made in bad faith under clause 2.16A.3(b) if, at the time it is submitted, the Market Participant had a genuine intention to honour the terms of that STEM Submission or Real-Time Market Submission if the material conditions and circumstances upon which the

STEM Submission or Real-Time Market Submission was based remained unchanged until the relevant Trading Interval.

- 2.16A.6. A Market Participant may be taken to have made a STEM Submission or a Real-Time Market Submission in bad faith notwithstanding that the intention of the Market Participant is ascertainable only by inference from:
- (a) the conduct of the Market Participant;
 - (b) the conduct of any other person; or
 - (c) the relevant circumstances.
- 2.16A.7. If a Market Participant does not have reasonable grounds for a price, quantity, or Ramp Rate Limit, as applicable, it has included in a Real-Time Market Submission at the time it submits that Real-Time Market Submission, then the Market Participant is, for the purposes of clause 2.16A.3(a), taken to have known that the Real-Time Market Submission was likely to lead to another Rule Participant being misled or deceived as to the existence or non-existence of a material fact relating to the Real-Time Market.
- 2.16A.8. For the purposes of clause 2.16A.7, a Market Participant must adduce evidence that it had reasonable grounds for including a price, quantity or Ramp Rate Limit, as applicable, in the Real-Time Market Submission. To avoid doubt, the effect of this clause is to place an evidentiary burden on a Market Participant, and this clause does not have the effect that, merely because such evidence is adduced, the Market Participant who submitted the Real-Time Market Submission is taken to have had reasonable grounds for including a price, quantity or Ramp Rate Limit, as applicable.
- 2.16A.9. Clause 2.16A.7 does not imply that merely because a Market Participant had reasonable grounds for making the representation or the conduct referred to in Chapter 7, in respect of the Real-Time Market, and in particular putting the price, quantity or Ramp Rate Limit, as applicable, in a Real-Time Market Submission submitted by the Market Participant, that such representation or conduct is not misleading.

7. Section 2.16B added

7.1 Insert the following new section 2.16B:

2.16B. Portfolio Assessment

- 2.16B.1. The Economic Regulation Authority must, in accordance with the WEM Procedure referred to in clause 2.16D.15:
- (a) by 1 April and 1 October each year, identify each Portfolio operating in the Wholesale Electricity Market by applying the following principles:

- i. each Scheduled Facility, Semi-Scheduled Facility and Non-Scheduled Facility must be allocated to one, but not more than one, Portfolio;
 - ii. Registered Facilities which are owned by or registered to the same Market Participant must be allocated to the same Portfolio;
 - iii. Registered Facilities which are owned by or registered to Market Participants that are associated entities (as that expression is defined in the Corporations Act) must be allocated to the same Portfolio;
 - iv. Registered Facilities which are registered to, or owned or controlled by, a Market Participant or other entity, and Registered Facilities that are registered to, or owned or controlled by, an associated entity of that Market Participant or other entity (as those expressions are defined in the Corporations Act) must be allocated to the same Portfolio; and
 - v. without limiting clause 2.16B.1(a)(i), a Registered Facility must not be allocated to a Portfolio containing another Registered Facility unless it is required by clauses 2.16B.1(a)(ii), 2.16B.1(a)(iii) or 2.16B.1(a)(iv); and
- (b) within 10 Business Days of identifying each Portfolio under clause 2.16B.1(a), publish a list on its website specifying the name of each Registered Facility within each identified Portfolio.
- 2.16B.2. Within 10 Business Days of the end of each Rolling Test Window, the Economic Regulation Authority must, in accordance with the WEM Procedure referred to in clause 2.16D.15, identify:
- (a) each Constraint Equation for a Network Constraint that bound during one or more Dispatch Intervals in the Rolling Test Window; and
 - (b) each Constrained Portfolio for each Constraint Equation identified under clause 2.16B.2(a).
- 2.16B.3. The Economic Regulation Authority may, in carrying out its obligations under clause 2.16B.2, specify a Registered Facility within more than one Constrained Portfolio.

8. Section 2.16C added

8.1 Insert the following new section 2.16C:

2.16C. Market Power Test

2.16C.1. The Economic Regulation Authority must, in accordance with the WEM Procedure referred to in clause 2.16D.15:

- (a) within 10 Business Days of identifying each Portfolio p under clause 2.16B.1(a), calculate Portfolio p's percentage share of the total maximum sent out capacity of all Registered Facilities assigned to a Portfolio as follows:

$$\text{MSOC_Share}(p) = \frac{\sum_{f \in p} \text{MSOC}(f)}{\sum_{f \in \text{Facilities}} \text{MSOC}(f)} \times 100$$

where:

- i. MSOC(f) is the maximum sent out capacity specified for Registered Facility f in Appendix 1(b)(v), Appendix 1(c)(v) or Appendix 1(d)(v) as applicable;
 - ii. $f \in p$ denotes all Scheduled Facilities, Semi-Scheduled Facilities and Non-Scheduled Facilities f assigned to Portfolio p; and
 - iii. $f \in \text{Facilities}$ denotes all Scheduled Facilities, Semi-Scheduled Facilities and Non-Scheduled Facilities assigned to a Portfolio identified under clause 2.16B.1(a);
- (b) identify each Portfolio where the value determined under clause 2.16C.1(a) is equal to or greater than 10% ("**Material Portfolio**"); and
- (c) within 10 Business Days of identifying each Material Portfolio under clause 2.16C.1(b):
- i. publish the results of the calculations carried out under clause 2.16C.1(a) on its website; and
 - ii. notify each Market Participant that has a Registered Facility assigned to a Material Portfolio identified under clause 2.16C.1(b).

2.16C.1A. Each set of Material Portfolios identified by the Economic Regulation Authority under clause 2.16C.1(b) replaces the previous set of Material Portfolios identified by the Economic Regulation Authority under clause 2.16C.1(b) (if any) with effect from the time that the Economic Regulation Authority publishes the results of the relevant calculations under clause 2.16C.1(c)(i).

2.16C.2. The Economic Regulation Authority must, not more than 20 Business Days following the end of a Rolling Test Window, in accordance with the WEM Procedure referred to in clause 2.16D.15:

- (a) calculate for that Rolling Test Window and for any relevant Fixed Assessment Period, as a percentage, the Constrained Uplift Payment Ratio for each Constrained Portfolio identified under clause 2.16B.2(b) as follows:

$$\text{Constrained Uplift Payment Ratio} = \frac{\text{CP_UP}}{\text{NC}} \times 100$$

where:

- i. CP_UP is the number of Dispatch Intervals in the Rolling Test Window or Fixed Assessment Period (as applicable) in which:
 1. the Constraint Equation relevant to the identification of the Constrained Portfolio identified under clause 2.16B.2(a) bound; and
 2. a Registered Facility in the Constrained Portfolio received an Energy Uplift Payment; and
 - ii. NC is the total number of Dispatch Intervals in the Rolling Test Window or Fixed Assessment Period (as applicable) in which the Constraint Equation relevant to the identification of the Constrained Portfolio bound;
- (b) identify each Constrained Portfolio with a Constrained Uplift Payment Ratio equal to or greater than 10% as calculated under clause 2.16C.2(a) ("**Material Constrained Portfolio**");
- (c) publish the results of the calculations carried out under clauses 2.16C.2(a) and 2.16C.2(b) on its website; and
- (d) notify each Market Participant that has a Registered Facility assigned to a Material Constrained Portfolio identified under clause 2.16.2C(b).

2.16C.2A. Each set of Material Constrained Portfolios identified by the Economic Regulation Authority under clause 2.16C.2(b) replaces the previous set of Material Constrained Portfolios identified by the Economic Regulation Authority under clause 2.16C.2(b) (if any) with effect from the time that the Economic Regulation Authority publishes the results of the relevant calculations under 2.16C.2(c).

2.16C.3. By no later than three months from the date of receipt of a notice from the Economic Regulation Authority under clause 2.16C.1(c)(ii) or clause 2.16C.2(d), a Market Participant must, in accordance with the WEM Procedure referred to in clause 2.16D.15:

- (a) maintain adequate records (that are capable of independent verification) of the internal governance arrangements the Market Participant has in place to comply with its obligations under clause 2.16A.1;
- (b) maintain adequate records (that are capable of independent verification) of the methods, assumptions and cost inputs the Market Participant used to develop the prices in the Portfolio Supply Curve offered in its STEM Submissions or Standing STEM Submissions, including, for each relevant Facility; and
- (c) maintain adequate records (that are capable of independent verification) of the methods and cost inputs the Market Participant used to develop the prices offered, quantities and Ramp Rate Limits in its Real-Time Market Submissions or Standing Real-Time Market Submissions, including, for each relevant Facility.

2.16C.4. The Economic Regulation Authority must monitor the following price offers for compliance with clause 2.16A.1:

- (a) the prices offered by a Market Participant which has one or more Registered Facilities assigned to a Material Portfolio in its STEM Portfolio Supply Curve; and
- (b) the prices offered by a Market Participant in its Real-Time Market Submissions for each of its Registered Facilities assigned to a Material Portfolio or a Material Constrained Portfolio.

2.16C.5. A Market Participant must not make an Irregular Price Offer that results in an inefficient market outcome.

2.16C.6. The Economic Regulation Authority must investigate potential breaches of clause 2.16A.1:

- (a) in accordance with clause 2.13.27 and the WEM Procedure referred to in clause 2.16D.15; and
- (b) having regard to the Offer Construction Guideline,

and if it considers that:

- (c) a price offered by a Market Participant in its Portfolio Supply Curve was inconsistent with the price that a Market Participant without market power would offer in a profit-maximising Portfolio Supply Curve; or
- (d) a price offered by a Market Participant in its Real-Time Market Submissions was inconsistent with the price that a Market Participant without market power would offer in a profit-maximising Real-Time Market,

the Economic Regulation Authority must determine that the price was an Irregular Price Offer.

