

Meeting Agenda

Meeting Title: Market Advisory Committee

Date: Tuesday 8 September 2020

Time: 9:30 AM – 11:15 AM

Location: Online meeting

Persons who would like to attend the online MAC meeting are asked to register with RCP Support (Support@rcpwa.com.au) by close of business on Friday 4 September 2020.

RCP Support will then send an invite to all of the registered attendees on Monday 7 September 2020 with a link to allow attendees to log into the meeting.

Item	Item	Responsibility	Duration
1	Welcome	Chair	5 min
2	Meeting Apologies/Attendance	Chair	5 min
3	Minutes of Meeting 2020_07_28	Chair	5 min
4	Actions Items	Chair	10 min
5	MAC Market Rules Issues List	Chair	5 min
6	Update on the Energy Transformation Strategy (no paper)	ETIU	15 min
7	Update on Working Groups		
	AEMO Procedure Change Working Group Update	AEMO	5 min
	ERA BRCP Working Group Update (no paper)	ERA	20 min
8	Rule Changes		
	(a) Overview of Rule Change Proposals	Chair	5 min

Item	Item	Responsibility	Duration
9	RCP Support and Rule Change Panel KPIs for 2019/20	Chair	20 min
10	MAC Meeting Schedule for 2019/20	Chair	5 min
11	General Business	Chair	5 min

Next Meeting: 20 October 2020

Please note, this meeting will be recorded.

Minutes

Meeting Title:	Market Advisory Committee (MAC)
Date:	28 July 2020
Time:	9:30 AM – 10:35 AM
Location:	Online via Microsoft Teams

Attendees¹	Class	Comment
Stephen Eliot	Chair	
Matthew Martin	Small-Use Consumer Representative	
Martin Maticka	Australian Energy Market Operator (AEMO)	
Dean Sharafi	System Management	
Sara O'Connor	Economic Regulation Authority (ERA) Observer	
Kate Ryan	Minister's Appointee – Observer	
Andrew Everett	Synergy	
Kei Sukmadjaja	Network Operator	Proxy for Zahra Jabiri
Jacinda Papps	Market Generators	
Wendy Ng	Market Generators	
Tom Frod	Market Generators	
Daniel Kurz	Market Generators	
Patrick Peake	Market Customers	
Geoff Gaston	Market Customers	
Timothy Edwards	Market Customers	
Peter Huxtable	Contestable Customers	

Also in Attendance	From	Comment
Jai Thomas	Energy Transformation Implementation Unit (ETIU)	Presenter To 10:00 AM
Andrew Rayner	Energy Policy WA (EPWA)	Presenter
Jenny Laidlaw	RCP Support	Minutes

¹ Some members were unable to attend the full meeting due to technical issues.

Also in Attendance	From	Comment
Erin Stone	Point Global	Observer
Laura Koziol	RCP Support	Observer
Natalie Robins	RCP Support	Observer
Sandra Ng Wing Lit	RCP Support	Observer
Adnan Hayat	RCP Support	Observer
Noel Schubert		Observer
Tim McLeod	Amanda Energy	Observer
Dimitri Lorenzo	Bluewaters Energy	Observer From 9:45 AM
Madelin Pow	EPWA	Observer 9:45 – 10:25 AM
Rebecca White	ETIU	Observer
Richard Beverley	Alinta	Observer 9:55 – 10:20 AM
Chris McDonagh	Alinta	Observer From 9:55 AM
Elizabeth Walters	ERA	Observer
Rajat Sarawat	ERA	Observer
Richard Cheng	ERA	Observer
Shibli Khan	ERA	Observer
Matt Shahnazari	ERA	Observer

Apologies	From	Comment
Zahra Jabiri	Network Operator	

Item	Subject	Action
1	Welcome	
	The Chair opened the meeting at 9:30 AM and welcomed members and observers to the 28 July 2020 MAC meeting.	
2	Meeting Apologies/Attendance	
	The Chair noted the attendance as listed above.	

Item	Subject	Action
3	Minutes of Meeting 2020_06_16	
	Draft minutes of the MAC meeting held on 16 June 2020 were circulated on 9 July 2020.	
	The MAC accepted the minutes as a true and accurate record of the meeting.	
	Action: RCP Support to publish the minutes of the 16 June 2020 MAC meeting on the Rule Change Panel’s (Panel) website as final.	RCP Support
4	Action Items	
	The closed action items were taken as read.	
	Action 27/2019: Open.	
	Action 28/2019: Open.	
	Action 13/2020: The Chair noted that the Panel had discussed the issue raised by AEMO at the 16 June 2020 MAC meeting about the application of Loss Factors to Balancing Submission prices. The Panel agreed that the issue raised by AEMO was a manifest error in the Market Rules and that RCP Support should develop a fast track Rule Change Proposal to address the manifest error. The Panel had assigned a Medium urgency rating to the issue.	
	The Chair noted that RCP Support had twice met with AEMO regarding options to address the matter.	
	Ms Jenny Laidlaw considered that an ideal arrangement would be to allow all Market Generators to offer Loss Factor Adjusted Prices in the Balancing Merit Order (BMO) over the full range between the Price Caps, and to retain the use of ‘MIN’ and ‘MAX’ offer prices. The Wholesale Electricity Market System (WEMS) supports this ideal arrangement with one exception – that a Balancing Facility with a Loss Factor greater than 1 cannot offer Loss Factor Adjusted Prices in two ranges, one just above the Minimum STEM Price, and the other just below the applicable maximum Price Cap.	
	For example, NewGen Kwinana, with a Loss Factor of 1.022, could not offer Loss Factor Adjusted Prices between -\$999.99 and -\$978.47. Ms Laidlaw noted that the most extreme restriction was for the Denmark Wind Farm, which could not offer Loss Factor Adjusted Prices between -\$999.99 and -\$744.44.	
	Ms Laidlaw noted that in the eight years since the start of the Balancing Market, Market Generators had raised no concerns at	

Item	Subject	Action
	<p>the MAC about restrictions on the Loss Factor Adjusted Prices that they could offer into the BMO.</p> <p>Ms Laidlaw noted that the changes proposed by AEMO at the 16 June 2020 meeting would deliver the ideal arrangements but would involve some material IT costs. RCP Support considered that an alternative option would be to amend the Market Rules to match the current arrangements. AEMO had advised that this alternative option would require a minor change to the new Outstanding Amount calculation but would be lower cost than implementing the ideal arrangements.</p> <p>The Chair noted that, while the second option was lower cost, Market Generators with a Loss Factor greater than 1 would remain unable to offer Loss Factor Adjusted Prices across the full range between the Price Caps. RCP Support was therefore seeking feedback from Market Generators on whether it would be appropriate or useful for them to offer Loss Factor Adjusted Prices in the ranges that were currently restricted.</p> <p>Ms Wendy Ng asked how the proposed solutions affected bidding into the LFAS Market. Ms Laidlaw and the Chair clarified that both options would continue to allow Market Generators who were cleared for LFAS to offer capacity with Loss Factor Adjusted Prices at the Price Caps.</p> <p>Mr Daniel Kurz advised that he intended to provide RCP Support with a response from Bluewaters after consulting internally.</p> <p>Mr Andrew Everett asked whether the change of Reference Node from Muja to Southern Terminal would significantly increase the number of generators with a Loss Factor greater than 1. The Chair noted that the restricted bidding range problem would be resolved by the new market implementation at the same time that the Reference Node was moved.</p> <p>Ms Rebecca White added that ETIU expected Loss Factors to decrease on average rather than increase with the change of Reference Node to Southern Terminal. Ms White noted that the Foundation Market Parameters Information Paper published by the Energy Transformation Taskforce (Taskforce) (https://www.wa.gov.au/sites/default/files/2019-08/Information-Paper-Foundation-Market-Parameters.pdf) included provisional Loss Factors that were determined using Southern Terminal as the Reference Node.</p> <p>In response to a question from Mr Timothy Edwards, the Chair confirmed that feedback should be sent to RCP Support at Support@rcpwa.com.au. The Chair asked Market Generators to</p>	

Item	Subject	Action
	provide their feedback within a week, but to inform him if this timeframe was too short.	
	Action: MAC members with Balancing Facilities that have a Loss Factor greater than 1 to provide feedback to RCP Support on whether there are any circumstances where a Market Generator with a Loss Factor greater than 1 would want to or need to submit a Loss Factor Adjusted Price (within the Price Caps) that is it currently unable to submit into the BMO.	MAC
5	MAC Market Rules Issues List (Issues List) Update	
	The MAC noted that no updates had been made to the Issues List since the 16 June 2020 MAC meeting.	
6	Update on the Energy Transformation Strategy (ETS)	
	Mr Jai Thomas provided the following updates on the ETS.	
	<ul style="list-style-type: none"> The Taskforce held its seventh meeting on 24 July 2020. The meeting focussed on developments in the Market Rules and the Whole of System Plan (WOSP). 	
	The Taskforce also considered some draft roles and responsibilities in the Distributed Energy Resources space around the Distribution System Operator, Distribution Market Operator and Aggregator roles. ETIU hoped to publish an issues paper in the next two weeks, and to engage with the sector on the issues paper in the subsequent two weeks.	
	<ul style="list-style-type: none"> The Taskforce published Tranche 1 of the draft Amending Rules for the new Wholesale Electricity Market (WEM) on 24 July 2020. ETIU intended to hold six meetings of the Transformation Design and Operation Working Group (TDOWG) between 29 July 2020 and the end of August 2020 to work through the detail of the drafting. 	
	<ul style="list-style-type: none"> An industry forum on the WOSP was scheduled for 31 July 2020. The forum would focus on the preliminary outcomes of the WOSP modelling, recognising that the WOSP was scheduled to be provided to the Minister in early September 2020. The WOSP would need to go through a Cabinet approval process before the Minister released it publicly. 	
	The forum would give stakeholders some early insight as to the findings that were coming out of the modelling and give the sector the opportunity to ask questions about the outcomes of the four modelling scenarios.	

Item	Subject	Action
	<ul style="list-style-type: none"> <li data-bbox="320 271 1126 521">• The Taskforce released a paper in July 2020 on battery storage integration into the Reserve Capacity Mechanism (RCM) and held a TDOWG meeting on 23 July 2020 to cover some of the detail of that paper. ETIU was working through some good feedback received at the TDOWG meeting and intended to provide a further update to the sector in the coming weeks. <li data-bbox="320 546 1158 1021">• Consultation on the proposed changes to the Electricity Networks Access Code (Access Code) closed on 26 June 2020 and the public submissions were now published on the EPWA website. The Taskforce discussed the submissions at its 24 July 2020 meeting. ETIU intended to publish a paper that summarised the feedback received and how ETIU and the Taskforce had incorporated that feedback into what would be the final round of Access Code changes in this process, recognising that another round of Access Code changes was required later in the year relating to implementing constrained network access and updating instruments such as the applications and queueing policy. 	
	<p data-bbox="320 1046 1134 1189">In response to a question from Mr Patrick Peake, Mr Thomas advised that ETIU proposed to present the Access Code feedback paper to the 21 August 2020 Taskforce meeting, and to release the paper within a week of that meeting.</p>	
7	AEMO Procedure Change Working Group (APCWG) Update	
	<p data-bbox="320 1279 1118 1350">Mr Martin Maticka provided the following updates on AEMO's Market Procedures:</p>	
	<ul style="list-style-type: none"> <li data-bbox="320 1375 1158 1514">• The Procedure Change Report for the changes required for the Reduction of Prudential Exposure project (AEPC_2020_06) was due to be published in the near future. <li data-bbox="320 1538 1158 1827">• AEMO held an APCWG meeting on 23 July 2020 to discuss changes to the Market Procedure: Declaration of Bilateral Trades and the Reserve Capacity Auction. Most of the proposed changes were consequential to the RCM pricing reforms, but AEMO had also taken the opportunity to make some other improvements to the Market Procedure. AEMO expected to publish the Procedure Change Proposal in August 2020. <li data-bbox="320 1852 1158 2029">• AEMO intended to hold an APCWG meeting to discuss consequential changes to the Market Procedure: Settlements arising from Rule Change Proposal: Administrative Improvements to Settlements (RC_2019_04). 	

