

# Prioritisation of Rule Change Proposals

# Background

- AEMO is required under the WEM Rules to:
  - prepare and facilitate the implementation of the Wholesale Electricity Market and Constrained Network Access (clause 1.20.1); and
  - provide support to the Rule Change Panel (clause 2.1A.2(IA)iii).
- AEMO has finite resources to meet these obligations.
- AEMO is therefore seeking further discussion with MAC members on their priorities for individual rule changes to assist AEMO with its resource allocation decisions.

# Background

- Current prioritisation framework is to manage RCP's resource allocation.
- Almost all rule changes involve AEMO's processes, operations or systems and require expertise from across the business.
- AEMO's resource constraints calls for further prioritisation such that we continue to support RCP.
- There are currently 9 rule changes under-development (see [ERA website](#)).
- Some are more active than others, but all require AEMO's support.

# Competing activities

## BAU

- Market and Power System operations, regulatory activities, connection of new generators, GIA solutions, management of energy transition challenges, etc

## Reforms

- ETS and Pilbara reforms

## Active Rule Changes

- Several active rule changes currently underway - all active rule changes require AEMO support
- Support requires operational expertise (i.e. SMEs) as well as Technology expertise (i.e. systems).
- Same expertise is also required for ETS reforms

## Procedure changes

- AEMO must progress procedure changes that are required to maintain consistency with Amending Rules (clause 2.9.3(b))
- Procedure changes may also be progressed where clarity is required for existing processes, in connection with power system operations, compliance etc

## Project activities

- Several projects required to deliver its system operation and market operation functions in a changing industry

## COVID-19

- Less optimum working arrangements when compared to normal circumstances

# Suggested prioritisation approach

## 1. Apply the following criteria

**C1:** Is the rule change required to address an urgent manifest error?

**C2:** Is the rule change required to resolve an urgent Power System Security risk or urgent market risk?

**C3:** Does the rule change development, assessment, implementation require a low level of effort from Rule Participants?

**C4:** Does the rule change, wholly or partly, have a life beyond ETS reforms?

**C5:** Does the rule change provide more benefits, than costs/efforts, considering the initial assessment?

## 2. Categorise each active rule change

- Progress as planned
- Progress as part of ETS reforms
- Defer

# Questions

- Do any MAC members object to the suggested prioritisation approach?
- Are there other criteria that MAC members consider should be assessed?
- Do MAC members agree with AEMO's assessment of rule change priorities for AEMO's allocation of resources (Appendix 2 of MAC paper – page 68)?