- 2.16C.7. The Economic Regulation Authority must investigate and determine, in accordance with clause 2.13.27 and the WEM Procedure referred to in clause 2.16D.15, whether an Irregular Price Offer determined under clause 2.16C.6 has resulted in an inefficient market outcome.
- 2.16C.8. Without limiting clauses 2.16C.6 and 2.16C.7, the Economic Regulation Authority must make a determination under clause 2.16C.6 and, if necessary, under clause 2.16C.7, no later than six months from the day the Economic Regulation Authority commenced its investigation under clause 2.16C.6.
- 2.16C.9. In conducting an investigation under clause 2.16C.7, the Economic Regulation Authority:
- (a) must consider any changes to:
 - i. a STEM Clearing Price or Reference Trading Price;
 - ii. Energy Uplift Payments; or
 - iii. the quantities of energy scheduled in respect of Market Participants in the STEM Auction, or the dispatch of Facilities in the Real-Time Market,that are likely to have occurred as a result of the Irregular Price Offer; and
 - (b) may consider any other matters it considers relevant.
- 2.16C.10. If, following an investigation, the Economic Regulation Authority has determined pursuant to clause 2.16C.6 and clause 2.16C.7 that a Market Participant has breached the obligation specified in clause 2.16C.5, the Economic Regulation Authority must:
- (a) at least two Business Days prior to publication of its determination under clause 2.16C.10(b), notify the relevant Market Participant of the determination; and
 - (b) publish on its website details of its determination, including the name of the relevant Market Participant and the Irregular Price Offer to which the determination relates.
- 2.16C.11. For the avoidance of doubt, the Economic Regulation Authority may investigate any alleged breach of clause 2.16A.1, even if the Economic Regulation Authority was not monitoring the Market Participant's price offers under clause 2.16C.4 at the time the alleged breach occurred.

9. Section 2.16D added

9.1 Insert the following new section 2.16D:

2.16D. Guidance, WEM Procedures and Consultation Framework

2.16D.1. The Economic Regulation Authority must develop, maintain and publish on its website, the following guidelines:

- (a) an Offer Construction Guideline that:
 - i. provides guidance to Market Participants in relation to the price offer obligations under clause 2.16A.1;
 - ii. details how the Economic Regulation Authority will assess prices offered under clause 2.16C.6;
 - iii. permits the recovery of all efficient variable costs of producing the relevant electricity, including all costs incurred under long-term take-or-pay fuel contracts;
 - iv. outlines how the Economic Regulation Authority will consider price offers for different Facility types, including Electric Storage Resources;
 - v. provides examples illustrating the types of conduct that the Economic Regulation Authority considers would be likely to contravene the price offer obligations under clause 2.16A.1; and
 - vi. provides guidance to Market Participants on how the Economic Regulation Authority will assess inefficient market outcomes under clause 2.16C.7; and
- (b) a Trading Conduct Guideline that must provide clarity and guidance to Market Participants regarding the prohibited conduct described in clause 2.16A.3. The Trading Conduct Guideline must provide examples illustrating the types of conduct that the Economic Regulation Authority considers would be likely to contravene clause 2.16A.3.

2.16D.2. Subject to the provisions of this section 2.16D, the Economic Regulation Authority may amend the guidelines to be developed and maintained under clause 2.16D.1 at any time.

2.16D.3. In developing and maintaining the guidelines under clause 2.16D.1, or any amendments to them under clause 2.16D.2, the Economic Regulation Authority must publish on its website:

- (a) a draft report containing a copy of the proposed guidelines, or the proposed amendments to the guidelines, as applicable, and a request for submissions;
- (b) the closing date for submissions, which must be no earlier than four weeks after the date of publication of the draft report; and
- (c) a copy of all submissions received provided that if a submission contains information that the Economic Regulation Authority reasonably considers to be confidential, the Economic Regulation Authority may redact that information to the extent it considers appropriate.

2.16D.4. Following the closing date for submissions on the draft report published under clause 2.16D.3, the Economic Regulation Authority must publish a final report on its website containing:

- (a) the final guidelines, or the amendments to the guidelines, as applicable;
- (b) where applicable, the reasons for the amendment to the guidelines;
- (c) a summary of any submissions received by the Economic Regulation Authority on the draft report published under clause 2.16D.3 that were received within the time specified, and any late submissions the Economic Regulation Authority has decided, in its discretion, to take into account;
- (d) the Economic Regulation Authority's responses to the issues raised in those submissions;
- (e) any other matters the Economic Regulation Authority considers relevant to the guidelines, or the amendment to the guidelines, as applicable; and
- (f) the date that the final guidelines, or the amendment to the guidelines, will commence.

2.16D.5. A Market Participant that has received a notice from the Economic Regulation Authority under clauses 2.16C.1(c)(ii) or 2.16C.2(d) may, in accordance with clause 2.16D.6, request guidance from the Economic Regulation Authority in relation to the Offer Construction Guideline, including, for the purposes of the Economic Regulation Authority's assessment of prices offered under clause 2.16C.6, how the matters in the Offer Construction Guideline may apply to the Market Participant's Registered Facility.

2.16D.6. A request made by a Market Participant under clause 2.16D.5 must:

- (a) be in writing;
- (b) identify the matters in the Offer Construction Guideline on which the Market Participant is seeking guidance;

- (c) specify the Market Participant's reasons for seeking guidance;
 - (d) where relevant, provide supporting materials that illustrate or evidence the matters raised in the request; and
 - (e) include any other information specified in the WEM Procedure referred to in clause 2.16D.15.
- 2.16D.7. Within 20 Business Days of receipt of a request under clause 2.16D.5, the Economic Regulation Authority must:
- (a) consider the request; and
 - (b) subject to clause 2.16D.10, use reasonable endeavours to provide guidance on the matters specified in the request.
- 2.16D.8. The Economic Regulation Authority may request further information from a Market Participant that has made a request under clause 2.16D.5. If, within 15 Business Days of the date of the Economic Regulation Authority's request for further information, the Market Participant does not provide the information requested, or the Economic Regulation Authority reasonably considers the information provided is not satisfactory, the Market Participant will be deemed to have withdrawn the relevant request.
- 2.16D.9. If the Economic Regulation Authority issues a request for further information under clause 2.16D.8, the timeframe specified in clause 2.16D.7 for the Economic Regulation Authority to provide the relevant guidance will recommence from the date the Market Participant has provided all of the further information requested by the Economic Regulation Authority.
- 2.16D.10. The Economic Regulation Authority is not required to provide guidance to a Market Participant in relation to a request under clause 2.16D.5 where it considers that:
- (a) the Offer Construction Guideline already provides sufficient guidance on the matters raised in the request;
 - (b) the request does not meet the requirements in clause 2.16D.6;
 - (c) the cost the Economic Regulation Authority would incur to provide the guidance sought in the request is unreasonable or excessive; or
 - (d) the request is substantially similar to a previous request considered by the Economic Regulation Authority from the same Market Participant.
- 2.16D.11. Subject to clause 2.16D.12, any guidance provided by the Economic Regulation Authority pursuant to clause 2.16D.7 is not binding on the Economic Regulation Authority, the Market Participant who made the request, or any other person, and the Economic Regulation Authority may, at any time, reconsider, revise or withdraw any guidance provided to a Market Participant.

- 2.16D.12. In conducting an investigation under clauses 2.16C.6 or 2.16C.7, the Economic Regulation Authority must take into account any guidance it may have provided to the Market Participant under clause 2.16D.7 that is relevant to the matters being investigated.
- 2.16D.13. Where the Economic Regulation Authority provides guidance to a Market Participant under clause 2.16D.7, the Economic Regulation Authority must consider whether the Offer Construction Guideline should be amended to reflect that guidance. Where the Economic Regulation Authority considers the Offer Construction Guideline should be amended, the Economic Regulation Authority must initiate an amendment to the Offer Construction Guideline in accordance with clause 2.16D.3 as soon as practicable.
- 2.16D.14. The Economic Regulation Authority must publish on its website a copy of any guidance provided to a Market Participant under clause 2.16D.7 provided that the Economic Regulation Authority must first redact all information that is confidential or commercially sensitive in the guidance, including the name of the Market Participant to whom the guidance was provided. Where the Economic Regulation Authority considers the guidance cannot be redacted to ensure the identity of the Market Participant to whom the guidance was provided remains confidential, the Economic Regulation Authority is not required to publish the guidance.
- 2.16D.15. The Economic Regulation Authority must document in a WEM Procedure:
- (a) the methodologies and processes to be followed by the Economic Regulation Authority in relation to:
 - i. identifying each Portfolio and Constrained Portfolio operating in the Wholesale Electricity Market pursuant to clauses 2.16B.1(a) and 2.16B.2, respectively;
 - ii. carrying out the calculations under clauses 2.16C.1(a) and 2.16C.2(a) in relation to identifying each Material Portfolio and Material Constrained Portfolio, respectively; and
 - iii. monitoring prices offered by a Market Participant under clause 2.16C.4, and making determinations under clauses 2.16C.6 and 2.16C.7 in relation to those price offers;
 - (b) the types and format of the information, and level of detail required to be maintained or recorded by a Market Participant to enable the Economic Regulation Authority to carry out its monitoring of price offers under clause 2.16C.4; and
 - (c) details of the processes the Economic Regulation Authority and Market Participants must follow in respect to a request for guidance under clause

2.16D.5, which may include a template that a Market Participant must use for making a request.