Item	Subject	Action
8(a)	<p>Overview of Rule Change Proposals</p> <p>The paper for agenda item 8(a) was taken as read. The Chair provided the following updates:</p> <ul style="list-style-type: none"> • The Amending Rules for the following Rule Change Proposals had commenced since the 16 June 2020 MAC meeting: <ul style="list-style-type: none"> ○ ERA access to market information and SRMC investigation process (RC_2018_05); ○ Administrative Improvements to Settlements (RC_2019_04); and ○ Estimates for GIA Facilities (RC_2020_03). • The Panel published the Final Rule Change Report for Rule Change Proposal: Implementation of 30-Minute Balancing Gate Closure (RC_2017_02) on 21 July 2020. • The Final Rule Change Report for Rule Change Proposal: Amending the Minimum STEM Price definition and determination (RC_2019_05) was due to be published on 31 July 2020. 	
8(b)	<p>Market Rule Change related to Defining SRMC</p> <p>Mr Andrew Rayner gave a presentation on some Market Rule changes that EPWA intended to recommend to the Minister to:</p> <ul style="list-style-type: none"> • clarify the short run marginal cost (SRMC) concept in the Market Rules by inserting a definition; and • clarify related market power mitigation processes. <p>A copy of EPWA's presentation is available on the Panel's website.</p> <p>Mr Rayner advised that EPWA intended to publish a directions report containing the proposed rule changes, along with the Brattle Group report for consideration, before advising the Minister and inviting him to consider making the recommended rule changes.</p> <p>The following points were discussed:</p> <ul style="list-style-type: none"> • In response to a question from Mrs Jacinda Papps, Mr Rayner and the Chair confirmed that a copy of EPWA's presentation would be published on the Panel's website within the next two days. • After some discussion, Mr Rayner clarified that EPWA was initially seeking feedback on the presentation rather than the directions paper, either at the meeting or by email to EPWA by the end of the week. Mr Everett expressed 	

Item	Subject	Action
	<p>concern that stakeholders would have only limited time between the publication of the presentation and the deadline for comments.</p>	
	<ul style="list-style-type: none"> • Mr Maticka asked whether the submissions to EPWA would be made public. Mr Rayner replied that EPWA's standard practice was to publish submissions unless a submission indicated that it should be treated as confidential. Mr Rayner considered that it might depend on stakeholder's views whether EPWA should work through a process to formally publish submissions received on the presentation. • Mr Peake expressed concern that stakeholders would not be able to review the Brattle Group report. Mr Peake noted the complexity of the issues surrounding SRMC determination and questioned how the Brattle Group and EPWA proposed to address some of these issues (e.g. the determination of SRMC for a battery). 	
	<p>Mr Peake noted that he would prefer to review the Brattle Group report in detail and provide feedback on that report and the directions paper before any recommendations were made to the Minister.</p>	
	<p>Ms Kate Ryan noted that EPWA was conducting a much more thorough review of all the market power mitigation measures as part of the Foundation Regulatory Frameworks work stream of the ETS. The purpose of the work presented by Mr Rayner was to make some simple clarity improvements to the current market power mitigation approach to apply for the next one to two years, with the intent of conducting a more comprehensive review as part of the ETS.</p>	
	<p>Mr Peake acknowledged Ms Ryan's advice but considered that issues already existed around SRMC and how it was interpreted by the ERA and others. Mr Peake reiterated his request to review and provide feedback on the Brattle Group report. Mrs Papps and Ms Ng agreed with Mr Peake. Ms Ryan committed EPWA to share what it could with stakeholders.</p>	
	<ul style="list-style-type: none"> • Mr Noel Schubert considered that the proposed SRMC definition seemed to rely on effective competition in situations where there was no effective competition. Mr Schubert questioned what would stop a Market Generator with market power due to the absence of competition from bidding excessive prices (i.e. bidding as if it did not have market power). 	

Item	Subject	Action
	<p>Mr Rayner replied that the definition of SRMC as applied in the Market Rules had been and would continue to be a theoretical concept. The definition assumed an assessment of a theoretical generator that was subject to competitive restraint and how it would structure its offers.</p> <ul style="list-style-type: none"> The Chair confirmed that RCP Support would publish the presentation slides as soon as it received them, and offered to also publish the Brattle Group report. 	
	<p>Action: EPWA to provide, and RCP Support to publish the slide pack from EPWA's presentation to the 28 July 2020 MAC meeting on Market Rule changes to clarify SRMC bidding obligations.</p>	<p>EPWA/ RCP Support</p>
8(c)	<p>RC_2020_05: Incentivising Generator Performance – Discussion of Pre-Rule Change Proposal</p>	
	<p>The Chair noted that the subject of Perth Energy's Pre-Rule Change Proposal: Incentivising Generator Performance (RC_2020_05) had some overlap with the ERA's 2020 review of incentives to improve the availability of generators (ERA review), and that some of the issues raised in RC_2020_05 overlap with the Network Access Quantity (NAQ) framework proposed by the ETS.</p>	
	<p>The Chair invited Mr Peake to comment on the Pre-Rule Change Proposal. Mr Peake raised four points:</p>	
	<ul style="list-style-type: none"> Under the current market arrangements, if a generator lost Capacity Credits because of poor performance, it could recover those Capacity Credits in future Capacity Years. However, under the proposed NAQ regime, Capacity Credits taken from a generator could be lost permanently through reassignment to other generators. Mr Peake considered that bankers and other investors would see the risk that excess maintenance outages could lead to permanent loss of some or even all capacity revenue, making them very reluctant to invest. There were no criteria as to how AEMO should determine whether the level of Certified Reserve Capacity should be reduced under clause 4.11.1(h), and if so by how much. Investors may see this as an unpredictable and arbitrary action, which would further dissuade them from investing. Generators already had strong incentives to avoid excessive scheduled maintenance (i.e. they lose money in any Trading Interval in which they are not scheduled to run) and unscheduled maintenance outages (i.e. because of the exposure to Capacity Cost Refunds). 	

Item	Subject	Action
	<ul style="list-style-type: none"> All generators are required to undergo a regular review of their asset management systems. While the minimum interval for these reviews is two years, the ERA had extended the interval for most of the SWIS generating fleet to three to five years, which indicated that the maintenance practices of SWIS generators were generally of a high standard. 	
	<p>Mr Peake considered that clause 4.11.1(h) should be removed because it did not improve generator performance and, under the proposed NAQ regime, would place the economical and reliable supply of electricity in the SWIS at risk.</p>	
	<p>The Chair sought Ms Sara O'Connor's view of the Pre-Rule Change Proposal. Ms O'Connor noted that the ERA Secretariat was currently preparing a draft report for the ERA review, for consideration by the ERA Board in mid-August 2020 and likely publication by late August to early September 2020.</p>	
	<p>Ms O'Connor advised that the ERA was considering the purpose of clause 4.11.1(h) and options for presentation in the draft report, which included removing clause 4.11.1(h) or providing additional guidance to AEMO to help it to apply the rule transparently.</p>	
	<p>Ms O'Connor suggested that Mr Peake delay submission of RC_2020_05 until the ERA publishes its draft report for consultation. Mr Peake agreed with Ms O'Connor's suggestion, noting that Perth Energy had, to some extent, developed RC_2020_05 as a means of sharing its thoughts on the issue with the ERA.</p>	
	<p>The Chair sought advice from ETIU as to whether the issue raised by Perth Energy was being considered as part of the development of the NAQ framework. Ms Ryan offered to take the question on notice, but suspected the answer would be no because ETIU was trying to focus on introducing the NAQ framework and not extend the scope of its work more than necessary.</p>	
	<p>Mr Kurz agreed with Mr Peake that numerous incentives already existed for a generator to be available as much as possible. The risk of a permanent loss of Capacity Credits was an additional and unhedgeable burden on Market Generators.</p>	
	<p>In response to a question from the Chair, Mr Peake confirmed that Perth Energy intended to wait on ETIU's advice and the ERA's draft report before taking any further action on RC_2020_05. Mr Peake agreed with the Chair that there was no need to discuss an urgency rating for the Rule Change Proposal at that time.</p>	

Item	Subject	Action
	<p>Ms Ng agreed with the comments made by Mr Peake and Mr Kurz, noting that ERM Power had previously raised concerns with ETIU about the NAQ process and the loss of Capacity Credits, but had not yet received clarity on the issue.</p>	
	<p>Action: ETIU to advise the MAC whether the issues raised by Perth Energy in Pre-Rule Change Proposal: Incentivising Generator Performance (RC_2020_05) were being considered by the ETS as part of the reforms being developed to implement the NAQ framework.</p>	ETIU
9	<p>BRCP Working Group – Approval of the Terms of Reference</p>	
	<p>The MAC raised no concerns about the draft Terms of Reference for the proposed Benchmark Reserve Capacity Price (BRCP) Working Group.</p>	
	<p>The MAC agreed to the formation of the BRCP Working Group based on the draft Terms of Reference.</p>	
	<p>The Chair advised that RCP Support would publish the Terms of Reference for the BRCP Working Group on the Panel’s website and the ERA would contact stakeholders shortly to seek nominations.</p>	
10	<p>General Business</p>	
	<p><u>Development of WEM Procedures for the 2021 Reserve Capacity Cycle</u></p>	
	<p>Ms Ng noted that during the 23 July 2020 APCWG meeting, attendees discussed the large number of WEM Procedures that needed to be developed or amended in time for the 2021 Reserve Capacity Cycle. Given that the relevant Amending Rules might not be available until the end of 2020, Ms Ng questioned who would ultimately be responsible for drafting these WEM Procedures.</p>	
	<p>The Chair suggested that AEMO was responsible for developing most of the WEM Procedures as the responsible procedure administrator, and that this might be one of the reasons why AEMO had concerns about its resourcing.</p>	
	<p>Mr Maticka agreed that a large amount of work on WEM Procedures was needed and that most of it was AEMO’s responsibility. AEMO was currently trying to schedule the work and ensure it had the necessary resources to undertake the work. Mr Maticka noted that AEMO’s timing depended on the availability of the Amending Rules, and considered that it would need to commence work on the WEM Procedures as soon as a workable set of Amending Rules was available.</p>	

Item	Subject	Action
	<p>Ms Ng noted that AEMO needed time to develop and consult on the WEM Procedures, and Market Participants needed time to comply with any new requirements. Ms Ng doubted that the WEM Procedures would be ready in time and considered that a backup plan should be developed, which might involve changes to the 2021 Reserve Capacity Cycle timelines.</p> <p>Mr Maticka replied that he needed to discuss Ms Ng's questions with the groups responsible for the implementation, but would try to provide an update at a future MAC meeting.</p> <p>Ms Ng questioned whether EPWA was able to assist AEMO with the development of the WEM Procedures. Mr Kurz agreed with Ms Ng about the need to develop a backup plan in case the required WEM Procedures could not be developed in time.</p>	

The meeting closed at 10:35 AM

Agenda Item 4: MAC Action Items

Meeting 2020_09_08

Shaded	Shaded action items are actions that have been completed since the last Market Advisory Committee (MAC) meeting.
Unshaded	Unshaded action items are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

Item	Action	Responsibility	Meeting Arising	Status
27/2019	The Economic Regulation Authority (ERA) is to advise the MAC on whether the ERA considered it should be assigned responsibility under the Market Rules for setting document retention requirements and confidentiality statuses.	ERA	2019_11_26	Closed The Energy Transformation Implementation Unit (ETIU) will consider who is to be responsible for setting document retention requirements and confidentiality statuses as part of the Tranche 5 Amending Rules for the Energy Transformation Strategy (ETS) and will consult on these matters in early 2021.
28/2019	RCP Support and Energy Policy WA (EPWA) to develop principles for identifying which rules should be Protected Provisions for presentation and discussion by the MAC.	RCP Support/ EPWA	2019_11_26	Closed ETIU is currently drafting the Amending Rules to give effect to ETS decisions. Following this, ETIU will conduct a comprehensive review of the new clauses to identify Protected

Item	Action	Responsibility	Meeting Arising	Status
				Provisions, civil penalty provisions, and Reviewable Decisions. ETIU will share with industry the principles it will use to determine whether a clause should be classified as a Protected Provision, civil penalty provision or Reviewable Decision.
13/2020	RCP Support to seek approval from the Rule Change Panel (Panel) to develop a Rule Change Proposal to address the manifest error identified by AEMO at the 16 June 2020 MAC meeting; and, subject to that approval, to work with AEMO to agree a rule change option for discussion at the 28 July 2020 MAC meeting.	RCP Support / AEMO	2020_06_16	Closed The MAC discussed this issue under Agenda Item 4 at the MAC meeting on 28 July 2020 (see the minutes from that meeting). The MAC noted two options to address this issue and agreed to provide feedback to RCP Support on the impacts of one of the options to allow RCP Support to develop a Pre-Rule Change Proposal for discussion by the MAC (see Action 17/2020).
16/2020	RCP Support to publish the minutes of the 16 June 2020 MAC meeting on the Panel's website.	RCP Support	2020_07_28	Closed The minutes were published on the Panel's website on 28 July 2020.
17/2020	MAC members with Balancing Facilities that have a Loss Factor greater than 1 to provide feedback to RCP Support on whether there are any circumstances where a Market Generator with a Loss Factor greater than 1 would want to or need to submit a Loss Factor Adjusted Price (within the Price Caps) that is it currently unable to	Market Generators with loss factors greater than 1	2020_07_28	Closed RCP Support sent an email to Market Participants on 4 August 2020 to advise Market Generators of the issue and to give them an opportunity to provide comment. RCP Support sought responses by 10 August 2020 and received responses from

Item	Action	Responsibility	Meeting Arising	Status
	submit into the Balancing Merit Order (BMO).			<p>Alinta, Bluewaters and ERM Power that indicated support for the option to amend the Market Rules to match the current Wholesale Electricity Market System (WEMS) arrangements.</p> <p>RCP Support and AEMO are continuing to discuss how the WEMS currently works and what changes to the Market Rules will optimally address this issue that AEMO has raised. RCP Support will not be in a position to submit a Pre-Rule Change Proposal to the MAC for discussion until the MAC meeting on 20 October 2020.</p>
18/2020	EPWA to provide, and RCP Support to publish the slide pack from EPWA's presentation to the 28 July 2020 MAC meeting on Market Rule changes to clarify SRMC bidding obligations	EPWA/ RCP Support	2020_07_28	<p>Closed</p> <p>EPWA provided the slide pack to RCP Support on 28 July 2020 and RCP Support published the slide pack on the MAC Meetings page of the Panel's website on the same day.</p>
19/2020	ETIU to advise the MAC whether the issues raised by Perth Energy in Pre-Rule Change Proposal: Incentivising Generator Performance (RC_2020_05) were being considered by the ETS as part of the reforms being developed to implement the NAQ framework.	ETIU	2020_07_28	<p>Closed</p> <p>ETIU has advised that it is not looking at any substantive changes to the rules referred to in RC_2020_05. ETIU's intent is only to make those changes necessary to implement the new NAQ framework, including any necessary consequential amendments to related rules.</p> <p>That said, the issues raised in RC_2020_05 have also been raised with ETIU during</p>

Item	Action	Responsibility	Meeting Arising	Status
				development of the NAQ framework. ETIU will liaise with the ERA on its 2020 Review of Incentives to Improve Availability of Generators to see if there are areas of overlap.

Agenda Item 5: MAC Market Rules Issues List Update

Meeting 2020_09_08

The latest version of the Market Advisory Committee (**MAC**) Market Rules Issues List (**Issues List**) is available in Attachment 1 of this paper.