10. Section 2.16E added

10.1 Insert the following new section 2.16E:

2.16E. Irregular Price Offers – Limited Application of Section 2.13

2.16E.1. Subject to clauses 2.16C.6 and 2.16C.7, the Economic Regulation Authority must not, in respect of a price offer described in clause 2.16C.4, investigate a Market Participant under clause 2.13.27, or take enforcement action under clause 2.13.36 for a breach of clause 2.16A.1, where the Economic Regulation Authority has determined under clause 2.16C.7 that an Irregular Price Offer by the Market Participant has not resulted in an inefficient market outcome.

2.16E.2. Where the Economic Regulation Authority has determined that an Irregular Price Offer by a Market Participant has not resulted in an inefficient market outcome, the Economic Regulation Authority must notify the Market Participant of the results of the investigation and the reasons for its decision.

11. Section 2.17 amended

11.1 Clause 2.17.1 is deleted and replaced with the following:

2.17.1. A Rule Participant whose interests are adversely affected by a Reviewable Decision or a decision subject to Procedural Review, may apply to the Electricity Review Board for a review of that decision in accordance with the WEM Regulations.

12. Heading above section 2.26 amended

12.1 The heading immediately above section 2.26 '**Administered Prices and Loss Factors**' is deleted and replaced with the following heading:

Market Price Limits, Reviews and Loss Factors

13. Section 2.26 amended

13.1 The section 2.26 heading '**Economic Regulation Authority Review of Methodology for Setting Administered Prices**' is deleted and replaced with the following heading:

Economic Regulation Authority Reviews of Market Price Limits and the Methodology for Setting the Benchmark Reserve Capacity Price

13.2 Clause 2.26.1 is deleted and replaced with the following:

2.26.1. The Economic Regulation Authority must, in accordance with this section 2.26, review the value of the Energy Offer Price Ceiling at least once every three years. For the avoidance of doubt, the Economic Regulation Authority must complete a

subsequent review under this clause 2.26.1 and publish its final report no later than three years from the date of publication of the final report from the preceding review.

13.3 Clause 2.26.2 is deleted and replaced with the following:

2.26.2. In conducting a review pursuant to clause 2.26.1, the Economic Regulation Authority must calculate the Energy Offer Price Ceiling by:

(a) applying the following formula:

$$(1 + \text{Risk Margin}) \times (\text{Variable O\&M} + (\text{Heat Rate} \times \text{Fuel Cost})) / \text{Loss Factor}$$

where:

- i. Risk Margin is a measure of uncertainty in the assessment of the mean short run average cost for the highest cost Facility in the SWIS, expressed as a fraction;
- ii. Variable O&M is the mean variable operating and maintenance cost for the highest cost Facility in the SWIS, expressed in \$/MWh, and includes, but is not limited to, start-up related costs;
- iii. Heat Rate is the mean heat rate at the minimum dispatchable loading level specified in Standing Data for the highest cost Facility in the SWIS, expressed in GJ/MWh;
- iv. Fuel Cost is the mean unit fixed and variable fuel cost for the highest cost Facility in the SWIS, expressed in \$/GJ; and
- v. Loss Factor is the marginal loss factor for the highest cost Facility in the SWIS, relative to the Reference Node, determined in accordance with section 2.27,

where the Economic Regulation Authority must determine the values for each factor described in clauses 2.26.2(a)(i) to 2.26.2(a)(v) consistently with the Offer Construction Guideline as it applies to the highest cost generating Facility in the SWIS;

- (b) rounding up the value in clause 2.26.2(a) to the nearest multiple of \$100/MWh; and
- (c) determining whether an indexation process should apply to the Energy Offer Price Ceiling to reflect movements in input costs and, if so, determining the formula for the indexation calculation and the frequency at which indexation will apply.

13.4 Insert the following new clause 2.26.2A:

Review of FCESS Offer Price Ceilings

2.26.2A. The Economic Regulation Authority must, in accordance with this section 2.26, review the value of the Contingency Reserve Raise Offer Price Ceiling, Contingency Reserve Lower Offer Price Ceiling, RoCoF Control Service Offer Price Ceiling, Regulation Raise Offer Price Ceiling and Regulation Lower Offer Price Ceiling at least once every three years. For the avoidance of doubt, the Economic Regulation Authority must complete a subsequent review under this clause 2.26.2A of an FCESS Offer Price Ceiling and publish its final report no later than three years from the date of publication of the final report from the preceding review of that FCESS Offer Price Ceiling.

13.5 Insert the following new clause 2.26.2B:

2.26.2B. In conducting a review pursuant to clause 2.26.2A, the Economic Regulation Authority must determine the value of each FCESS Offer Price Ceiling by:

- (a) estimating, consistently with the Offer Construction Guideline as it applies to the highest cost Facility providing the relevant Frequency Co-optimised Essential System Service in the SWIS, the variable costs of providing the Frequency Co-optimised Essential System Service that are not compensated through other market mechanisms in the Wholesale Electricity Market;
- (b) rounding up its determination of the value of the FCESS Offer Price Ceiling to the nearest multiple of \$50 per MW per hour or \$50 per MWs per hour, as applicable; and
- (c) determining whether an indexation process should apply to the FCESS Offer Price Ceiling to reflect movements in input costs and, if so, determining the formula for the indexation calculation and the frequency at which indexation will apply.

13.6 Insert the following new clause 2.26.2C:

Review of Energy Offer Price Floor

2.26.2C. The Economic Regulation Authority must, in accordance with this section 2.26, review the appropriateness of the value of the Energy Offer Price Floor at least once every three years. For the avoidance of doubt, the Economic Regulation Authority must complete a subsequent review under this clause 2.26.2C and publish its final report no later than three years from the date of publication of the final report from the preceding review.

13.7 Insert the following new clause 2.26.2D:

2.26.2D. In conducting a review required by clause 2.26.2C, the Economic Regulation Authority must apply the following principles:

- (a) the Economic Regulation Authority must only revise the value of the Energy Offer Price Floor if it determines that the current value of the Energy Offer Price Floor is not appropriate under clause 2.26.2E;
- (b) if the Economic Regulation Authority determines that the current Energy Offer Price Floor is not appropriate under clause 2.26.2E, the revised value for the Energy Offer Price Floor must:
 - i. allow for the Real-Time Market for energy to clear without the Reference Trading Price being equal to the Energy Offer Price Floor in most circumstances; and
 - ii. subject to clause 2.26.2D(b)(i), limit the exposure of Market Participants to Reference Trading Prices that are reasonably likely to materially adversely affect the financial viability of a prudent Market Participant.

13.8 Insert the following new clause 2.26.2E:

2.26.2E. In determining whether the current value of the Energy Offer Price Floor is not appropriate for the purposes of clause 2.26.2D(a), the Economic Regulation Authority must consider, without limitation, if, since the previous review of the value of the Energy Offer Price Floor under this section 2.26:

- (a) the Real-Time Market for energy has cleared at the Energy Offer Price Floor in one or more Dispatch Intervals due to, in the Economic Regulation Authority's reasonable opinion, the Energy Offer Price Floor being too high; and
- (b) there has been a change in the generation fleet in the SWIS that, in the Economic Regulation Authority's reasonable opinion, is likely to result in:
 - i. the current Energy Offer Price Floor being materially lower than necessary to achieve the criterion in clause 2.26.2D(b)(i), including, but not limited to, an upgrade or the retirement of a Facility with high cycling costs; or
 - ii. the current Energy Offer Price Floor being too high to achieve the criterion in clause 2.26.2D(b)(i), including, but not limited to, the increase of cycling costs due to deterioration or ageing of a Facility.

13.9 Insert the following new clause 2.26.2F:

2.26.2F. When reviewing the Energy Offer Price Floor in accordance with this section 2.26, if the Economic Regulation Authority determines under clause 2.26.2E that the Energy Offer Price Floor is not appropriate, the Economic Regulation Authority must:

- (a) determine for credible scenarios of low demand, the price at which the operator of the Facility with the highest cycling costs per MW in the SWIS in the scenario would, acting reasonably, decommit the Facility should the Reference Trading Price equal or fall below that price for a single Trading Interval;
- (b) revise the Energy Offer Price Floor to be the highest price determined under the scenarios in clause 2.26.2F(a) that is lower than 95 percent of all of the prices determined under clause 2.26.2F(a); and
- (c) determine whether an indexation process should apply to the Energy Offer Price Floor to reflect movements in input costs and, if so, determine the formula for the indexation calculation and the frequency at which indexation will apply.

13.10 Insert the following new clause 2.26.2G:

2.26.2G. When determining the credible scenarios of low demand for the purpose of clause 2.26.2F(a), the Economic Regulation Authority may use historic scenarios but must also account for any changes expected in the SWIS that would take effect prior to the time that the Energy Offer Price Floor would apply and that are likely to have an effect on the Reference Trading Price. The changes include, but are not limited to:

- (a) expected changes in system demand;
- (b) any expected entrance of a new Facility that will participate in the Real-Time Market;
- (c) expected changes to an existing Facility; and
- (d) any expected permanent exit of a Facility from the Real-Time Market.

13.11 Insert the following new clause 2.26.2H:

2.26.2H. When determining the cycling costs of a Facility under clause 2.26.2F(a), the Economic Regulation Authority must consider:

- (a) the factors that a Market Participant acting reasonably would consider in making a decommitment decision for the Facility with the highest cycling costs in the SWIS, assuming that all energy sent out by the Facility is settled at the Reference Trading Price, including:

- i. the cost to decommit and recommit within the timeframe specified under clause 2.26.2H(a)(iii), including start-related fuel costs and variable operating and maintenance costs of the Facility;
 - ii. the minimum stable level of operation of the Facility;
 - iii. the minimum time the Facility must remain out of service once decommitted before recommitment is possible; and
 - iv. any expected losses or gains, opportunity costs and cost savings that the Market Participant would incur as a result of decommitment for the duration of the minimum time the Facility must remain out of service before recommitment is possible; and
- (b) any other matters that the Economic Regulation Authority considers relevant.