The MAC maintains the Issues List to track and progress issues that have been identified by Wholesale Electricity Market (**WEM**) stakeholders. A stakeholder may raise a new issue for discussion by the MAC at any time by emailing a request to the MAC Chair.

Updates to the Issues List are indicated in red font, while issues that have been closed since the last publication are shaded in grey.

Recommendation:

RCP Support recommends that the MAC:

- note that there have not been any updates to the Issues List since the last MAC meeting;
- provide any further updates to existing issues; and
- indicate whether there are any new issues to be raised.

Agenda Item 5 – Attachment 1 – MAC Market Rules Issues List

Table 1 – Potential Rule Change Proposals

Id	Submitter/Date	Issue	Urgency and Status
45	AEMO May 2018	<p>Transfer of responsibility for setting document retention requirements</p> <p>AEMO suggested that responsibility for setting document retention requirements (clauses 10.1.1 and 10.1.2 of the Market Rules) should move from AEMO to the ERA. AEMO considers that it is not the best entity to hold this responsibility as it no longer maintains the broader market development and compliance functions of the IMO.</p>	<p>Panel rating: Low</p> <p>MAC ratings: Low</p> <p>Status: The ERA is still considering its position on this issue.</p>
46	AEMO May 2018	<p>Transfer of responsibility for setting confidentiality statuses</p> <p>AEMO suggested that responsibility for setting confidentiality statuses (clauses 10.2.1 and 10.2.3 of the Market Rules) should move from AEMO to the ERA. AEMO considers that it is not the best entity to hold this responsibility as it no longer maintains the broader market development and compliance functions of the IMO.</p>	<p>Panel rating: Low</p> <p>MAC ratings: Low</p> <p>Status: The ERA is still considering its position on this issue.</p>
47	AEMO September 2018	<p>Market Procedure for conducting the Long Term PASA (clause 4.5.14)</p> <p>The scope of this procedure currently includes describing the process that the ERA must follow in conducting the five-yearly review of the Planning Criterion and demand forecasting process.</p> <p>AEMO considers that its Market Procedure should not cover the ERA's review, and the ERA should be able to independently scope the review. As such, AEMO recommends removing this requirement from the head of power in clause 4.5.14 of the Market Rules.</p>	<p>Panel rating: Low</p> <p>MAC ratings: Low</p> <p>Status: This issue has not been progressed.</p>

Table 1 – Potential Rule Change Proposals

Id	Submitter/Date	Issue	Urgency and Status
55	MAC April 2019	<p>Conflict between Relevant Level Methodology and the early and conditional certification of Intermittent Generators</p> <p>There is a conflict between the current and proposed Relevant Level Methodologies and the early and conditional certification of new Intermittent Generators, because the methodologies depend on information that is not available before the normal certification time for a Reserve Capacity Cycle.</p>	<p>Panel rating: TBD</p> <p>MAC ratings: Low</p> <p>Status:</p> <p>On 15 August 2019, Mr Maticka advised RCP Support that AEMO has revised its position and is now of the view that there is an opportunity as part of RC_2019_03 to remove Clause 4.28C.7 that relates to Early Certification of Reserve Capacity (CRC).</p> <p>The draft proposal states that AEMO “must reject the early certification application if it has cause to believe that it cannot reliably set the Early CRC...”; otherwise, AEMO must set Early CRC within 90 days of receiving the application. It appears that it is almost certain that AEMO cannot reliably set the Early CRC for an early certification application if an intermittent Facility nominates to use clause 4.11.2(b) for the assessment. This is because:</p> <ul style="list-style-type: none"> • An early certification application may be submitted at any time before 1 January of Year 1 of the Reserve Capacity Cycle to which the application relates [clause 4.28C.2]. • This means that when AEMO receives an application under 4.11.2(b), it can’t calculate

Table 1 – Potential Rule Change Proposals

Id	Submitter/Date	Issue	Urgency and Status
			<p>a reliable Relevant Level value for the Facility, as it is not certain:</p> <ul style="list-style-type: none"> ○ which Scheduled Generators, DSPs, and Non-Scheduled Generators would apply for certification; or ○ what level of CRC would be assigned to these Scheduled Generators and DSPs. <p>AEMO also stated that:</p> <ul style="list-style-type: none"> • Neither a complete set of system demand and Facility actual meter data is available nor are the expected capacity estimates of new Candidate Facilities. • It almost implies that in fact only Scheduled Generators can apply and be certified for Early Certification. Noting an application of this nature has not been provided in the past years, AEMO suggests removal of this clause completely. <p>The MAC discussed this issue at its meeting on 3 September 2019 where it was noted that the issue could be addressed as a standalone Rule Change Proposal or as part RC_2019_03. The ERA is considering whether it wants to address the issue as part of RC_2019_03, and if not,</p>

Table 1 – Potential Rule Change Proposals

Id	Submitter/Date	Issue	Urgency and Status
			<p>then RCP Support will bring the issue back to the MAC for further discussion.</p> <p>The Market Rules governing the early and conditional certification of intermittent generation may be addressed by the rule changes that ETIU is developing to assign Capacity Credits under the constrained network access model. The ERA will liaise with ETIU as it develops these rule changes. The ERA intends to base RC_2019_03 on the revised Market Rules developed by ETIU and approved by the Minister.</p>
56	Perth Energy July 2019	<p>Issues with Reserve Capacity Testing</p> <ul style="list-style-type: none"> Market Generators that fail a Reserve Capacity Test may prefer to accept a small shortfall in a test (and a corresponding reduction in their Capacity Credits) than to run a second test. There is a discrepancy between the number of Trading Intervals for self-testing vs. AEMO testing. There is ambiguity in the timing requirements for a second test when the relevant generator is on an outage. There is ambiguity on the number of Capacity Credits that AEMO is to assign when certain test results occur. 	<p>Panel rating: TBD</p> <p>MAC ratings: TBD</p> <p>Status:</p> <p>Perth Energy has indicated that it will develop a Pre-Rule Change Proposal for consideration by the MAC.</p>

Notes:

- The Potential Rule Change Proposals are well-defined issues that could be addressed through development of a Rule Change Proposal.

- If the MAC decides to add an issue to the Potential Rule Change Proposals list, then RCP Support will seek a preliminary urgency rating from MAC members/observers and from the Rule Change Panel (**Panel**) and will include this information in the list.
- Potential Rule Change Proposals will be closed after a Pre-Rule Change Proposal is presented to the MAC or a Rule Change Proposal is submitted to the Panel.

Table 2 – Broader Issues

Id	Submitter/Date	Issue	Urgency and Status
1	Shane Cremin November 2017	<p>IRCR calculations and capacity allocation</p> <p>There is a need to look at how IRCR and the annual capacity requirement are calculated (i.e. not just the peak intervals in summer) along with recognising behind-the-meter solar plus storage. The incentive should be for retailers (or third-party providers) to reduce their dependence on grid supply during peak intervals, which will also better reflect the requirement for conventional ‘reserve capacity’ and reduce the cost per kWh to consumers of that conventional ‘reserve capacity’.</p>	To be considered in the preliminary review of the Reserve Capacity Mechanism.
2	Shane Cremin November 2017	Allocation of market costs – who bears Market Fees and who pays for grid support services with less grid generation and consumption?	<p>To be considered in the preliminary reviews of behind-the-meter issues and the basis for allocation of Market Fees.</p> <p>The WA Government published the DER Roadmap on 5 April 2020, but the MAC agreed to keep this issue on the list until further information is available on how EPWA intends to develop and implement the actions from the DER Roadmap.</p>
3	Shane Cremin November 2017	Penalties for outages.	To be considered in the preliminary review of the Reserve Capacity Mechanism.
4	Shane Cremin November 2017	Incentives for maintaining appropriate generation mix.	To be considered in the preliminary review of the Reserve Capacity Mechanism.

Table 2 – Broader Issues

Id	Submitter/Date	Issue	Urgency and Status
9	Community Electricity November 2017	Improvement of AEMO forecasts of System Load; real-time and day-ahead	To be considered in the preliminary review of forecast quality.
16	Bluewaters November 2017	<p>Behind the Meter (BTM) generation is treated as reduction in electricity demand rather than actual generation. Hence, the BTM generators are not paying their fair share of the network costs, Market Fees and ancillary services charges.</p> <p>Therefore, the non-BTM Market Participants are subsidizing the BTM generation in the WEM. Subsidy does not promote efficient economic outcome.</p> <p>Rapid growth of BTM generation will only exacerbate this inefficiency if not promptly addressed.</p> <p>Bluewaters recommends changes to the Market Rules to require BTM generators to pay their fair share of the network costs, Market Fees and ancillary services charges.</p> <p>This is an example of a regulatory arrangement becoming obsolete due to the emergence of new technologies. Regulatory design needs to keep up with changes in the industry landscape (including technological change) to ensure that the WEM continues to meet its objectives.</p> <p>If this BTM issue is not promptly addressed, there will be distortion in investment signals, which will lead to an inappropriate generation facility mix in the WEM, hence compromising power system security and in turn not promoting the Wholesale Market Objectives.</p>	<p>To be considered in the preliminary reviews of behind-the-meter issues and the basis for allocation of Market Fees.</p> <p>The WA Government published the DER Roadmap on 5 April 2020, but the MAC agreed to keep this issue on the list until further information is available on how EPWA intends to develop and implement the actions from the DER Roadmap.</p>

Table 2 – Broader Issues

Id	Submitter/Date	Issue	Urgency and Status
23	Bluewaters November 2017	<p>Allocation of Market Fees on a 50/50 basis between generators and retailers may be overly simplistic and not consider the impacts on economic efficiency.</p> <p>In particular, the costs associated with an electricity market reform program should be recovered from entities based on the benefit they receive from the reform. This is expected to increase the visibility of (and therefore incentivise) prudence and accountability when it comes to deciding the need and scope of the reform.</p> <p>Recommendations: to review the Market Fees structure including the cost recovery mechanism for a reform program.</p> <p>The cost saving from improved economic efficiency can be passed on to the end consumers, hence promoting the Wholesale Market Objectives.</p>	To be considered in the preliminary review of the basis for allocation of Market Fees.
30	Synergy November 2017	<p>Reserve Capacity Mechanism</p> <p>Synergy would like to propose a review of Market Rules related to reserve capacity requirements and reserve capacity capability criteria to ensure alignment and consistency in determination of certain criteria. For instance:</p> <ul style="list-style-type: none"> • assessment of reserve capacity requirement criteria, reserve capacity capability and reserve capacity obligations; • IRCR assessment; • Relevant Demand determination; • determination of NTDL status; • Relevant Level determination; and 	To be considered in the preliminary review of the Reserve Capacity Mechanism.

Table 2 – Broader Issues

Id	Submitter/Date	Issue	Urgency and Status
		<ul style="list-style-type: none"> assessment of thermal generation capacity. <p>The review will support Wholesale Market Objectives (a) and (d).</p>	
35	ERM Power November 2017	<p>BTM generation and apportionment of Market Fees, ancillary services, etc.</p> <p>The amount of solar PV generation on the system is increasing every year, to the point where solar PV generation is the single biggest unit of generation on the SWIS. This category of generation has a significant impact on the system and we have seen this in terms of the daytime trough that is observed on the SWIS when the sun is shining. The issue is that generators that are on are moving around to meet the needs of this generation facility but this generation facility, which could impact system stability, does not pay its fair share of the costs of maintaining the system in a stable manner. That is, they are not the generators that receive its fair apportionment of Market Fees and pay any ancillary service costs but yet they have absolute freedom to generate into the SWIS when the fuel source is available. There needs to be equity in this equation.</p>	<p>To be considered in the preliminary reviews of behind-the-meter issues and the basis for allocation of Market Fees.</p> <p>The MAC recognised that the Minister has commenced work on BTM issues and flagged that issue 35 should be considered as part of the Energy Transformation Strategy.</p> <p>The WA Government published the DER Roadmap on 5 April 2020, but the MAC agreed to keep this issue on the list until further information is available on how EPWA intends to develop and implement the actions from the DER Roadmap.</p>
39	Alinta Energy November 2017	<p>Commissioning Test Process</p> <p>The commissioning process within the Market Rules and PSOP works well for known events (i.e. the advance timings of tests). However, the Market Rules and PSOP do not work for close to real time events. There is limited flexibility in the Market Rules and PSOP to deal with the practical and operational realities of commissioning facilities.</p> <p>The Market Rules and PSOP require System Management to approve a Commissioning Test Plan or a revised Commissioning Test Plan by</p>	<p>To be considered in the preliminary review of the Commissioning Tests.</p>

Table 2 – Broader Issues

Id	Submitter/Date	Issue	Urgency and Status
		<p>8:00 AM on the Scheduling Day on which the Commissioning Test Plan would apply.</p> <p>If a Market Participant cannot conform to its most recently approved Commissioning Test Plan, the Market Participant must notify System Management; and either:</p> <ul style="list-style-type: none"> • withdraw the Commissioning Test Plan; or • if the conditions relate to the ability of the generating Facility to conform to a Commissioning Test Schedule, provide a revised Commissioning Test Plan to System Management as soon as practicable before 8:00 AM on the Scheduling Day prior to the commencement of the Trading Day to which the revised Commissioning Test Plan relates. <p>Specific Issues:</p> <p>This restriction to prior to 8:00 AM on the Scheduling Day means that managing changes to the day of the plan are difficult. Sometimes a participant is unaware at that time that it may not be able to conform to a plan. Amendments to Commissioning Tests and schedules need to be able to be dealt with closer to real time.</p> <p>Examples for improvements are:</p> <ul style="list-style-type: none"> • allowing participants to manage delays to the start of an approved plan; and • allowing participants to repeat tests and push the remainder of the Commissioning Test Plan out. 	