13.12 Insert the following new clause 2.26.2I:

2.26.2I. When determining the cycling costs of a Facility under clause 2.26.2F(a), the Economic Regulation Authority must have regard to the Wholesale Market Objectives and must, as far as practicable, use information about the costs the relevant Facility would incur as provided by the relevant Market Participant but may use estimates where the Economic Regulation Authority considers it to be reasonable.

13.13 Insert the following new clause 2.26.2J:

2.26.2J. A Market Participant may, by the time specified for the close of submissions under clause 2.26.2L(b), provide evidence to the Economic Regulation Authority of the costs that a Facility incurs when decommitting for the purpose of the WEM Rules and which the Economic Regulation Authority must consider in determining the appropriateness of the value of the Energy Offer Price Floor under clause 2.26.2C.

13.14 Insert the following new clause 2.26.2K:

2.26.2K. Where a Market Participant provides the Economic Regulation Authority with satisfactory evidence under clause 2.26.2J, the Economic Regulation Authority must consider the information when determining the appropriateness of the Energy Offer Price Floor as far as the information affects the Economic Regulation Authority's reasonable estimate of any costs that a prudent Market Participant would incur when decommitting its Facility in the scenarios under clause 2.26.2F(a).

13.15 Insert the following new clause 2.26.2L:

Conducting a Review of a Market Price Limit

2.26.2L. In conducting a review of a Market Price Limit under clauses 2.26.1, 2.26.2A or 2.26.2C, the Economic Regulation Authority must publish on its website:

- (a) a draft report and a request for submissions;
- (b) the closing date for submissions, which must be no earlier than four weeks after the date of publication of the draft report; and
- (c) a copy of all submissions received provided that if a submission contains information that the Economic Regulation Authority reasonably considers to be confidential, the Economic Regulation Authority may redact that information to the extent it considers appropriate.

13.16 Insert the following new clause 2.26.2M:

2.26.2M. Following the closing date for submissions on the draft report published under clause 2.26.2L, the Economic Regulation Authority must publish a final report on its website containing:

- (a) the issues identified by the Economic Regulation Authority;
- (b) the assumptions made by the Economic Regulation Authority in undertaking the review;
- (c) the Economic Regulation Authority's determination of the relevant Market Price Limit, which is to include, where applicable:
 - i. the revised value of the relevant Market Price Limit;
 - ii. the Trading Day from which the revised value of the relevant Market Price Limit will take effect, which must be at least five Business Days after the date the final report is published; and
 - iii. any indexation process in the value of the relevant Market Price Limit and the associated times each indexed value will apply from;
- (d) how the Economic Regulation Authority determined the revised value of the relevant Market Price Limit, including any analysis and calculation parameters used in its determination;
- (e) a summary of any submissions received by the Economic Regulation Authority on the draft report published under clause 2.26.2L that were received within the time specified, and any late submissions the Economic Regulation Authority has decided, in its discretion, to take into account;
- (f) the Economic Regulation Authority's responses to the issues raised in those submissions; and
- (g) any other matters the Economic Regulation Authority considers relevant to the review.

13.17 Insert the following new clause 2.26.2N:

2.26.2N. Where a Rule Participant considers there has been a material change in circumstances since the Economic Regulation Authority's most recent review of a Market Price Limit pursuant to clauses 2.26.1, 2.26.2A or 2.26.2C, as applicable, the Rule Participant may, subject to clause 2.26.2O(a), notify the Economic Regulation Authority that it considers the Market Price Limit is no longer appropriate in accordance with clause 2.26.2O.

13.18 Insert the following new clause 2.26.2NA:

2.26.2NA. If a Rule Participant considers there has been a material change in market circumstances since the Economic Regulation Authority's most recent review of a Market Price Limit pursuant to clauses 2.26.1, 2.26.2A or 2.26.2C, as applicable, the Rule Participant may, subject to clause 2.26.2O(a), notify the Economic Regulation Authority that it considers that for the Market Price Limit, the determination to apply or not apply indexation to the Market Price Limit is no longer appropriate in accordance with clause 2.26.2O.

13.19 Insert the following new clause 2.26.2O:

2.26.2O. A notice by a Rule Participant under clauses 2.26.2N or 2.26.2NA must:

- (a) be given no earlier than six months after completion of the most recent review of the relevant Market Price Limit by the Economic Regulation Authority under clauses 2.26.1, 2.26.2A or 2.26.2C, as applicable; and
- (b) set out the Rule Participant's reasoning, with any supporting analysis, as to why it considers there has been:
 - i. a material change in circumstances such that the relevant Market Price Limit is no longer appropriate, having regard to the relevant matters in this section 2.26; or
 - ii. a material change in market circumstances such that the determination to apply or not apply indexation to a Market Price Limit is no longer appropriate.

13.20 Insert the following new clause 2.26.2P:

2.26.2P. Following receipt of a notice under clause 2.26.2N, the Economic Regulation Authority must, as soon as practicable:

- (a) after considering the information in the notice, determine whether it considers it is appropriate to bring forward the next required review of the relevant Market Price Limit under clauses 2.26.1, 2.26.2A or 2.26.2C, as applicable;

- (b) in making its determination under clause 2.26.2P(a), have regard to the Wholesale Market Objectives and any benefits of undertaking an earlier review; and
- (c) publish its response to the notice on its website, which is to include details of whether a review of the relevant Market Price Limit will be progressed, the proposed timing for the review, and the reasons for its decision.

13.21 Insert the following new clause 2.26.2Q:

2.26.2Q. If the Economic Regulation Authority decides to bring forward a review of a Market Price Limit pursuant to clause 2.26.2P(a), the Economic Regulation Authority must use its best endeavours to conduct the review in accordance with the proposed timing published in its response to the relevant notice in accordance with clause 2.26.2P(c).

13.22 Insert the following new clause 2.26.2R:

2.26.2R. In conducting a review of a Market Price Limit under clauses 2.26.1, 2.26.2A or 2.26.2C, the Economic Regulation Authority may request information from a Market Participant.

13.23 Insert the following new clause 2.26.2S:

2.26.2S. An information request by the Economic Regulation Authority under clause 2.26.2R must specify the time by which the information specified in the request must be provided by the Market Participant, which must be at least 10 Business Days after the date of the request and be reasonable having regard to the nature of the information requested.

13.24 Insert the following new clause 2.26.2T:

2.26.2T. Following receipt of a request under clause 2.26.2R, the Market Participant must provide the information specified in the request by the time specified in the request.

13.25 Insert the following new clause 2.26.2U:

2.26.2U. Where the Economic Regulation Authority determines under clauses 2.26.2(c), 2.26.2B(c) or 2.26.2F(c) that indexation in the value of a Market Price Limit will apply, the Economic Regulation Authority must:

- (a) calculate each indexed value for the Market Price Limit in accordance with the process and schedule determined under clause 2.26.2M(c)(iii); and
- (b) for each indexed value calculated under clause 2.26.2U(a):
 - i. publish on its website the indexed value and the Trading Day from which the indexed value will take effect; and
 - ii. notify AEMO of the publication of the indexed value,

at least five Business Days before the Trading Day from which the indexed value will take effect.

13.26 Insert the following new clause 2.26.2V:

2.26.2V. A revised value for a Market Price Limit replaces the previous value after the Economic Regulation Authority has published its final report in accordance with clause 2.26.2M, with effect from the Trading Day specified in the final report or, in the case of an indexed value, the Trading Day published by the Economic Regulation Authority on its website in accordance with clause 2.26.2U.

13.27 Insert the following new clause 2.26.2W:

2.26.2W. AEMO must publish on the WEM Website each revised value of a Market Price Limit and the Trading Day from which the revised value will take effect within five Business Days after the Economic Regulation Authority publishes the relevant information under clauses 2.26.2M(c) or 2.26.2U(b).

13.28 Clause 2.26.3 is deleted and replaced with the following:

2.26.3. At least once in every five years, the Economic Regulation Authority must review the methodology for setting the Benchmark Reserve Capacity Price. A review must examine:

- (a) the appropriateness of the parameters and methodology in section 4.16 and the WEM Procedure referred to in clause 4.16.3 for recalculating the Benchmark Reserve Capacity Price; and
- (b) any other matters which the Economic Regulation Authority considers relevant.

14. Section 3.15A amended

14.1 Clause 3.15A.2 is deleted and replaced with the following:

3.15A.2. The Economic Regulation Authority may only trigger the SESSM when, pursuant to a review by the Coordinator under clauses 3.15.1A or 3.15.1B or the Economic Regulation Authority's monitoring pursuant to clause 2.16.9, it reasonably considers that Real-Time Market outcomes are not consistent with the efficient operation of the Real-Time Market in respect of Frequency Co-optimised Essential System Services or the Wholesale Market Objectives.

14.2 Clause 3.15A.5 is amended by deleting the words 'Real-Time market outcomes' and replacing them with the words 'Real-Time Market outcomes'.

14.3 Clause 3.15A.5(a)(v) is amended by deleting the word 'Authority]' and replacing it with the word 'Authority'.

14.4 Clause 3.15A.20(c)(i) is amended by deleting the words '(excluding Enablement Losses)'.

- 14.5 Clause 3.15A.22(a) is amended by inserting the word 'and' immediately after the semi-colon at the end of the clause.
- 14.6 Clause 3.15A.22(b) is deleted and replaced with the following:
- (b) [Blank]
- 14.7 Clause 3.15A.22(c) is deleted and replaced with the following:
- (c) [Blank]
- 14.8 Clause 3.15A.22(d) is amended by deleting the words '(excluding Enablement Losses)'.
- 14.9 Clause 3.15A.27(e)(iii) is amended by deleting the words 'Enablement Losses' and replacing them with the words 'FCESS Uplift Payments'.