Table 2 – Broader Issues

Id	Submitter/Date	Issue	Urgency and Status
		<p>Greater certainty is needed for on the day changes (i.e. there is uncertainty as to what movements/timing changes acceptable within the “Test Window” i.e. on the day).</p> <p>Wholesale Market Objective Assessment:</p> <p>A review of the Commissioning Test process, with a view to allowing greater flexibility to allow for the technical realities of commissioning, will better achieve:</p> <ul style="list-style-type: none"> • Wholesale Market Objective (a): <ul style="list-style-type: none"> ○ Allowing generators greater flexibility in undertaking commissioning activities will allow the required tests to be conducted in a more efficient and timely manner, which should result in the earlier availability of approved generating facilities. This contributes to the efficient, safe and reliable production of energy in the SWIS. ○ Productive efficiency requires that demand be served by the least-cost sources of supply, and that there be incentives for producers to achieve least-cost supply through a better management of cost drivers. Allowing for a more efficient management of commissioning processes, timeframes and costs in turn promotes the economically efficient production and supply of electricity. • Wholesale Market Objective (b): improvements to the efficiency of the Commissioning Test process may assist in the facilitation of efficient entry of new competitors. • Wholesale Market Objective (d): 	

Table 2 – Broader Issues

Id	Submitter/Date	Issue	Urgency and Status
		<ul style="list-style-type: none"> ○ Balancing appropriate flexibility for generators with appropriate oversight and control for System Management should ensure that the complex task of commissioning is not subject to unnecessary red tape, adding to the cost of projects. This contributes to the achievement of Wholesale Market Objective (d) relating to the long-term cost of electricity supply. ○ Impacts on economic efficiency and efficient entry of new competitors (as outlined above) will potentially lead to the minimisation of the long-term cost of electricity supplied. 	

Notes:

- Some issues require further discussion/review before specific Rule Change Proposals can be developed. For these issues, the MAC will:
 - group the issues together where appropriate;
 - determine the order of priority for the grouped Broader Issues;
 - conduct preliminary reviews to scope out the Broader Issues; and
 - refer the Broader Issues to the appropriate body for consideration/development.
- RCP Support will aim to schedule preliminary reviews at the rate of one per MAC meeting, unless competing priorities prevent this.
- Broader Issues will be closed (or moved onto another sub-list) following the completion of the relevant preliminary review and any agreed follow-up discussions on the issue.
- The current list of preliminary reviews is shown in Table 3.

Table 3 – Preliminary Reviews

Review	Status
(1) Behind-the-meter issues	<p>Issues: 2, 16, 35.</p> <p>Status: Preliminary discussion is not yet scheduled.</p> <p>EPWA is working on its DER Roadmap, which will address behind-the-meter issues (amongst other things). A preliminary discussion of behind-the-meter issues is to be deferred until the DER Roadmap is published and then the MAC will consider whether a discussion is still required.</p> <p>The WA Government published the DER Roadmap on 5 April 2020, but the MAC agreed to keep this review on the list until further information is available on how EPWA intends to develop and implement the actions from the DER Roadmap.</p>
(2) Forecast quality	<p>Issues: 9.</p> <p>Status: Preliminary discussion is not yet scheduled.</p>
(3) Commissioning Tests	<p>Issues: 39.</p> <p>Status: Preliminary discussion is not yet scheduled.</p>
(4) The basis of allocation of Market Fees	<p>Issues: 2, 16, 23 and 35.</p> <p>Status: Preliminary discussion is not yet scheduled.</p>
(5) The Reserve Capacity Mechanism (excluding the pricing mechanism)	<p>Issues: 1, 3, 4, and 30.</p> <p>Status: Preliminary discussion is not yet scheduled. The preliminary discussion should address outstanding customer-side issues.</p>

Table 4 – Issues on Hold

Id	Submitter/Date	Issue	Urgency and Status
7	Community Electricity November 2017	Improved definition of the quantity of LFAS (a) required and (b) dispatched.	On hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020), with potential input from work on RC_2017_02: Implementation of 30-Minute Balancing Gate Closure.
10	AEMO November 2017	<p>Review of participant and facility classes to address current and looming issues, such as:</p> <ul style="list-style-type: none"> • incorporation of storage facilities; • distinction between non-scheduled and semi-scheduled generating units; • reconsideration of potential for Dispatchable Loads in the future (which were proposed for removal in RC_2014_06); • whether to retain Interruptible Loads or to move to an aggregated facility approach (like Demand Side Programmes); and • whether to retain Intermittent Loads as a registration construct or to convert to a settlement construct. <p>Would support new entry, competition and market efficiency; particularly supporting the achievement of Wholesale Market Objectives (a) and (b).</p>	<p>On hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).</p> <p>Treatment of storage facilities was considered under the preliminary review of the treatment of storage facilities in the market.</p>
11	AEMO November 2017	<p>Whole-of-system planning oversight:</p> <p>As explained in AEMO’s submission to the ERA’s review of the WEM, AEMO considers the necessity of the production of an</p>	This issue was initially flagged for consideration as part of the preliminary review of roles in the market.

Table 4 – Issues on Hold

Id	Submitter/Date	Issue	Urgency and Status
		<p>annual, independent Integrated Grid Plan to identify emerging issues and opportunities for investment at different locations in the network to support power system security and reliability. This role would support AEMO's responsibility for the maintenance of power system security and will be increasingly important as network congestion increases and the characteristics of the power system evolve in the course of transition to a predominantly non-synchronous future grid with distributed energy resources, highlighting new requirements (e.g. planning for credible contingency events, inertia, and fast frequency response).</p> <p>This function would support the achievement of power system security and reliability, in line with Wholesale Market Objective (a).</p>	<p>However, ETIU has advised that the issue will be covered as part of the Energy Transformation Strategy, so the issue has been put on hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).</p> <p>ETIU is currently developing a Whole of System Plan (WOSP) to be delivered to Government and published in mid-2020. ETIU has indicated that the intent is to develop and publish updated Whole of System Plans on an ongoing, regular basis. The MAC agreed to keep issue 11 open pending publication of the WOSP.</p>
12	AEMO November 2017	<p>Review of institutional responsibilities in the Market Rules.</p> <p>Following the major changes to institutional arrangements made by the Electricity Market Review, a secondary review is required to ensure that tasks remain with the right organisations, e.g. responsibility for setting confidentiality status (clause 10.2.1), document retention (clause 10.1.1), updating the contents of the market surveillance data catalogue (clause 2.16.2), content of the market procedure under clause 4.5.14, order of precedence of market documents (clause 1.5.2). This will promote efficiency in market administration, supporting Wholesale Market Objectives (a) and (d).</p>	<p>Potential changes to responsibilities for setting document retention requirements and confidentiality statuses have been listed as Potential Rule Change Proposals (issues 45 and 46). Potential changes to clause 4.5.14 have also been listed as a Potential Rule Change Proposal (issue 47).</p> <p>EPWA has advised that the remaining issues will be covered as part of the Energy Transformation Strategy, so the remaining issues have been put on hold until the regulatory changes for the Foundation</p>

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
			Regulatory Frameworks workstream are known (mid-2020).
14/36	Bluewaters and ERM Power November 2017	<p>Capacity Refund Arrangements:</p> <p>The current capacity refund arrangement is overly punitive as Market Participants face excessive capacity refund exposure. This refund exposure is well more than what is necessary to incentivise the Market Participants to meet their obligations for making capacity available. Practical impacts of such excessive refund exposure include:</p> <ul style="list-style-type: none"> • compromising the business viability of some capacity providers - the resulting business interruption can compromise reliability and security of the power system in the SWIS; and • excessive insurance premiums and cost for meeting prudential support requirements. <p>Bluewaters recommended imposing seasonal, monthly and/or daily caps on the capacity refund. Bluewaters considered that reviewing capacity refund arrangements and reducing the excessive refund exposure is likely to promote the Wholesale Market Objectives by minimising:</p> <ul style="list-style-type: none"> • unnecessary business interruption to capacity providers and in turn minimising disruption to supply availability; which is expected to promote power system reliability and security; and • unnecessary excessive insurance premium and prudential support costs, the saving of which can be passed on to consumers. 	On 29 May 2018, the MAC agreed to place this issue on hold for 12 months (until June 2019) to allow time for historical data on dynamic refund rates to accumulate. On 29 July 2019, the MAC agreed that this issue has a low priority and should remain on hold for another 12 months.

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
17	Bluewaters November 2017	<p>Under clause 3.21.7 of the Market Rules, a Market Participant is not allowed to retrospectively log a Forced Outage after the 15-day deadline; even if the Market Participant is subsequently found to be in breach of the Market Rules for not logging the Forced Outage on time.</p> <p>This can result in under reporting of Forced Outages, and as a consequence, use of incorrect information used in WEM settlements.</p> <p>Bluewaters recommend a rule change to enable Market Participants to retrospectively log a Forced Outage after the 15-day deadline. If a Market Participant is found to be in breach of the Market Rules by not logging the Forced Outage by the deadline, it should be required to log the outage.</p> <p>Accurately reporting outages will enable the WEM to function as intended and will help meet the Wholesale Market Objectives.</p>	On hold pending a final decision on RC_2014_03: Administrative Improvements to the Outage Process.
18	Bluewaters November 2017	<p>The Spinning Reserve procurement process does not allow Market Participants to respond to the draft margin values determination by altering its Spinning Reserve offer.</p> <p>Bluewaters recommended amending the Market Rules to allow Market Participants to respond to the draft margin values determination by altering its Spinning Reserve offer.</p> <p>Allowing a Market Participant to respond to the draft margin values determination, can serve as a price signal to enable a price discovery process for Spinning Reserve capacity. This is expected</p>	On hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
		to lead to a more efficient economic outcome and in turn promote the Wholesale Market Objectives.	
19	Bluewaters November 2017	<p>The Spinning Reserve margin values evaluation process is deficient for the following reasons:</p> <ul style="list-style-type: none"> • shortcomings in the process for reviewing assumptions; • inability to shape load profile; • lack of transparency: <ul style="list-style-type: none"> (a) modelling was a “black box”; (b) confidential information limits stakeholders’ ability to query the results; and • lack to retrospective evaluation of spinning reserve margin values. <p>As a result, the margin values have been volatile, potentially inaccurate and not verifiable.</p> <p>Recommendation: conduct a review on the margin values evaluation process and propose rule changes to address any identified deficiencies.</p> <p>Addressing the deficiencies in the margin values evaluation process can promote the Wholesale Market Objectives by enhancing economic efficiency in the WEM. This can be achieved through:</p> <ul style="list-style-type: none"> • promoting transparency – better informed Market Participants would be able to better respond to Spinning Reserve requirement in the WEM; and 	<p>On hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).</p> <p>Also, AEMO and the ERA to consider whether any options exist to improve transparency of the current margin values process.</p>

Table 4 – Issues on Hold

Id	Submitter/Date	Issue	Urgency and Status
		<ul style="list-style-type: none"> allowing a better-informed margin values determination process, which is likely to give a more accurately priced margin values to promote an efficient economic outcome. 	
22	Bluewaters November 2017	<p>Prudential arrangement design issue: clause 2.37.2 of the Market Rules enables AEMO to review and revise a Market Participant's Credit Limit at any time. It is expected that AEMO will review and increase Credit Limit of a Market Participant if AEMO considers its credit exposure has increased (for example, due to an extended plant outage event).</p> <p>In response to the increase in its credit exposure, clause 2.40.1 of the Market Rules and section 5.2 of the Prudential Procedure allow the Market Participant to make a voluntary prepayment to reduce its Outstanding Amount to a level below its Trading Limit (87% of the Credit Limit).</p> <p>Under the current Market Rules and Prudential Procedure, AEMO can increase the Market Participant's Credit Limit (hence increasing its prudential support requirement) despite that a prepayment has already been paid (it is understood that this is AEMO's current practice).</p> <p>The prepayment would have already served as an effective means to reduce the Market Participant's credit exposure to an acceptable level. Increasing the Credit Limit in addition to this prepayment would be an unnecessary duplication of prudential requirement in the WEM.</p> <p>This unnecessary duplication is likely to give rise to higher-than-necessary prudential cost burden in the WEM; which creates</p>	On hold pending completion of AEMO's 'Reduction of Prudential Exposure 2' project scheduled for the second quarter of 2020.