15. Section 3.21 amended

- 15.1 Clause 3.21.2(a) is amended by deleting the words 'notify AEMO in accordance with the WEM Procedure referred to in clause 3.21.10 as soon as practicable of' and replacing them with the words 'as soon as practicable after the Market Participant or Network Operator becomes aware of the Forced Outage, notify AEMO in accordance with the WEM Procedure referred to in clause 3.21.10 of'.

16. Section 6.3B amended

- 16.1 Clause 6.3B.2(c) is deleted and replaced with the following:
- (c) If the price in any Price-Quantity Pair in the Portfolio Supply Curve or Portfolio Demand Curve is greater than the Energy Offer Price Ceiling which will apply (or which AEMO expects will apply) in the Trading Interval, the price in the Price-Quantity Pair must be replaced by the Energy Offer Price Ceiling which will apply (or which AEMO expects will apply) in the Trading Interval.
- 16.2 Clause 6.3B.2(d) is deleted and replaced with the following:
- (d) If the price in any Price-Quantity Pair in the Portfolio Supply Curve or Portfolio Demand Curve is less than the Energy Offer Price Floor which will apply (or which AEMO expects will apply) in the Trading Interval, the price in the Price-Quantity Pair must be replaced by the Energy Offer Price Floor which will apply (or which AEMO expects will apply) in the Trading Interval.

- 16.3 Clause 6.3B.2(e) is deleted and replaced with the following:

(e) [Blank]

17. Section 6.6 amended

- 17.1 Clause 6.6.2A is amended by inserting a full stop immediately after the clause number so that it reads '6.6.2A.'.
- 17.2 Clause 6.6.2A(d) is deleted and replaced with the following:

- (d) a Portfolio Supply Curve:
 - i. one or more Price-Quantity Pairs may be specified; and
 - ii. the cumulative MWh quantity over all Price-Quantity Pairs must not exceed the Maximum Supply Capability determined under clause 6.3A.3(e); and
- 17.3 Clause 6.6.3 is deleted and replaced with the following:
 - 6.6.3. [Blank]
- 17.4 Clause 6.6.5(b)(iii) is deleted and replaced with the following:
 - iii. greater than or equal to the Energy Offer Price Floor;
- 17.5 Clause 6.6.5(b)(iv) is deleted and replaced with the following:
 - iv. less than or equal to the Energy Offer Price Ceiling; and
- 17.6 Clause 6.6.8(a)(ii) is deleted and replaced with the following:
 - ii. less than or equal to the Energy Offer Price Ceiling;
- 17.7 Clause 6.6.8(a)(iii) is deleted and replaced with the following:
 - iii. greater than or equal to the Energy Offer Price Floor; and
- 17.8 Delete clause 6.6.9.
- 17.9 Delete clause 6.6.10.
- 17.10 Delete clause 6.6.11.
- 17.11 Delete clause 6.6.12.
- 18. Section 6.9 amended**
- 18.1 Clause 6.9.5(a) is deleted and replaced with the following:
 - (a) describes the quantity that Market Participants in aggregate wish to purchase from AEMO through the STEM at every price between, and including, the Energy Offer Price Floor and the Energy Offer Price Ceiling; and
- 18.2 Clause 6.9.5(b) is deleted and replaced with the following:
 - (b) passes through the point indicating zero consumption at the Energy Offer Price Ceiling.
- 18.3 Clause 6.9.6(a) is deleted and replaced with the following:
 - (a) describes the quantity that Market Participants in aggregate wish to sell to AEMO through the STEM at every price between, and including, the Energy Offer Price Floor and the Energy Offer Price Ceiling; and
- 18.4 Clause 6.9.6(b) is deleted and replaced with the following:
 - (b) passes through the point indicating zero supply at the Energy Offer Price Floor.

19. Section 6.20 amended

19.1 Section 6.20 is deleted and replaced with the following:

6.20. [Blank]

20. Section 7.4 amended

20.1 Clause 7.4.5(a)(ii) is amended by deleting the words 'before accounting for Enablement Losses'.

20.2 Clause 7.4.26(b) is deleted and replaced with the following:

- (b) create and maintain adequate detailed records (that are capable of independent verification) of the reasons for submitting the subsequent Real-Time Market Submission, including details of any changed circumstances, the time at which the Market Participant became aware of those changed circumstances and the impact of those circumstances that gave rise to the subsequent Real-Time Market Submission.

20.3 Clause 7.4.27(b) is deleted and replaced with the following:

- (b) create and maintain adequate detailed records (that are capable of independent verification) of the reasons for the differences between the relevant values specified in the Real-Time Market Submission and the corresponding values specified in the Standing Data.

20.4 Insert the following new clause 7.4.51A:

7.4.51A. Where a price in a Real-Time Market Submission for a Frequency Co-optimised Essential System Service:

- (a) is greater than the relevant FCESS Offer Price Ceiling, AEMO must use the relevant FCESS Offer Price Ceiling in the Dispatch Algorithm; and
- (b) is less than zero, AEMO must use a price of zero in the Dispatch Algorithm.

20.5 Clause 7.4.60 is deleted and replaced with the following:

7.4.60. When AEMO uses a Standing Real-Time Market Submission in the Dispatch Algorithm, AEMO must:

- (a) subject to clause 7.4.60(b), convert the prices in a Standing Real-Time Market Submission for energy into Loss Factor Adjusted Prices, and use those Loss Factor Adjusted Prices in the Dispatch Algorithm;
- (b) where a Loss Factor Adjusted Price determined under clause 7.4.60(a) is outside the relevant Energy Offer Cap, use the relevant Energy Offer Cap in the Dispatch Algorithm;

- (c) where a price in a Standing Real-Time Market Submission for a Frequency Co-optimised Essential System Service is greater than the relevant FCESS Offer Price Ceiling, use the relevant FCESS Offer Price Ceiling in the Dispatch Algorithm; and
- (d) where a price in a Standing Real-Time Market Submission for a Frequency Co-optimised Essential System Service is less than zero, use a price of zero in the Dispatch Algorithm.

21. Section 7.11B amended

21.1 Clause 7.11B.3 is amended by deleting the words 'then AEMO must set the Market Clearing Price for energy for the Dispatch Interval to equal the Alternative Maximum STEM Price' and replacing them with the words 'then AEMO must set the Energy Market Clearing Price for the Dispatch Interval to equal the Energy Offer Price Ceiling'.

21.2 Insert the following new clause 7.11B.3A:

7.11B.3A. If, for any Dispatch Interval, the Energy Market Clearing Price determined using the Dispatch Algorithm is:

- (a) greater than the Energy Offer Price Ceiling, then AEMO must set the Energy Market Clearing Price in that Dispatch Interval to equal the Energy Offer Price Ceiling; and
- (b) less than the Energy Offer Price Floor, then AEMO must set the Energy Market Clearing Price in that Dispatch Interval to equal the Energy Offer Price Floor.

21.3 Insert the following new clause 7.11B.3B:

7.11B.3B. If, for any Dispatch Interval, the Market Clearing Price for a Frequency Co-optimised Essential System Service determined using the Dispatch Algorithm is:

- (a) greater than the applicable FCESS Clearing Price Ceiling, then AEMO must set the Market Clearing Price for the Frequency Co-optimised Essential System Service in that Dispatch Interval to equal the applicable FCESS Clearing Price Ceiling; and
- (b) less than zero, then AEMO must set the Market Clearing Price for the Frequency Co-optimised Essential System Service in that Dispatch Interval to equal zero.

22. Section 7.11E amended

22.1 Clause 7.11E.1(a) is deleted and replaced with the following:

- (a) the Final Energy Market Clearing Price is to equal the Energy Offer Price Ceiling;

23. Section 7.13 amended

23.1 Clause 7.13.1D(c) is deleted and replaced with the following:

- (c) the Estimated FCESS Uplift Payment for each of its Scheduled Facilities and Semi-Scheduled Facilities.

24. Section 9.10 amended

24.1 The formula in clause 9.10.3 for calculating 'ESS_Payable(p,d)' is deleted and replaced with the following:

$$\begin{aligned} \text{ESS_Payable}(p,d) = & \\ & \text{CR_Payable}(p,d) + \text{CL_Payable}(p,d) + \\ & \text{RCS_Payable}(p,d) + \text{Regulation_Payable}(p,d) + \\ & \text{SRS_Payable}(p,d) + \text{NCESS_Payable}(p,d) + \\ & \text{FCESSUplift_Payable}(p,d) \end{aligned}$$

24.2 Clause 9.10.3(d) is amended by deleting the word 'and' immediately after the semi-colon at the end of the clause.

24.3 Clause 9.10.3(e) is amended by deleting the word 'and' immediately after the semi-colon at the end of the clause.

24.4 Clause 9.10.3(f) is amended by deleting the full stop at the end of the clause and replacing it with '; and'.

24.5 Insert the following new clause 9.10.3(g):

- (g) FCESSUplift_Payable(p,d) is the FCESS uplift amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.3A.

24.6 Insert the following new clause 9.10.3A:

9.10.3A. The FCESS uplift amount payable to Market Participant p for Trading Day d is:

$$\text{FCESSUplift_Payable}(p,d) = \sum_{f \in p} \sum_{t \in d} \text{FCESSUpliftPayment}(f,t)$$

where:

- (a) FCESSUpliftPayment(f,t) is the FCESS Uplift Payment for Registered Facility f in Trading Interval t as calculated in accordance with clause 9.10.3B;
- (b) $f \in p$ denotes all Registered Facilities f registered to Market Participant p; and
- (c) $t \in d$ denotes all Trading Intervals t in Trading Day d.

24.7 Insert the following new clause 9.10.3B:

9.10.3B. The FCESS Uplift Payment for Registered Facility f in Trading Interval t is:

$$\text{FCESUpliftPayment}(f,t) = \sum_{\text{DI} \in t} \text{FCESUpliftPayment}(f,\text{DI})$$

where:

- (a) $\text{FCESUpliftPayment}(f,\text{DI})$ is the FCES Uplift Payment for Registered Facility f in Dispatch Interval DI as calculated under clause 9.10.3H; and
- (b) $\text{DI} \in t$ denotes all Dispatch Intervals DI in Trading Interval t .

24.8 Insert the following new clause 9.10.3C:

9.10.3C. The Enablement Losses in respect of Contingency Reserve Raise for Registered Facility f in Dispatch Interval DI are:

- (a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\begin{aligned} \text{EnablementLosses_CR}(f,\text{DI}) = & \text{Max}(0, \text{EL_CR_Factor}(f,\text{DI}) \times \frac{5}{60} \times \text{LF}(f,\text{DI}) \\ & \times \text{Max}(0, \text{EM_CR}(f,\text{DI})) \times (\text{LFAOP}(f,\text{DI}) - \text{Energy_MCP}(\text{DI}))) \end{aligned}$$

where:

- i. $\text{EL_CR_Factor}(f,\text{DI})$ is:

- 1. 1 if:

- i. $\text{CR_EnablementQuantity}(f,\text{DI})$, determined in accordance with clause 9.10.6(c) for Registered Facility f in Dispatch Interval DI , is greater than zero; and
- ii. $\text{IsMisPriced}(f,\text{DI})$, determined in accordance with clause 9.9.9 for Registered Facility f in Dispatch Interval DI , is equal to zero; and

- 2. zero otherwise;

- ii. $5/60$ represents the period of a Dispatch Interval in hours;
- iii. $\text{LF}(f,\text{DI})$ is the Loss Factor applicable to the network connection point associated with Registered Facility f in Dispatch Interval DI ;
- iv. $\text{EM_CR}(f,\text{DI})$ is the Enablement Minimum for Contingency Reserve Raise for Registered Facility f in Dispatch Interval DI as specified in the relevant Real-Time Market Submission in accordance with clause 7.4.41(d) and updated by AEMO, if applicable, under clause 7.4.52;
- v. $\text{LFAOP}(f,\text{DI})$ is the Loss Factor Adjusted Price in the Price-Quantity Pair which corresponds to $\text{EM_CR}(f,\text{DI})$ in the Real-Time

Market Submission for energy for Registered Facility f and Dispatch Interval DI; and

vi. Energy_MCP(DI) is the Final Energy Market Clearing Price for Dispatch Interval DI; and

(b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:

$$\text{EnablementLosses_CR}(f,DI) = 0$$

24.9 Insert the following new clause 9.10.3D:

9.10.3D. The Enablement Losses in respect of Contingency Reserve Lower for Registered Facility f in Dispatch Interval DI are:

(a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\begin{aligned} \text{EnablementLosses_CL}(f,DI) = & \text{Max}(0, \text{EL_CL_Factor}(f,DI) \times \frac{5}{60} \times \text{LF}(f,DI) \\ & \times \text{Max}(0, \text{EM_CL}(f,DI)) \times (\text{LFAOP}(f,DI) - \text{Energy_MCP}(DI))) \end{aligned}$$

where:

i. EL_CL_Factor(f,DI) is:

1. 1 if:

i. CL_EnablementQuantity(f,DI), determined in accordance with clause 9.10.10(c) for Registered Facility f in Dispatch Interval DI, is greater than zero; and

ii. IsMisPriced(f,DI), determined in accordance with clause 9.9.9 for Registered Facility f in Dispatch Interval DI, is equal to zero; and

2. zero otherwise;

ii. 5/60 represents the period of a Dispatch Interval in hours;

iii. LF(f,DI) is the Loss Factor applicable to the network connection point associated with Registered Facility f in Dispatch Interval DI;

iv. EM_CL(f,DI) is the Enablement Minimum for Contingency Reserve Lower for Registered Facility f in Dispatch Interval DI as specified in the relevant Real-Time Market Submission in accordance with clause 7.4.41(d) and updated by AEMO, if applicable, under clause 7.4.52;

- v. LFAOP(f,DI) is the Loss Factor Adjusted Price in the Price-Quantity Pair which corresponds to EM_CL(f,DI) in the Real-Time Market Submission for energy for Registered Facility f and Dispatch Interval DI; and
 - vi. Energy_MCP(DI) is the Final Energy Market Clearing Price for Dispatch Interval DI; and
- (b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:
- $$\text{EnablementLosses_CL}(f,DI) = 0$$

24.10 Insert the following new clause 9.10.3E:

9.10.3E. The Enablement Losses in respect of RoCoF Control Service for Registered Facility f in Dispatch Interval DI are:

- (a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\text{EnablementLosses_RCS}(f,DI) = \text{Max}(0, \text{EL_RCS_Factor}(f,DI) \times \frac{5}{60} \times \text{LF}(f,DI) \times \text{Max}(0, \text{EM_RCS}(f,DI)) \times (\text{LFAOP}(f,DI) - \text{Energy_MCP}(DI)))$$

where:

- i. EL_RCS_Factor(f,DI) is:
 - 1. 1 if:
 - i. RCS_EnablementQuantity(f,DI), determined in accordance with clause 9.10.14(c) for Registered Facility f in Dispatch Interval DI, is greater than zero; and
 - ii. IsMisPriced(f,DI), determined in accordance with clause 9.9.9 for Registered Facility f in Dispatch Interval DI, is equal to zero; and
 - 2. zero otherwise;
- ii. 5/60 represents the period of a Dispatch Interval in hours;
- iii. LF(f,DI) is the Loss Factor applicable to the network connection point associated with Registered Facility f in Dispatch Interval DI;
- iv. EM_RCS(f,DI) is the Enablement Minimum for RoCoF Control Service for Registered Facility f in Dispatch Interval DI as specified in the relevant Real-Time Market Submission in accordance with clause 7.4.42(b) and updated by AEMO, if applicable, under clause 7.4.52;

- v. LFAOP(f,DI) is the Loss Factor Adjusted Price in the Price-Quantity Pair which corresponds to EM_RCS(f,DI) in the Real-Time Market Submission for energy for Registered Facility f and Dispatch Interval DI; and
 - vi. Energy_MCP(DI) is the Final Energy Market Clearing Price for Dispatch Interval DI; and
- (b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:
- $$\text{EnablementLosses_RCS}(f,DI) = 0$$

24.11 Insert the following new clause 9.10.3F:

9.10.3F. The Enablement Losses in respect of Regulation Raise for Registered Facility f in Dispatch Interval DI are:

- (a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\text{EnablementLosses_RR}(f,DI) = \text{Max}(0, \text{EL_RR_Factor}(f,DI) \times \frac{5}{60} \times \text{LF}(f,DI) \times \text{Max}(0, \text{EM_RR}(f,DI)) \times (\text{LFAOP}(f,DI) - \text{Energy_MCP}(DI)))$$

where:

- i. EL_RR_Factor(f,DI) is:
 - 1. 1 if:
 - i. RR_EnablementQuantity(f,DI), determined in accordance with clause 9.10.22(c) for Registered Facility f in Dispatch Interval DI, is greater than zero; and
 - ii. IsMisPriced(f,DI), determined in accordance with clause 9.9.9 for Registered Facility f in Dispatch Interval DI, is equal to zero; and
 - 2. zero otherwise;
- ii. 5/60 represents the period of a Dispatch Interval in hours;
- iii. LF(f,DI) is the Loss Factor applicable to the network connection point associated with Registered Facility f in Dispatch Interval DI;
- iv. EM_RR(f,DI) is the Enablement Minimum for Regulation Raise for Registered Facility f in Dispatch Interval DI as specified in the relevant Real-Time Market Submission in accordance with clause 7.4.41(d) and updated by AEMO, if applicable, under clause 7.4.52;

- v. LFAOP(f,DI) is the Loss Factor Adjusted Price in the Price-Quantity Pair which corresponds to EM_RR(f,DI) in the Real-Time Market Submission for energy for Registered Facility f and Dispatch Interval DI; and
 - vi. Energy_MCP(DI) is the Final Energy Market Clearing Price for Dispatch Interval DI; and
- (b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:
- $$\text{EnablementLosses_RR}(f,DI) = 0$$

24.12 Insert the following new clause 9.10.3G:

9.10.3G. The Enablement Losses in respect of Regulation Lower for Scheduled Facility or Semi-Scheduled Facility f in Dispatch Interval DI are:

- (a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\text{EnablementLosses_RL}(f,DI) = \text{Max}(0, \text{EL_RL_Factor}(f,DI) \times \frac{5}{60} \times \text{LF}(f,DI) \times \text{Max}(0, \text{EM_RL}(f,DI)) \times (\text{LFAOP}(f,DI) - \text{Energy_MCP}(DI)))$$

where:

- i. EL_RL_Factor(f,DI) is:
 - 1. 1 if:
 - i. RL_EnablementQuantity(f,DI), determined in accordance with clause 9.10.23(c) for Registered Facility f in Dispatch Interval DI, is greater than zero; and
 - ii. IsMisPriced(f,DI), determined in accordance with clause 9.9.9 for Registered Facility f in Dispatch Interval DI, is equal to zero; and
 - 2. zero otherwise;
- ii. 5/60 represents the period of a Dispatch Interval in hours;
- iii. LF(f,DI) is the Loss Factor applicable to the network connection point associated with Registered Facility f in Dispatch Interval DI;
- iv. EM_RL(f,DI) is the Enablement Minimum for Regulation Lower for Registered Facility f in Dispatch Interval DI as specified in the relevant Real-Time Market Submission in accordance with clause 7.4.41(d) and updated by AEMO, if applicable, under clause 7.4.52;