Table 4 – Issues on Hold

Id	Submitter/Date	Issue	Urgency and Status
		<p>economic inefficiency that is ultimately passed on the end consumers.</p> <p>Recommendation: amend the Market Rules and/or procedures to eliminate the duplication of prudential burden on Market Participants.</p> <p>The resulting saving from eliminating this unnecessary prudential burden can be passed on to end consumers. This promotes economic efficiency and therefore the Wholesale Market Objectives.</p>	
27/54	<p>Kleenheat November 2017 MAC August 2018</p>	<p>Review what should constitute a Protected Provision of the Market Rules, to provide greater clarity over the role of the Minister for Energy.</p> <p>A review of the Protected Provisions in the Market Rules is required to identify any that they no longer need to be Protected Provisions. This is because shifting the rule change function to the Panel has removed some of the potential conflicts of interest that led to the original classification of some Protected Provisions.</p>	<p>On hold pending the outcome of an EPWA review of the current Protected Provisions in the Market Rules, with timing dependent on Energy Transformation Strategy.</p> <p>EPWA and RCP Support are to develop principles for identifying which rules should be Protected Provisions for presentation and discussion by the MAC.</p>
28	<p>Kleenheat November 2017</p>	<p>Appropriate rule changes to allow for battery storage. Consultation to decide how the batteries will be treated and classified as generators or not, whether batteries can apply for Capacity Credits and the availability status when the batteries are charging.</p>	<p>On hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).</p>
33	<p>ERM Power November 2017</p>	<p>Logging of Forced Outages</p> <p>The market systems do not currently allow Forced Outages to be amended once entered. This can have the distortionary effect of</p>	<p>On hold pending a final decision on RC_2014_03: Administrative Improvements to the Outage Process.</p>

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
		<p>participants not logging an Outage until it has absolute certainty that the Forced Outage is correct, hence participants could take up to 15 days to submit its Forced Outages.</p> <p>If a participant could cancel or amend its Forced Outage information, it will likely provide more accurate and transparent signals to the market of what capacity is really available to the system. This should also assist System Management in generation planning for the system.</p>	
42	ERA November 2017	<p>Ancillary Services approvals process</p> <p>Clause 3.11.6 of the Market Rules requires System Management to submit the Ancillary Services Requirements in a report to the ERA for audit and approval by 1 June each year, and System Management must publish the report by 1 July each year. The ERA conducted this process for the first time in 2016/17. In carrying out the process it became apparent that:</p> <ul style="list-style-type: none"> • there is no guidance in the rules on what the ERA's audit should cover, or what factors the ERA should consider in making its determination on the requirements; • there are no documented Market Procedures setting out the methodology for System Management to determine the ancillary service requirements (the preferable approach would be for the methodologies to be documented in a Market Procedure, and for the ERA to audit whether System Management has followed the procedure); 	On hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
		<ul style="list-style-type: none"> the timeframe for the ERA’s audit and approval process (less than 1 month) limits the scope of what it can achieve in its audit; the levels determined by System Management are a function of the Ancillary Service standards, but the standards themselves are not subject to approval in this process; and the value of the audit and approval process is limited because System Management has discretion in real time to vary the levels from the set requirements. <p>The question is whether the market thinks this approvals process is necessary/will continue to be necessary (particularly in light of co-optimised energy and ancillary services). If so, then the issues above will need to be addressed, to reduce administrative inefficiencies and, if more rigour is added to the process, provide economic benefits (Wholesale Market Objectives (a) and (d)).</p>	
49	MAC November 2018	Should the method used to calculate constrained off compensation be amended to better reflect the actual costs incurred by Market Generators?	The Amending Rules from RC_2018_07 commenced on 1 July 2019. The MAC agreed to keep this issue on hold until 1 July 2020 to see if the issue requires further consideration.
51	MAC November 2018	There is a need to provide Market Customers with timely advance notice of their upcoming constraint payment liabilities.	The MAC agreed to place this issue on hold pending implementation of AEMO’s proposed changes to the Outstanding Amount calculation in 2019.

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
53	MAC August 2018	<p>MAC members have identified the following issues with the provisions relating to generator models that were Gazetted by the Minister on 30 June 2017 in the <i>Wholesale Electricity Market Rules Amending Rules 2017 (No. 3)</i>:</p> <ul style="list-style-type: none"> • The provisions allow for System Management, where it deems that the performance of a Generator does not conform to its models, to request updated models from Western Power and constrain the output of the Generator until these were provided, placing the Generator on a new type of Forced Outage and making it liable for Capacity Cost Refunds. • Western Power is only required to comply with a request from System Management for updated models “as soon as reasonably practicable”, leaving a Market Generator potentially subject to a Forced Outage for an extended period with no control over the situation. • The generator model information is assigned a confidentiality status of System Management Confidential, so that System Management is not permitted under the Market Rules to tell the Network Operator what model information it needs or explain the details of its concerns to the Market Generator. 	<p>On hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).</p> <p>AEMO agreed to provide an update to the MAC on the proposed arrangements for generator performance models proposed as part of the Energy Transformation Strategy.</p>
57	MAC October 2019	<p>Identification of services subject to outage scheduling</p> <p>The Market Rules do not clearly define the ‘services’ that should be subject to outage scheduling (e.g. what services are provided by different items of network equipment, Intermittent Load facilities, dual-fuel Scheduled Generators, etc), and how the ‘availability’ of these services should be measured for each Outage Facility. This</p>	<p>The MAC agreed that this issue should be placed on hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).</p>

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
		<p>can lead to ambiguity about what constitutes an Outage for certain Outage Facilities.</p> <p>Additionally, if a Facility or item of network equipment can provide multiple services that require outage scheduling, then this concept should be clearly reflected in the Market Rules. The Amending Rules for RC_2013_15 clarified that a Scheduled Generator or Non-Scheduled Generator that is subject to an Ancillary Service Contract is required to schedule outages in respect of both sent out energy and each contracted Ancillary Service but did not seek to address the broader issue.</p> <p>(See section 7.2.2.5 of the Final Rule Change Report for RC_2013_15.)</p>	
58	MAC October 2019	<p>Outage scheduling for dual-fuel Scheduled Generators</p> <p>'0 MW' outages are currently used to notify System Management when a dual-fuel Scheduled Generator is unable to operate on one of its nominated fuels. There is no explicit obligation in the Market Rules or the Power System Operation Procedure: Facility Outages to request/report outages that limit the ability of a Scheduled Generator to operate using one of its fuels. In terms of the provision of sent out energy (the service used to determine Capacity Cost Refunds), it is questionable whether this situation qualifies as an outage at all.</p> <p>More generally, the Market Rules lack clarity on the nature and extent of a Market Generator's obligations to ensure that its Facility can operate on the fuel used for its certification, what (if anything)</p>	The MAC agreed that this issue should be placed on hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
		<p>should occur if these obligations are not met, and the implications for outage scheduling and Reserve Capacity Testing. (See section 7.2.2.5 of the Final Rule Change Report for RC_2013_15.)</p>	
59	MAC October 2019	<p>Ancillary Service outage scheduling anomalies</p> <p>Currently Registered Facilities that provide Ancillary Services under an Ancillary Service Contract must be included on the Equipment List. This creates the following potential anomalies:</p> <ul style="list-style-type: none"> • some Ancillary Service Contracts may include outage reporting provisions that are specific to the service and may differ from the standard outage scheduling provisions for Equipment List Facilities; • Market Participants are not required to schedule outages in relation to the availability of their LFAS Facilities to provide LFAS; • Synergy is not required to schedule outages in relation to the availability of its Facilities to provide uncontracted Ancillary Services; and • a contracted Ancillary Service may not always be provided by a Registered Facility. <p>A review of the outage scheduling requirements relating to Ancillary Services may be warranted to resolve any anomalies and ensure that the obligations on Rule Participants to schedule outages for Ancillary Services are appropriate and consistent.</p>	The MAC agreed that this issue should be placed on hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
		(See section 7.2.2.5 of the Final Rule Change Report for RC_2013_15.)	
60	MAC October 2019	<p>Outage scheduling obligations for Interruptible Loads</p> <p>The Market Rules require all Registered Facilities that are subject to an Ancillary Service Contract to be included on the Equipment List. This includes the Interruptible Loads that are used to provide Spinning Reserve Service. However, the Market Rules do not explicitly state who is responsible for outage scheduling for Interruptible Loads.</p> <p>This is a problem because the counterparty to an Interruptible Load Ancillary Service Contract may be an Ancillary Service Provider, and not the Market Customer (usually a retailer) to whom the Interruptible Load is registered. An Ancillary Service Provider is not subject to obligations placed on a ‘Market Participant or Network Operator’, while the retailer for an Interruptible Load may not have any involvement with the Interruptible Load arrangement or the management of outages for that Load.</p> <p>(See section 7.2.3.1 of the Final Rule Change Report for RC_2013_15.)</p>	The MAC agreed that this issue should be placed on hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).
61	MAC October 2019	<p>Direction of Self-Scheduling Outage Facilities</p> <p>An apparent conflict exists in the Market Rules between clauses that appear to allow System Management to reject or recall Planned Outages of Self-Scheduling Outage Facilities (e.g. clauses 3.4.3(a), 3.4.3(b), 3.4.4 and 3.5.5(c)) and clauses that</p>	The MAC agreed that this issue should be placed on hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).

Table 4 – Issues on Hold			
Id	Submitter/Date	Issue	Urgency and Status
		<p>appear to exempt Planned Outages of Self-Scheduling Outage Facilities from rejection or recall, such as:</p> <ul style="list-style-type: none"> • clause 3.18.2A, which explicitly exempts Self-Scheduling Outage Facilities from obligations under section 3.20; • clause 3.19.5, which allows System Management to reject an approved Scheduled Outage or Opportunistic Maintenance but fails to mention Planned Outages of Self-Scheduling Outage Facilities (which are neither Scheduled Outages nor Opportunistic Maintenance); and • clause 3.19.6(d), which sets out a priority order for System Management to consider when it determines which previously approved Planned Outage to reject but does not include any reference to Planned Outages of Self-Scheduling Outage Facilities. <p>(See section 7.2.3.2 of the Final Rule Change Report for RC_2013_15.)</p>	
62	MAC October 2019	<p>Outage scheduling obligations for non-intermittent Non-Scheduled Generators</p> <p>Under the Market Rules:</p> <ul style="list-style-type: none"> • a non-intermittent generation system with a rated capacity between 0.2 MW and 10 MW may be registered as a Non-Scheduled Generator; and • a non-intermittent generation system with a rated capacity less than 0.2 MW can only be registered as a Non-Scheduled Generator. 	The MAC agreed that this issue should be placed on hold until the regulatory changes for the Foundation Regulatory Frameworks workstream are known (mid-2020).

Table 4 – Issues on Hold

Id	Submitter/Date	Issue	Urgency and Status
		<p>To date, no non-intermittent generation systems have been registered as Non-Scheduled Generators. However, if a non-intermittent Non-Scheduled Generator was registered it would be able to apply for Capacity Credits, and if assigned Capacity Credits would also be assigned a non-zero Reserve Capacity Obligation Quantity (RCOQ).</p> <p>While this would make the Non-Scheduled Generator subject to the same RCOQ-related Scheduling Day obligations as a Scheduled Generator, the Non-Scheduled Generator's Balancing Market obligations are more uncertain and were not considered in the development of RC_2013_15. The Balancing Submissions for a Non-Scheduled Generator comprise a single Balancing Price-Quantity Pair with a MW quantity equal to the Market Generator's "best estimate of the Facility's output at the end of the Trading Interval". There is no clear obligation to make the Facility's RCOQ available for dispatch or to report an outage for capacity not made available, because new section 7A.2A, which will clarify these obligations for Scheduled Generators, does not apply to Non-Scheduled Generators.</p> <p>The need to cater for non-intermittent, Non-Scheduled Generators also affects the determination of capacity-adjusted outage quantities and outage rates and is likely to increase IT costs and the complexity of the Market Rules.</p> <p>(See section 7.2.3.4 of the Final Rule Change Report for RC_2013_15.)</p>	

Notes:

- These are issues that the MAC will consider following some identified event. Issues on Hold will be reviewed by the MAC once the identified event has occurred, and then closed or moved to another sub-list.

MARKET ADVISORY COMMITTEE MEETING, 8 September 2020

FOR NOTING

SUBJECT: UPDATE ON AEMO'S MARKET PROCEDURES

AGENDA ITEM: 7(a)

1. PURPOSE

Provide a status update on the activities of the AEMO Procedure Change Working Group and AEMO Procedure Change Proposals.

2. AEMO PROCEDURE CHANGE WORKING GROUP (APCWG)

	Most recent meeting	Next meeting
Date	23 July 2020	TBA
Market Procedures for discussion	Market Procedure: Declaration of Bilateral Trades and the Reserve Capacity Auction (consequential changes as a result of the RCM Pricing rule amendments together with revisions to align with the latest version of the WEM Rules and improve the structure and flow of the Procedure).	Market Procedure: Settlements (consequential changes required in relation to RC_2019_04 Administrative Improvements to Settlement).

3. AEMO PROCEDURE CHANGE PROPOSALS

The status of AEMO Procedure Change Proposals is described below, current as at 28 August 2020. Changes since the previous MAC meeting are in **red text**. A procedure change is removed from this report after its commencement has been reported or a decision has been taken not to proceed with a potential Procedure Change Proposal.

ID	Summary of changes	Status	Next steps	Date
AEPC_2020_06 RoPE Procedure changes: <ul style="list-style-type: none"> Market Procedure: Prudential Requirements Market Procedure: Capacity Credit Allocation 	The proposed amendments are required to implement phase 2 of the RoPE project to improve the accuracy of the Outstanding Amount calculation to deliver a dynamic, daily calculation based on the settlement calculation specified in the WEM Rules, the latest operational data or estimates of operational data when that data is not available.	Commenced		24 August 2020
AEPC_2020_04 Market Procedure: Reserve Capacity Testing	The proposed amendments are intended to align the procedure with the current version of the WEM Rules, improve clarity and reflect AEMO's latest Market Procedure template.	Commenced		1 August 2020
AEPC_2020_01 Revisions to BMO tie-break methodology: <ul style="list-style-type: none"> Market Procedure: Balancing Facility Requirements Market Procedure: Balancing Market Forecast 	The proposed amendments to the BMO tie-break methodology will assist AEMO manage the security of the power system during periods of low demand by enabling Facilities to offer minimum generation quantities as a separate tranche at the Minimum STEM Price.	On hold (Refer to paper for 16 June 2020 MAC meeting agenda item 9)	Procedure Change Report	TBA
AEPC_2020_10 Market Procedure: Declaration of Bilateral Trades and the Reserve Capacity Auction	The proposed amendments include consequential changes as a result of the RCM Pricing rule amendments together with revisions to align with the latest version of the WEM Rules and improve the structure and flow of the Procedure.	Considered by APCWG 23 July 2020 Procedure Change Proposal published 21 Aug 2019	Submissions close	18 September 2020

Agenda Item 7(b)

Review of market procedure 2020: benchmark reserve capacity price

Progress update to the Market Advisory
Committee

8 September 2020



Economic Regulation Authority

WESTERN AUSTRALIA



First working group meeting

- The MAC Working Group met on 18 August
 - Minutes available on the Group [webpage](#).
- Received feedback from stakeholders:
 - Concern: the BRCP for the 2021 reserve capacity cycle would be based on the existing market procedure.
 - Outdated WACC parameters.
- Option to expedite the review of the procedure:
 - Focus on updating parameters for the weighted average cost of capital (WACC).

Fast-track process

- The Working Group agreed with the ERA to limit the scope of the market procedure to the review of WACC parameters only.
 - This would allow for a fast-track process.
- The ERA has engaged with AEMO to consider how the 2021 reserve capacity cycle BRCP can be updated based on new WACC parameters.
 - AEMO has started its process for the calculation of the BRCP this year.

Draft procedure change proposal

- The ERA shared a [draft procedure change proposal](#) with the Working Group for feedback.
 - A summary presented.
 - Submissions available on the Working Group [webpage](#).

Proposed timeline

Date	Milestone
9 September	The ERA Governing Body meets to approve the procedure change proposal.
15 September	The ERA publishes the procedure change proposal for a 20-business day public consultation.
6 October	Working Group meeting #2 The ERA will also seek feedback on other matters than WACC parameters (for future reviews).
4 November	The ERA publishes the procedure change report.

Other matters related to the calculation of the BRCP

- Next review of the BRCP procedure
 - After completion of reforms
 - Interaction with capacity credit pricing and other elements of the reserve capacity mechanism
- The ERA seeks feedback from the Working Group
 - Choice of reference technology: overlap with the current reform process.
 - Identification and estimation of costs: for example, fixed operating and maintenance costs

Thank you

Ask any questions



Economic Regulation Authority

WESTERN AUSTRALIA

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Agenda Item 8(a): Overview of Rule Change Proposals (as at 1 September 2020)

Meeting 2020_09_08

- Changes to the report provided at the previous Market Advisory Committee (**MAC**) meeting are shown in **red font**.
- The next steps and the timing for the next steps are provided for Rule Change Proposals that are currently being actively progressed by the Rule Change Panel (**Panel**) or the Minister.

Indicative Rule Change Panel Activity Until the Next MAC Meeting

Reference	Title	Events	Indicative Timing
RC_2014_03	Administrative Improvements to the Outage Process	Publication of the Draft Rule Change Report	30/09/2020
RC_2020_04	Balancing Facility Loss Factor Adjustment	Consult with the MAC on the Pre-Rule Change Proposal	20 October 2020
		Publish Rule Change Proposal and commence consultation	October 2020
RC_2019_01	The Relevant Demand calculation	Consult on strawman proposal for a dynamic baseline	October 2020

Rule Change Proposals Commenced since the Report presented at the last MAC Meeting

Reference	Submitted	Proponent	Title	Commenced
RC_2019_05	25/10/2019	Synergy	Amending the Minimum STEM Price definition and determination	07/08/2020

Rule Change Proposals Awaiting Commencement

Reference	Submitted	Proponent	Title	Commencement
RC_2017_02	04/04/2017	Perth Energy	Implementation of 30-Minute Balancing Gate Closure	01/12/2020

Rule Change Proposals Rejected since Report presented at the last MAC Meeting

Reference	Submitted	Proponent	Title	Rejected
None				

Rule Change Proposals Awaiting Approval by the Minister

Reference	Submitted	Proponent	Title	Approval Due Date
None				

Formally Submitted Rule Change Proposals

Reference	Submitted	Proponent	Title	Urgency	Next Step	Date
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Fast Track Rule Change Proposals with Consultation Period Closed

None						
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Fast Track Rule Change Proposals with Consultation Period Open

None						
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Standard Rule Change Proposals with Second Submission Period Closed

None						
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Reference	Submitted	Proponent	Title	Urgency	Next Step	Date
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Standard Rule Change Proposals with Second Submission Period Open

None						
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Standard Rule Change Proposals with First Submission Period Closed

RC_2014_03	27/11/2014	IMO	Administrative Improvements to the Outage Process	High	Publication of Draft Rule Change Report	30/10/2020
RC_2014_05	02/12/2014	IMO	Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Price	Medium	Publication of Draft Rule Change Report	31/12/2020
RC_2018_03	01/03/2018	Collgar Wind Farm	Capacity Credit Allocation Methodology for Intermittent Generators	Medium	Publication of Draft Rule Change Report	31/12/2020
RC_2019_01	21/06/2019	Enel X	The Relevant Demand calculation	Medium	Publication of Draft Rule Change Report	31/12/2020

Standard Rule Change Proposals with the First Submission Period Open

None						
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Pre-Rule Change Proposals

Reference	Proponent	Description	Next Step	Date
RC_2019_03	ERA	Method used for the assignment of Certified Reserve Capacity to Intermittent Generators	Submit Rule Change Proposal	TBD
RC_2020_04	Panel	Balancing Facility Loss Factor Adjustment	Consult with the MAC on the Pre-Rule Change Proposal	20 October 2020
			Publish Rule Change Proposal and commence consultation	October 2020

Reference	Proponent	Description	Next Step	Date
RC_2020_05	Perth Energy	Incentivising Generator Performance	Submit Rule Change Proposal	TBD
TBD	Perth Energy	Issues with Reserve Capacity Testing	Submit Pre-Rule Change Proposal	TBD

Rule Changes Made by the Minister

Gazette	Date	Title	Commencement
2020/108	26/06/2020	Wholesale Electricity Market Amendment (Technical Rules Change Management) Rules 2020	01/01/2021
2020/24	21/02/2020	Wholesale Electricity Market Amendment (Reserve Capacity Pricing Reforms) Rules 2019	22/02/2020 01/10/2021 ¹

¹ The *Wholesale Electricity Market Amendment (Reserve Capacity Pricing Reforms) Rules 2019* will commence in two tranches – the first commenced on 22 February 2020 and the second will commence on 1 October 2021.

Agenda Item 9: RCP Support and Rule Change Panel KPIs for 2019/20

Meeting 2020_09_08

1. Background

The Rule Change Panel's (**Panel**) governing legislation and regulations do not require it to establish or report on key performance indicators (**KPIs**). However, the Panel has established KPIs for RCP Support and the Panel as a matter of best practice. In the interests of full transparency, the Panel has decided to report on:

- the Panel's KPIs, including the results of the related stakeholder satisfaction survey, in the annual Activities Report for 2019/20;¹ and
- RCP Support's and the Panel's KPIs, including the results of the related stakeholder satisfaction survey, to Market Advisory Committee (**MAC**), the Gas Advisory Board (**GAB**) and Economic Regulation Authority (**ERA**).

The Panel and RCP Support each have eight KPIs focusing on rule change efficiency, effective governance and stakeholder management; with the KPIs on stakeholder management based on the Panel's annual stakeholder satisfaction survey.

2. Discussion

The MAC is asked to:

- review and consider the report titled 'RCP Support and Rule Change Panel KPIs for 2019/20' (**Attachment 1**); and
- advise on the questions raised in section 6 (in the text boxes) of the attached report.

Attachments

(1) RCP Support and Rule Change Panel KPIs for 2019/20.

¹ Regulation 28(1) of the *Energy Industry (Panel) Regulations 2016* requires the Panel to prepare and submit an Activities Report to the Minister for Energy on an annual basis. The Activities Report must cover the Panel's general activities for the financial year, and must be submitted within 2 months after 30 June in each year (i.e. by 31 August each year). The Minister must then table the Activities Report before both houses of Parliament within 21 days of receiving the report.

The Activities Report for 2019/20 was submitted to the Minister for Energy on 31 August 2020 and must be tabled in Parliament by 21 September 2020. The Activities Report will be published on the Panel's website after it is tabled in Parliament.



RCP Support and Rule Change Panel KPIs for 2019/20

25 August 2020

Contents

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- 4. **Stakeholder Satisfaction Survey Results 9**
- 5. **Assessment of the KPIs and Stakeholder Satisfaction Survey 13**
- 6. **Points for Further Discussion..... 15**

1. Background

The Rule Change Panel's (**Panel**) governing legislation and regulations do not require the Panel to establish or report on key performance indicators (**KPIs**). However, the Panel has established KPIs for RCP Support and for the Panel as a matter of best practice. In the interests of full transparency, the Panel has decided to report on:

- the Panel's KPIs, including the results of the related stakeholder satisfaction survey, in the annual Activities Report for 2019/20;¹ and
- RCP Support's and the Panel's KPIs, including the results of the related stakeholder satisfaction survey, to the Market Advisory Committee (**MAC**), Gas Advisory Board (**GAB**) and Economic Regulation Authority (**ERA**).

This report presents:

- the results of RCP Support's KPIs for 2019/20 (section 2);
- the results of the Panel's KPIs for 2019/20 (section 3);
- the results of the stakeholder satisfaction survey for 2019/20 (section 4);
- an assessment of RCP Support's and the Panel's KPIs for 2019/20, including the stakeholder satisfaction survey for 2019/20 (section 5); and
- some points for further discussion with the MAC, GAB and ERA (section 6).

¹ Regulation 28(1) of the *Energy Industry (Rule Change Panel) Regulations 2016* requires the Panel to prepare and submit an Activities Report to the Minister for Energy on an annual basis. The Activities Report must cover the Panel's general activities for the financial year, and must be submitted within 2 months after 30 June in each year (i.e. by 31 August each year). The Minister must then table the Activities Report before both houses of Parliament within 21 days of receiving the report.

2. RCP Support KPIs

The Panel established eight KPIs to measure RCP Support's performance on an annual basis. Table 1 presents RCP Support's performance against its eight KPIs for 2019/20.

Table 1 – KPIs for RCP Support 2019/20

Category	KPI	Result
Rule change efficiency	1. RCP Support is to manage rule changes in accordance with the <i>Framework for Rule Change Proposal Prioritisation and Scheduling (Prioritisation Framework)</i> .	<p>✓ RCP Support managed the prioritisation and scheduling of all Rule Change Proposals (Proposals) for the Market Rules and GSI Rules in accordance with the Prioritisation Framework.</p> <p>✓ RCP Support achieved the timelines set out in the Prioritisation Framework for all Proposals that were submitted in 2019/20.</p> <p>✗ RCP Support did not achieve the timelines set out in the Prioritisation Framework for some older Proposals, including some legacy Proposals that were inherited from the Independent Market Operator (see section 5 of this report for further information).</p>
	2. No breaches of any of the legislation, regulations, or rules that govern the Panel.	<p>✓ RCP Support has not identified any breaches of the Panel's governing legislation or regulations in 2019/20.</p> <p>✓ RCP Support has not identified any breaches of the Market Rules in 2019/20.</p> <p>✓ RCP Support has not identified any breaches of the GSI Rules in 2019/20.</p>
	3. No rule change processes to correct for errors in previous rule changes made by the Panel.	<p>✓ There was no need to run any rule change processes in 2019/20 to correct for errors made by the Panel.</p>

Table 1 – KPIs for RCP Support 2019/20

Category	KPI	Result																				
	4. No procedural or legal reviews requested of the Panel's decisions upheld. ²	✓ No legal reviews were sought of the Panel's decisions in 2019/20.																				
	5. The percentage of RCP Support time spent on rule changes is not to materially decline from year to year.	✓ RCP Support's time has been spent as follows since 2017/18: ³ <table border="1" data-bbox="1066 598 1839 933"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Rule changes</td> <td>55.7%</td> <td>52.7%</td> <td>58.8%</td> </tr> <tr> <td>Overheads</td> <td>28.9%</td> <td>33.5%</td> <td>24.8%</td> </tr> <tr> <td>Leave and training</td> <td>15.4%</td> <td>8.0%</td> <td>11.7%</td> </tr> <tr> <td>Market Reform</td> <td>0.0%</td> <td>5.8%</td> <td>4.7%</td> </tr> </tbody> </table> <p>The data indicate that RCP Support has spent more time on rule changes and on leave and training in 2019/20 than in 2018/19; and less time on overheads.</p>		2017/18	2018/19	2019/20	Rule changes	55.7%	52.7%	58.8%	Overheads	28.9%	33.5%	24.8%	Leave and training	15.4%	8.0%	11.7%	Market Reform	0.0%	5.8%	4.7%
	2017/18	2018/19	2019/20																			
Rule changes	55.7%	52.7%	58.8%																			
Overheads	28.9%	33.5%	24.8%																			
Leave and training	15.4%	8.0%	11.7%																			
Market Reform	0.0%	5.8%	4.7%																			

² The Panel's rule change process is based on its best interpretation of its requirements for approving rule changes under the governing legislation, regulations, and rules; and is informed by legal review by qualified legal practitioners. However, the Panel's decisions in respect of any rule change may be subject to review by the Electricity Review Board or may be challenged in the courts. Therefore, there is a need to recognise that despite the Panel's best endeavours, a successful procedural or legal review is possible and that this should not necessarily be seen as a negative outcome.

³ RCP Support staff log the time that they spend on various activities in the ERA's TimeFiler database. Data were extracted from this database to calculate the time that RCP Support spent on various activities in 2019/20.

Caution should be taken in considering the data on staff time for 2017/18 because RCP Support did not develop a standard process for coding its time until late in 2017/18, so the data are not necessarily accurate for the entirety of that year. More appropriate codes and guidelines on how RCP Support staff should code their time were implemented in July 2018, so data on RCP Support time are more reliable from 2018/19 forward.

Table 1 – KPIs for RCP Support 2019/20

Category	KPI	Result
Effective Governance	6. RCP Support is to annually review and update the Panel Risk Register, including taking any steps identified in the register to mitigate the Panel's risks.	✓ The Panel finalised its first version of its Risk Register in August 2018 and reviewed the register in November 2018 and August 2019.
Stakeholder management ⁴	7. Over 60% of respondents are satisfied with the level of service being provided by the Panel.	✓ The Panel received satisfactory ratings from over 67% of survey respondents on all eight aspects of its services.
	8. The trend in stakeholder satisfaction with the level of service being provided by the Panel is not negative.	<p>✓ There was a positive trend in stakeholder satisfaction in six of the eight aspects of the Panel's services over the three years from 2017/18 to 2019/20.</p> <p>✗ There was a negative trend in stakeholder satisfaction in two of the eight aspects of the Panel's services over the three years from 2017/18 to 2019/20, including:</p> <ul style="list-style-type: none"> ○ the quality of administration of MAC meetings; and ○ the quality of administration of GAB meetings.