- v. LFAOP(f,DI) is the Loss Factor Adjusted Price in the Price-Quantity Pair which corresponds to EM_RL(f,DI) in the Real-Time Market Submission for energy for Registered Facility f and Dispatch Interval DI; and
 - vi. Energy_MCP(DI) is the Final Energy Market Clearing Price for Dispatch Interval DI; and
- (b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:
- $$\text{EnablementLosses_RL}(f,DI) = 0$$

24.13 Insert the following new clause 9.10.3H:

9.10.3H. The FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI is:

$$\text{FCESSUpliftPayment}(f,DI) = \text{Max}(\text{EnablementLosses_CR}(f,DI), \\ \text{EnablementLosses_CL}(f,DI), \text{EnablementLosses_RCS}(f,DI), \\ \text{EnablementLosses_RR}(f,DI), \text{EnablementLosses_RL}(f,DI))$$

where:

- (a) EnablementLosses_CR(f,DI) is the Enablement Losses in respect of Contingency Reserve Raise for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.3C;
- (b) EnablementLosses_CL(f,DI) is the Enablement Losses in respect of Contingency Reserve Lower for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.3D;
- (c) EnablementLosses_RCS(f,DI) is the Enablement Losses in respect of RoCoF Control Service for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.3E;
- (d) EnablementLosses_RR(f,DI) is the Enablement Losses in respect of Regulation Raise for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.3F; and
- (e) EnablementLosses_RL(f,DI) is the Enablement Losses in respect of Regulation Lower for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.3G.

24.14 Insert the following new clause 9.10.3I:

9.10.3I. The number of Frequency Co-optimised Essential System Services to be allocated a share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI is:

- (a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSCount}(f,DI)$$

$$= \text{EL_CR_Factor}(f,DI) + \text{EL_CL_Factor}(f,DI) \\ + \text{EL_RCS_Factor}(f,DI) + \text{EL_RR_Factor}(f,DI) \\ + \text{EL_RL_Factor}(f,DI)$$

where:

- i. $\text{EL_CR_Factor}(f,DI)$ is the quantity determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3C(a)(i);
 - ii. $\text{EL_CL_Factor}(f,DI)$ is the quantity determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3D(a)(i);
 - iii. $\text{EL_RCS_Factor}(f,DI)$ is the quantity determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3E(a)(i);
 - iv. $\text{EL_RR_Factor}(f,DI)$ is the quantity determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3F(a)(i); and
 - v. $\text{EL_RL_Factor}(f,DI)$ is the quantity determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3G(a)(i); and
- (b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSCount}(f,DI) = 0$$

24.15 Insert the following new clause 9.10.3J:

9.10.3J. The share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to each applicable Frequency Co-optimised Essential System Service is:

- (a) if $\text{FCESSCount}(f,DI)$ is greater than zero:

$$\text{FCESSUplift_Share}(f,DI) = \frac{\text{FCESSUpliftPayment}(f,DI)}{\text{FCESSCount}(f,DI)}$$

where:

- i. $\text{FCESSUpliftPayment}(f,DI)$ is the FCESS Uplift Payment determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3H; and
 - ii. $\text{FCESSCount}(f,DI)$ is the number of Frequency Co-optimised Essential System Services determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3I; and
- (b) otherwise:

$$\text{FCESSUplift_Share}(f,DI) = 0$$

24.16 Insert the following new clause 9.10.3K:

9.10.3K. The share of the FCESS Uplift Payment for Registered Facility *f* in Dispatch Interval *DI* to be allocated to Contingency Reserve Raise is:

(a) if Registered Facility *f* is a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_CR}(f,DI) = \text{FCESSUplift_Share}(f,DI) \times \text{EL_CR_Factor}(f,DI)$$

where:

i. $\text{FCESSUplift_Share}(f,DI)$ is the share of the FCESS Uplift Payment for Registered Facility *f* in Dispatch Interval *DI* to be allocated to each applicable Frequency Co-optimised Essential System Service, determined under clause 9.10.3J; and

ii. $\text{EL_CR_Factor}(f,DI)$ is the quantity determined for Registered Facility *f* in Dispatch Interval *DI* under clause 9.10.3C(a)(i); and

(b) if Registered Facility *f* is not a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_CR}(f,DI) = 0$$

24.17 Insert the following new clause 9.10.3L:

9.10.3L. The share of the FCESS Uplift Payment for Registered Facility *f* in Dispatch Interval *DI* to be allocated to Contingency Reserve Lower is:

(a) if Registered Facility *f* is a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_CL}(f,DI) = \text{FCESSUplift_Share}(f,DI) \times \text{EL_CL_Factor}(f,DI)$$

where:

i. $\text{FCESSUplift_Share}(f,DI)$ is the share of the FCESS Uplift Payment for Registered Facility *f* in Dispatch Interval *DI* to be allocated to each applicable Frequency Co-optimised Essential System Service, determined under clause 9.10.3J; and

ii. $\text{EL_CL_Factor}(f,DI)$ is the quantity determined for Registered Facility *f* in Dispatch Interval *DI* under clause 9.10.3D(a)(i); and

(b) if Registered Facility *f* is not a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_CL}(f,DI) = 0$$

24.18 Insert the following new clause 9.10.3M:

9.10.3M. The share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to the RoCoF Control Service is:

(a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\begin{aligned} \text{FCESSUplift_RCS}(f,DI) \\ = \text{FCESSUplift_Share}(f,DI) \times \text{EL_RCS_Factor}(f,DI) \end{aligned}$$

where:

- i. FCESSUplift_Share(f,DI) is the share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to each applicable Frequency Co-optimised Essential System Service, determined under clause 9.10.3J; and
- ii. EL_RCS_Factor(f,DI) is the quantity determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3E(a)(i); and

(b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_RCS}(f,DI) = 0$$

24.19 Insert the following new clause 9.10.3N:

9.10.3N. The share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to Regulation Raise is:

(a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_RR}(f,DI) = \text{FCESSUplift_Share}(f,DI) \times \text{EL_RR_Factor}(f,DI)$$

where:

- i. FCESSUplift_Share(f,DI) is the share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to each applicable Frequency Co-optimised Essential System Service, determined under clause 9.10.3J; and
- ii. EL_RR_Factor(f,DI) is the quantity determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3F(a)(i); and

(b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_RR}(f,DI) = 0$$

24.20 Insert the following new clause 9.10.3O:

9.10.3O. The share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to Regulation Lower is:

(a) if Registered Facility f is a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_RL}(f,DI) = \text{FCESSUplift_Share}(f,DI) \times \text{EL_RL_Factor}(f,DI)$$

where:

- i. $\text{FCESSUplift_Share}(f,DI)$ is the share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to each applicable Frequency Co-optimised Essential System Service, determined under clause 9.10.3J; and
 - ii. $\text{EL_RL_Factor}(f,DI)$ is the quantity determined for Registered Facility f in Dispatch Interval DI under clause 9.10.3G(a)(i); and
- (b) if Registered Facility f is not a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FCESSUplift_RL}(f,DI) = 0$$

24.21 Insert the following new clause 9.10.3P:

9.10.3P. AEMO must, as soon as practicable after each Settlement Statement Date, publish on the WEM Website the FCESS Uplift Payment for each Scheduled Facility or Semi-Scheduled Facility for each Dispatch Interval in the relevant Trading Week, and the share of each FCESS Uplift Payment allocated to each Frequency Co-optimised Essential System Service.

24.22 Clause 9.10.7 is deleted and replaced with the following:

9.10.7. The Contingency Reserve Raise amount payable in Dispatch Interval DI is:

$$\text{CR_Payable}(DI) = \sum_{f \in \text{Facilities}} \text{CR_Payable}(f,DI) + \sum_{f \in \text{Facilities}} \text{FCESSUplift_CR}(f,DI)$$

where:

- (a) $\text{CR_Payable}(f,DI)$ is the Contingency Reserve Raise amount payable for Registered Facility f in Dispatch Interval DI calculated in accordance with clause 9.10.6;
- (b) $\text{FCESSUplift_CR}(f,DI)$ is the share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to Contingency Reserve Raise, determined under clause 9.10.3K; and
- (c) $f \in \text{Facilities}$ denotes all Registered Facilities f .

24.23 Clause 9.10.11 is deleted and replaced with the following:

9.10.11. The total cost of procuring Contingency Reserve Lower in Trading Interval t is:

$$\text{CL_Payable}(t) = \sum_{f \in \text{Facilities}} \text{CL_Payable}(f,t) + \sum_{f \in \text{Facilities}} \sum_{DI \in t} \text{FCESSUplift_CL}(f,DI)$$

where:

- (a) CL_Payable(f,t) is the Contingency Reserve Lower amount payable for Registered Facility f in Trading Interval t as calculated in accordance with clause 9.10.9;
- (b) FCESSUplift_CL(f,DI) is the share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to Contingency Reserve Lower, determined under clause 9.10.3L;
- (c) f∈Facilities denotes all Registered Facilities f; and
- (d) DI∈t denotes all Dispatch Intervals DI in Trading Interval t.

24.24 Clause 9.10.15 is deleted and replaced with the following:

9.10.15. The cost of procuring RoCoF Control Service in Dispatch Interval DI is:

$$\begin{aligned} \text{RCS_Payable}(DI) &= \sum_{f \in \text{Facilities}} \text{RCS_Payable}(f,DI) \\ &+ \sum_{f \in \text{Facilities}} \text{FCESSUplift_RCS}(f,DI) \end{aligned}$$

where:

- (a) RCS_Payable(f,DI) is the RoCoF Control Service amount payable for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.14;
- (b) FCESSUplift_RCS(f,DI) is the share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to the RoCoF Control Service, determined under clause 9.10.3M; and
- (c) f∈Facilities denotes all Registered Facilities f.