⁴ Stakeholder satisfaction with RCP Support is measured annually using a simple, anonymous, on-line survey. The Panel defines a 'satisfactory' response from the stakeholder satisfaction survey as a response of 'meets expectations', 'above expectations' or 'excellent'. A summary and discussion of the results of the stakeholder satisfaction survey for 2019/20 is presented below.

Individual stakeholders' responses to surveys will likely be significantly influenced by the impact of rule changes on the individual stakeholders. A rule change that has a positive overall effect on the market, but a negative effect on a particular segment of the market will likely negatively skew survey results (the level of satisfaction and the trend) if there is a large number of participants in the segment that have been negatively impacted.

3. Panel KPIs

The Panel established eight KPIs to measure its performance on an annual basis. Table 2 presents the Panel's performance against its eight KPIs for 2019/20.

Table 2 – Panel KPIs for 2019/20		
Category	KPI	Results
Rule change efficiency	1. The Panel is to manage rule changes in accordance with the Prioritisation Framework.	See the results for KPI 1 from Table 1.
	2. No breaches of any of the legislation, regulations, or rules that govern the Panel.	See the results for KPI 2 from Table 1.
	3. No rule change processes to correct for errors in previous rule changes made by the Panel.	See the results for KPI 3 from Table 1.
	4. No procedural or legal reviews requested of the Panel's decisions upheld.	See the results for KPI 4 from Table 1.
Effective Governance	5. The Panel is to review its Risk Register every 12 months.	See the results for KPI 6 from Table 1.
	6. Fully comply with the Panel's governance structure, including the: <ul style="list-style-type: none"> • Governance Manual; • Code of Conduct; and • Meeting Rules. 	✓ The Panel has not identified any breaches of its governance arrangements in 2019/20.
Stakeholder management	7. Over 60% of respondents are satisfied with the level of service being provided by the Panel.	See the results for KPI 7 from Table 1.

Table 2 – Panel KPIs for 2019/20		
Category	KPI	Results
	8. The trend in stakeholder satisfaction with the level of service being provided by the Panel is not negative.	See the results for KPI 8 from Table 1.

4. Stakeholder Satisfaction Survey Results

The Panel distributed its stakeholder satisfaction survey for 2019/20 on 28 June 2020 and sought responses by 12 July 2020. The survey was an anonymous, online survey that asked eight questions; and sought ratings for stakeholder satisfaction on a scale of:

1. poor;
2. below expectations;
3. meets expectations;
4. above expectations; and
5. excellent.

The eight questions in the survey were:

1. please rate the quality of the Panel's decisions;
2. please rate the quality of the Panel's reports;
3. please indicate your satisfaction with the timeliness of the Panel's rule change processes;
4. please indicate your satisfaction with the timeliness of the Panel's consultation processes;
5. please indicate your satisfaction with how the Panel has set the priorities of Proposals;
6. please rate the quality of the Panel's communications;
7. please rate the quality of the Panel's administration of MAC meetings; and
8. please rate the quality of the Panel's administration of GAB meetings.

The results from the survey are provided in Table 3 and Figures 1 to 16.⁵

⁵ The survey was sent to 212 people that are on the RulesWatch, MAC and GAB distribution lists. The Panel received 15 responses to the survey, which represents an 7% response rate. For comparison purposes, the response rate for the survey was 7% in 2018/19 (the survey was sent to 214 people and 17 responded) and 15% in 2017/18 (the survey was sent to 124 people and 19 responded).

Table 3 – Results of the 2019/20 Stakeholder Satisfaction Survey⁶

Question	Poor	Below Expectations	Meets Expectations	Above Expectations	Excellent	Total
Quality of decisions	0 (0%)	2 (14%)	9 (60%)	2 (13%)	2 (13%)	15 (100%)
Quality of reports	0 (0%)	0 (0%)	7 (50%)	4 (29%)	3 (21%)	14 (100%)
Timeliness of rule change processes	0 (0%)	5 (33%)	8 (53%)	1 (7%)	1 (7%)	15 (100%)
Timeliness of consultation processes	0 (0%)	1 (7%)	11 (73%)	2 (13%)	1 (7%)	15 (100%)
Setting of priorities	0 (0%)	3 (22%)	8 (57%)	3 (21%)	0 (0%)	14 (100%)
Quality of communications	0 (0%)	1 (7%)	4 (28%)	4 (29%)	5 (36%)	14 (100%)
Quality of administration of MAC meetings	0 (0%)	2 (16%)	7 (54%)	2 (15%)	2 (15%)	13 (100%)
Quality of administration of GAB meetings	0 (0%)	0 (0%)	5 (83%)	1 (17%)	0 (0%)	6 (100%)

⁶ The survey allowed respondents to provide a N/A response because WEM participants would not necessarily have an interest in the gas market, and gas market participants would not necessarily have an interest in the WEM. However, the N/A responses obscure the survey results to some extent, so the results in Table 3 and Figures 1 to 16 exclude the N/A responses.

Figures 1-8 provide a graphical representation of the results of the stakeholder satisfaction survey for 2019/20.

Figure 1: Quality of Decisions

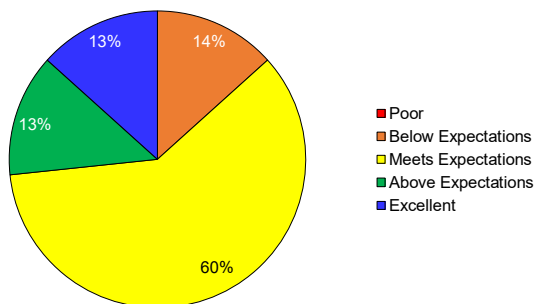


Figure 2: Quality of Reports

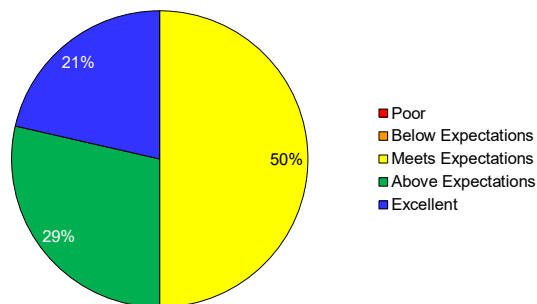


Figure 3: Timeliness of Rule Change Processes

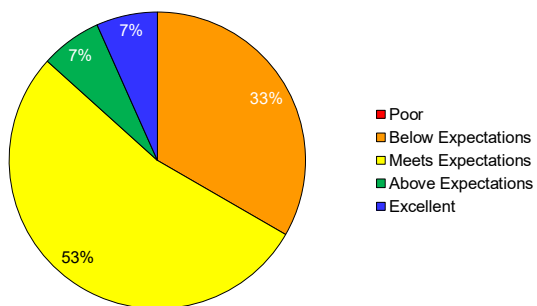


Figure 4: Timeliness of Consultation Processes

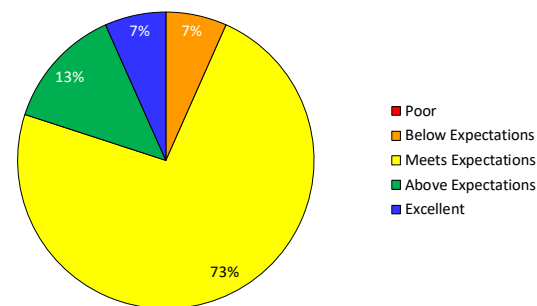


Figure 5: Setting of Priorities

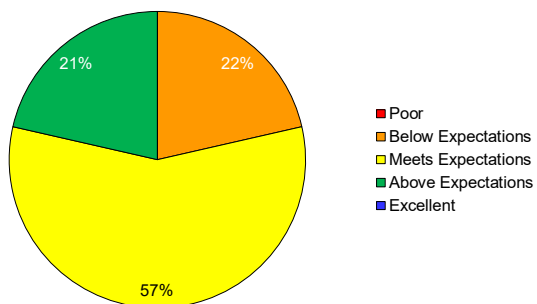


Figure 6: Quality of Communications

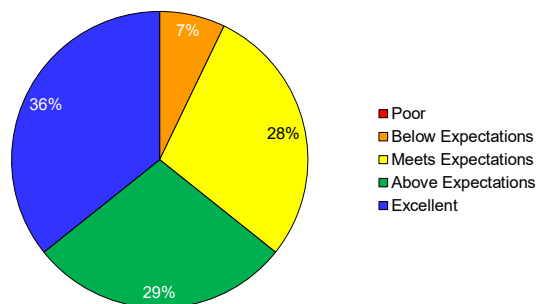


Figure 7: Quality of Administration of MAC Meetings

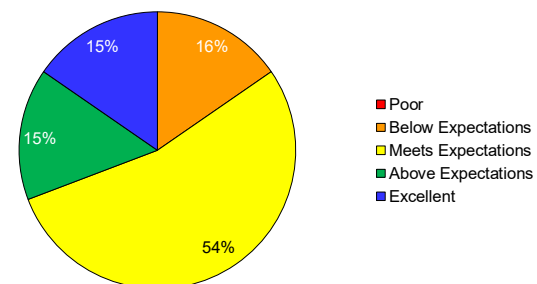
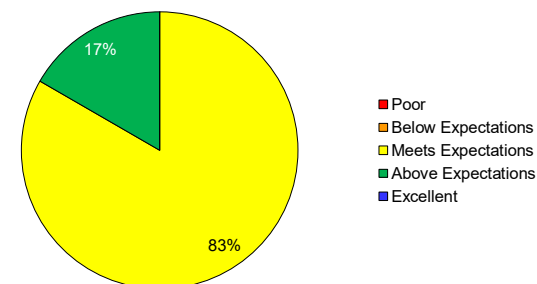
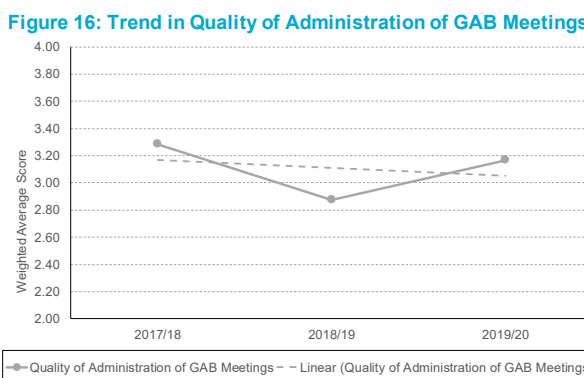
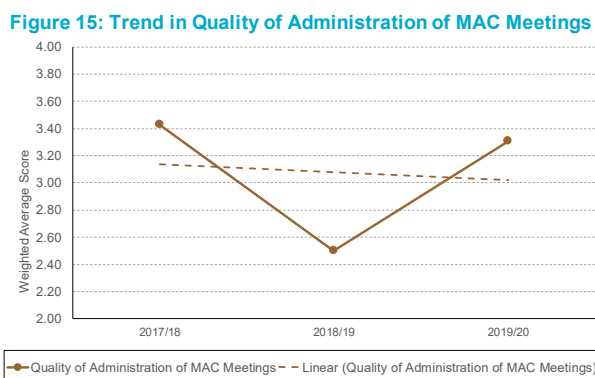
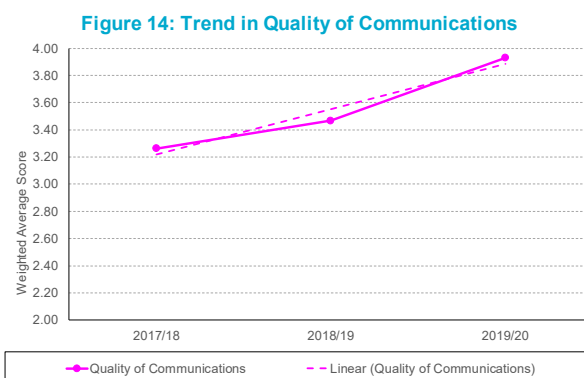
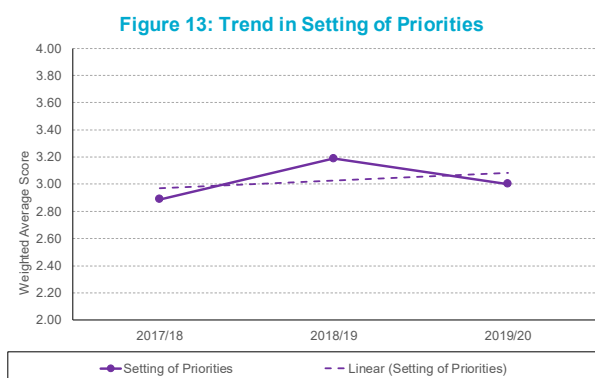
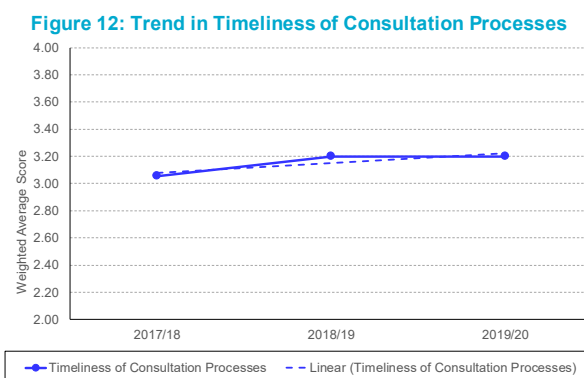
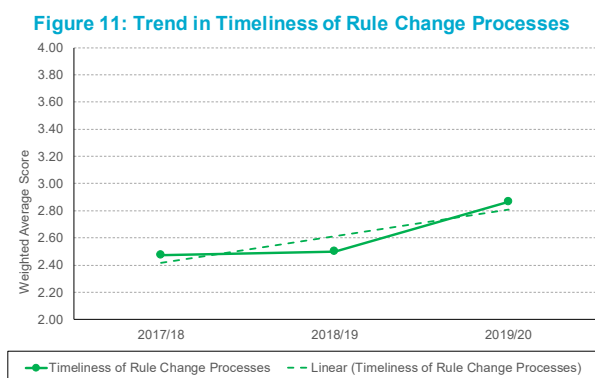
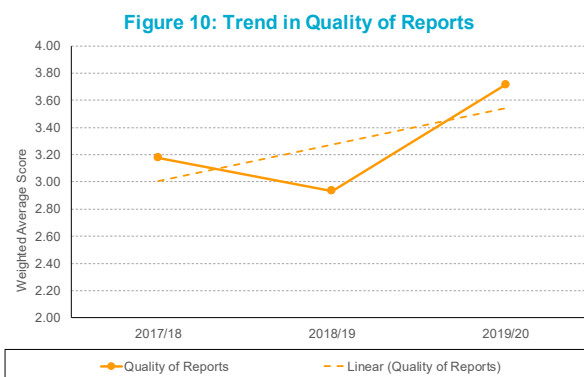
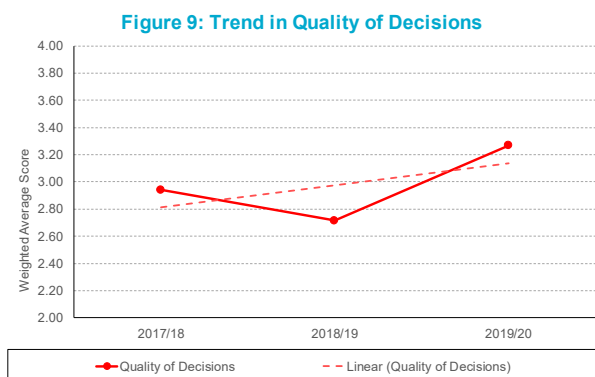


Figure 8: Quality of Administration of GAB Meetings



Figures 9 to 16 show the trend in the weighted average score for each of the aspects of the Panel’s performance from the stakeholder satisfaction surveys from 2017/18 to 2019/20. The dashed line on each chart shows the trend in the Panel’s performance.