24.25 Clause 9.10.24 is deleted and replaced with the following:

9.10.24. The total cost of procuring Regulation in Trading Interval t is:

$$\begin{aligned} \text{Regulation_Payable}(t) &= \sum_{f \in \text{Facilities}} \text{Regulation_Payable}(f,t) \\ &+ \sum_{f \in \text{Facilities}} \sum_{DI \in t} \text{FCESSUplift_RR}(f,DI) \\ &+ \sum_{f \in \text{Facilities}} \sum_{DI \in t} \text{FCESSUplift_RL}(f,DI) \end{aligned}$$

where:

- (a) Regulation_Payable(f,t) is the Regulation amount payable for Registered Facility f in Trading Interval t as calculated in accordance with clause 9.10.21;

- (b) $FCESSUplift_RR(f,DI)$ is the share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to Regulation Raise, determined under clause 9.10.3N;
- (c) $FCESSUplift_RL(f,DI)$ is the share of the FCESS Uplift Payment for Registered Facility f in Dispatch Interval DI to be allocated to Regulation Lower, determined under clause 9.10.3O;
- (d) $f \in Facilities$ denotes all Registered Facilities f ; and
- (e) $DI \in t$ denotes all Dispatch Intervals DI in Trading Interval t .

25. Section 9.21 amended

- 25.1 Clause 9.21.1 is amended by deleting the words 'Civil Penalty' and replacing them with the words 'Civil Penalty Amount' in each place where they occur.

26. Chapter 11 (Glossary) amended

- 26.1 Insert each of the following new definitions in Chapter 11 (Glossary) in the appropriate alphabetical order:

Civil Penalty Amount: Means an amount imposed in respect of a breach of a provision of the WEM Rules or the WEM Regulations, that has been specified in Schedule 1 of the WEM Regulations as a civil penalty provision.

Constrained Portfolio: For a Constraint Equation, a set comprising all the Registered Facilities within a single Portfolio that are located behind the relevant Network Constraint.

Constrained Uplift Payment Ratio: Has the meaning given in clause 2.16C.2.

Contingency Reserve Lower Offer Price Ceiling: The price, in dollars per MW per hour, determined in accordance with clause 2.26.2B, and as may be indexed in accordance with clause 2.26.2U, that is the maximum price that may be associated with a Real-Time Market Submission or Standing Real-Time Market Submission for the provision of Contingency Reserve Lower.

Contingency Reserve Raise Offer Price Ceiling: The price, in dollars per MW per hour, determined in accordance with clause 2.26.2B, and as may be indexed in accordance with clause 2.26.2U, that is the maximum price that may be associated with a Real-Time Market Submission or Standing Real-Time Market Submission for the provision of Contingency Reserve Raise.

Enablement Losses: For a Registered Facility providing a Frequency Co-optimised Essential System Service in a Dispatch Interval, an estimate of the difference between the revenue received for providing energy and the Frequency Co-optimised Essential System Service in the Dispatch Interval and the cost of providing those services, determined in accordance with clauses 9.10.3C, 9.10.3D, 9.10.3E, 9.10.3F or 9.10.3G as applicable.

Energy Offer Price Ceiling: The price in \$/MWh determined in accordance with clause 2.26.2, and as may be indexed in accordance with clause 2.26.2U, that is the maximum price that may be associated with a Portfolio Supply Curve or Portfolio Demand Curve forming part of a STEM Submission or Standing STEM Submission, and with a Real-Time Market Submission or Standing Real-Time Market Submission for energy by a Registered Facility.

Energy Offer Price Floor: The price in \$/MWh determined in accordance with clauses 2.26.2D to 2.26.2K, and as may be indexed in accordance with clause 2.26.2U, that is the minimum price that may be associated with a Portfolio Supply Curve or Portfolio Demand Curve forming part of a STEM Submission or Standing STEM Submission, and with a Real-Time Market Submission or Standing Real-Time Market Submission for energy by a Registered Facility.

Estimated FCESS Uplift Payment: For a Scheduled Facility or Semi-Scheduled Facility in a Dispatch Interval is:

$$\begin{aligned} & \text{EstimatedFCESSUpliftPayment} \\ & = \text{Max}(0, \frac{5}{60} \times \text{LF} \times \text{Max}(0, \text{EM}) \times (\text{LFAOP} - \text{MCP})) \end{aligned}$$

where:

- (a) 5/60 represents the period of a Dispatch Interval in hours;
- (b) LF is the Loss Factor for the Registered Facility;
- (c) EM is the greatest Enablement Minimum in a Real-Time Market Submission for a Frequency Co-optimised Essential System Service for the Registered Facility in the Dispatch Interval for which the Registered Facility had an Essential System Service Enablement Quantity greater than zero;
- (d) LFAOP is the Loss Factor Adjusted Price in the Price-Quantity Pair which corresponds to EM in the Real-Time Market Submission for energy for the Registered Facility in the Dispatch Interval; and
- (e) MCP is the Energy Market Clearing Price in the Dispatch Interval based on the Market Schedules published by AEMO.

Financial Penalty: Means a Civil Penalty Amount.

FCESS Clearing Price Ceiling: The maximum Market Clearing Price for a Frequency Co-optimised Essential System Service in a Dispatch Interval, which is equal to:

$$\text{EOPC} - \text{EOPF} + \text{FCESSOPC}$$

where:

- (a) EOPC is the Energy Offer Price Ceiling in the Dispatch Interval;
- (b) EOPF is the Energy Offer Price Floor in the Dispatch Interval; and

- (c) FCESSOPC is the relevant FCESS Offer Price Ceiling in the Dispatch Interval.

FCESS Offer Price Ceilings: The set of price limits comprising the Contingency Reserve Raise Offer Price Ceiling, the Contingency Reserve Lower Offer Price Ceiling, the RoCoF Control Service Offer Price Ceiling, the Regulation Raise Offer Price Ceiling and the Regulation Lower Offer Price Ceiling.

FCESS Uplift Payment: A payment made to a Market Participant as compensation for Enablement Losses incurred by a Registered Facility providing one or more Frequency Co-optimised Essential System Services, determined in accordance with:

- (a) clause 9.10.3B, for a Trading Interval; and
- (b) clause 9.10.3H, for a Dispatch Interval.

Fixed Assessment Period: A period of at least seven consecutive Trading Days in which the Constraint Equation relevant to the identification of a Constrained Portfolio under clause 2.16B.2(b) has continuously bound within a Rolling Test Window. A Rolling Test Window may contain multiple Fixed Assessment Periods.

Irregular Price Offer: A price described in clauses 2.16C.6(c) or 2.16C.6(d).

Market Price Limits: The set of price limits comprising the Energy Offer Price Ceiling, the Energy Offer Price Floor, the Contingency Reserve Raise Offer Price Ceiling, the Contingency Reserve Lower Offer Price Ceiling, the RoCoF Control Service Offer Price Ceiling, the Regulation Raise Offer Price Ceiling and the Regulation Lower Offer Price Ceiling.

Material Constrained Portfolio: Has the meaning given in clause 2.16C.2(b).

Material Portfolio: Has the meaning given in clause 2.16C.1(b).

Offer Construction Guideline: The guideline published by the Economic Regulation Authority under clause 2.16D.1(a), which may be amended in accordance with clause 2.16D.2.

Portfolio: A set comprising one or more Scheduled Facilities, Semi-Scheduled Facilities and Non-Scheduled Facilities identified by the Economic Regulation Authority in accordance with clause 2.16B.1(a).

Regulation Lower Offer Price Ceiling: The price, in dollars per MW per hour, determined in accordance with clause 2.26.2B, and as may be indexed in accordance with clause 2.26.2U, that is the maximum price that may be associated with a Real-Time Market Submission or Standing Real-Time Market Submission for the provision of Regulation Lower.

Regulation Raise Offer Price Ceiling: The price, in dollars per MW per hour, determined in accordance with clause 2.26.2B, and as may be indexed in accordance with clause 2.26.2U, that is the maximum price that may be associated with a Real-Time Market Submission or Standing Real-Time Market Submission for the provision of Regulation Raise.

RoCoF Control Service Offer Price Ceiling: The price, in dollars per MWs per hour, determined in accordance with clause 2.26.2B, and as may be indexed in accordance with clause 2.26.2U, that is the maximum price that may be associated with a Real-Time Market Submission or Standing Real-Time Market Submission for the provision of RoCoF Control Service.

Rolling Test Window: A rolling consecutive three-month period of Trading Days, with a successive three-month period beginning on the first Trading Day after the last Trading Day falling within the immediately prior three-month period.

Trading Conduct Guideline: The guideline published by the Economic Regulation Authority under clause 2.16D.1(b), which may be amended in accordance with 2.16D.2.

26.2 The definition for '**Reviewable Decision**' is deleted and replaced with the following:

Reviewable Decision: Decisions made by the Coordinator, AEMO, the Economic Regulation Authority or a Network Operator, that are listed in Schedule 2 of the WEM Regulations, in respect of which an eligible person may apply to the Electricity Review Board for a review of a decision in accordance with the WEM Regulations.

26.3 Each of the definitions listed in the following table in Chapter 11 (Glossary) is deleted:

Table
Alternative Maximum STEM Price
Energy Price Limits
Maximum STEM Price
Minimum STEM Price
Price Cap

27. Appendix 6 amended

27.1 Appendix 6 is amended by:

- (a) deleting the words 'Minimum STEM Price' and replacing them with the words 'Energy Offer Price Floor' in each place where they occur; and
- (b) deleting the words 'Alternative Maximum STEM Price' and replacing them with the words 'Energy Offer Price Ceiling' in each place where they occur.