5. Assessment of the KPIs and Stakeholder Satisfaction Survey

RCP Support and the Panel performed well in 2019/20:

- RCP Support and the Panel both met all of their KPIs in 2019/20, except:
 - while the timelines set out in the Prioritisation Framework were met for the Proposals submitted in 2019/20, the timelines were not met for some older Proposals, including some legacy Proposals that were inherited from the Independent Market Operator; and
 - while there was a positive trend in most aspects of the Panel's performance over the last three years, the 2019/20 performance ratings for the quality of administration of MAC and GAB meetings, while better than the 2018/19 ratings, were still below the 2017/19 ratings.
- The Panel generally met or exceeded stakeholder expectations in all aspects of its performance in 2019/20.
- Stakeholder ratings improved from 2018/19 to 2019/20 for all aspects of the Panel's performance except for setting priorities. The largest improvements in performance from 2018/19 to 2019/20 were in:
 - quality of administration of MAC meetings;
 - quality of the Panel's reports; and
 - quality of the Panel's decisions.

However, despite these positive results, stakeholder comments indicate that there are still some concerns with some aspects of the Panel's services:

(1) Quality of Decisions

Two of fifteen of stakeholders (14%) indicated that the quality of the Panel's decisions was below expectations. Comments regarding the quality of the Panel's decisions suggested that:

- decisions seem to have been held up by minutiae that do not need to be specified in the Market Rules; and
- decisions are supported by thorough analysis and assessment, but it is questionable whether this level of effort is necessary for all Proposals.

The Panel notes that it tries to tailor the level of effort and detail that goes into its decisions to the materiality of the associated Proposals. That is, the Panel tries to put more effort and analysis into Proposals that will have a material impact on the markets. While the Panel is required to respond to all issues raised by stakeholders during consultation on Proposals, which can lead to the Panel putting more effort into analysing less material proposals and paying more attention to minutiae, the Rule Change Panel will look to further improve its decision-making processes.

(2) Quality of Reports

Stakeholder ratings of the quality of the Panel's reports were very positive, but there were several comments to the effect that, while the reports are well reasoned and thorough, they are too long and it can be difficult to identify key points in the reports.

Some comments suggested that detail can be provided in hyperlinked documents, while others suggested that use of hyperlinked documents made reports difficult to follow. The Panel will continue to refine the structure of its reports to make them more reader friendly while still meeting the requirements for reports as specified in the Market Rules and GSI Rules.

(3) Timeliness of Rule Change Processes

There was a significant improvement in stakeholders' satisfaction with the timeliness of the rule change processes from previous years, but five of fifteen stakeholders (33%) still indicated that timeliness of the rule change process was below expectations.

Stakeholder comments suggested that the timeliness of the processes seems to have been impacted by a focus on minutiae and by delays in AEMO providing input into the rule change processes.

As indicated above, the Panel is required to respond to all issues raised by stakeholders during consultation on Proposals, which can lead the Panel to put more effort into analysing less material proposals and to pay more attention to minutiae.

The Panel has faced challenges with the timeliness of its rule change processes for older Proposals for the Market Rules (submitted prior to 2019/20), but has generally met the timelines in the Prioritisation Framework for newer proposals for the Market Rules (2019/20) and for proposals for the GSI Rules.

The Panel agrees with stakeholders that delays in AEMO providing input on some rule change processes have contributed to delays in progressing some Proposals. AEMO appears to have found some older and more complex Proposals challenging, such as RC_2014_03 (Administrative Improvements to the Outage Process) and RC_2017_02 (Implementation of 30-Minute Balancing Gate Closure).

AEMO has also faced significant resource constraints in the second half of 2019/20 due to its requirement to support the Energy Transformation Strategy (ETS) and the impacts from the COVID-19 pandemic. The MAC discussed AEMO's resourcing constraints at its meetings on 5 May 2020 and 16 June 2020, where the MAC indicated that it did not want to defer any Proposals but acknowledged that AEMO may have different priorities for its resources and that AEMO's resourcing constraints may impact the timing of some Proposals.

The Panel notes that AEMO and RCP Support are cooperating to refine the process for AEMO to provide support to the Panel so that AEMO has better clarity about the timing and resource requirements for each Proposal. This process has worked well for newer proposals submitted in 2019/20 which, as indicated above, have progressed in a timely manner.

(4) Timeliness of the Consultation Processes

One of fifteen stakeholders (7%) indicated that the timeliness of the Panel's consultation processes was below expectations. Comments suggested that the timeliness of the consultation processes was impacted by delays in waiting for input from AEMO. The Panel's comments in point (3) above regarding the impact of AEMO resourcing constraints on the rule change processes are relevant to the timeliness of the consultation process.

(5) Setting of Priorities

Three of fourteen stakeholders (22%) indicated that the setting of priorities was below expectations. Comments acknowledged that there were challenges in prioritising Proposals in the context of the ETS.

As indicated under point (3) above, the MAC has discussed the impact of resourcing constraints on AEMO due to its requirement to support the ETS and impacts from the COVID-19 pandemic. The MAC indicated that it did not want to defer any Proposals but acknowledged AEMO may have different priorities for its resources and that AEMO's resourcing constraints may impact the timeliness of the rule change process.

The Panel will continue to liaise with Energy Policy WA regarding any overlap between the ETS and any existing or new Proposals. RCP Support will also continue to discuss with AEMO, the MAC and the GAB the impact of any resource constraints on AEMO or Market Participants on their ability to support Proposals.

(6) Quality of Communications

Stakeholder feedback on the quality of Panel communications was positive and has been improving over time, but one of fourteen stakeholders (7%) still indicated that the quality of communications was below expectations. However, no specific feedback was provided on what aspects of the Panel's communications require improvement.

(7) Quality of Administration of MAC meetings

Two of thirteen stakeholders (16%) indicated that the quality of administration of MAC meetings was below expectations. Comments suggested that the move to online MAC meetings in response to the COVID-19 pandemic was helpful, as meetings are now more orderly and participants have greater opportunity to be heard.

The main criticism of the administration of the MAC was that the MAC sometimes struggles to resolve issues, such as the handling of the North Country Spinning Reserve issue.

(8) Quality of Administration of GAB meetings

No concerns were raised with the administration of GAB meetings.

6. Points for Further Discussion

Stakeholders raised several additional concerns in the stakeholder satisfaction survey for 2019/20. The Panel is providing additional feedback on these concerns to the MAC, GAB and ERA. The Panel is also seeking further feedback from the MAC, GAB and ERA on several matters.

(1) Length and Complexity of Panel Reports

Stakeholders have commented that Panel reports (i.e. Draft Rule Change Reports and Final Rule Change Reports) can be lengthy and difficult to navigate.

The Panel notes that Market Rules specify several things must be included in Panel reports⁷ and that it is these requirements that often drive the length and complexity of the reports.

The Panel has historically met the requirements for the content of Panel reports by reproducing drafting from previous documents.

However, the Panel has recognised that this approach leads to lengthy and complex Panel reports, and has drafted more recent reports by assuming that the reader has read all previous documentation and providing references to the previous documents, which are available on the Panel's website.

Some comments from the stakeholder satisfaction survey have supported this approach, while others have suggested that the references and hyperlinks make the Panel reports more difficult to follow.

The views of the MAC and GAB are sought on:

- (a) Do you support the current approach to drafting Panel reports based on the assumption that previous documents have been read and by referring to those documents where needed, rather than reproducing text from those documents in the reports?
- (b) Are there any concerns with the structure of Panel reports?
- (c) Are there any suggestions for improvements to the structure of Panel reports?

(2) Effectiveness of the MAC

A stakeholder commented that the MAC often does not reach a resolution on matters discussed or identify clear 'next steps', and cited examples of:

- the prioritisation of AEMO resourcing of its support of Proposals; and
- handling of the North Country Spinning Reserve issue.

The Panel notes that the MAC is an advisory body, not a decision-making body; and that the Panel and the Chair of the MAC do not have any authority to require Market Participants, AEMO, or Energy Policy WA to take any action to develop/submit Proposals in response to MAC discussions. Further, the Panel only has authority to develop a Proposal in response to MAC discussions in the limited circumstances specified in clause 2.5.4 of the Market Rules (i.e. to correct a manifest error). The

⁷ The Market Rules specify that:

- Draft Rule Change Reports must include:
 - all submissions received on the Rule Change Proposal, a summary of those submissions and the Panel's responses to issues raised in those submissions [clause 2.7.7(b)];
 - summary of any public forums or workshops [clause 2.7.7(c)]; and
 - a summary of views expressed by MAC members, where the MAC has met to discuss the Rule Change Proposal [clause 2.7.7(d)]
- Final Rule Change Reports (for Proposals progressed using the Standard Rule Change Process) must include:
 - all information in the Draft Rule Change Report [clause 2.7.8(a)]; and
 - all submissions received on the Draft Rule Change Report, a summary of those submissions and the Panel's response to issues raised in those submissions [clause 2.7.8(b)].

On the other hand, the GSI Rules have fewer requirements on the content of Draft Rule Change Reports and Final Rule Change Reports [rules 136 and 137], and therefore can be more concise.

legislated role of the Panel is not analogous to that of the Australian Energy Market Commission (**AEMC**) in the National Energy Market.⁸

Nevertheless, the Panel acknowledges that the MAC can be better used to provide leadership on resolution of issues in the Wholesale Electricity Market, for the issues that are not already covered by the ETS.

Regarding the specific examples cited by the stakeholder, the Panel notes that:

- prioritisation of Proposals is discussed above under section 5, item (3); and
- the Chair of the MAC made RCP Support's views on the North Country Spinning Reserve Issue clear to the MAC and Energy Policy WA has taken responsibility for developing a rule change to address this issue.

⁸ The AEMC is an independent statutory body with two key roles:

- (1) Making and amending the National Electricity Rules (**NER**), National Gas Rules (**NGR**) and National Energy Retail Rules (**NERR**).

The AEMC's role in making and amending the NER, NGR and NERR is roughly analogous to the Rule Change Panel's role to make and amend the Market Rules and GSI Rules.

- (2) Providing strategic and operational advice to the Council of Australian Governments (**COAG**) Energy Council.

The AEMC's reviews and advice take a long-term view of what needs to be done to deliver reliable, secure energy at the best price for consumers. The AEMC usually undertakes reviews and provides advice in accordance with terms of reference provided by the by the COAG Energy Council, but the AEMC can also formally initiate its own reviews on matters related to the NER, NGR and NERR.

The Rule Change Panel does not have an analogous advisory role to the Western Australian Government.

Note that on 12 June 2020, Prime Minister Morrison announced that COAG will cease and a new National Federation Reform Council (**NFRC**) will be formed, with a National Cabinet at the centre of the NFRC. The COAG Energy Council has been replaced with the Resource Ministers Roundtable.

Agenda Item 10: MAC Schedule for 2021

Meeting 2020_09_08

The Market Advisory Committee (**MAC**) and the Rule Change Panel (**Panel**) both currently meet on a six-weekly cycle, commencing in February each year, with the MAC scheduled to meet two weeks before the Panel meeting each month. The Gas Advisory Board (**GAB**) meets twice per year, in March and September.

RCP Support has developed proposed meeting dates for the Panel, the MAC and the GAB for 2021 consistent with the current arrangement, as indicated in the table below.

The MAC is asked to consider and accept the proposed schedule for MAC meetings for 2021 (highlighted in yellow). The proposed dates for the Panel and GAB meetings are provided for information purposes.

	Proposed MAC Meetings	Panel Meetings	Proposed GAB Meetings
January 2021			
February 2021	Tuesday 2 February 2021	Thursday 18 February 2021	
March 2021	Tuesday 16 March 2021		Thursday 25 March 2021
April 2021	Tuesday 27 April 2021	Thursday 1 April 2021	
May 2021		Thursday 13 May 2021	
June 2021	Tuesday 8 June 2021	Thursday 24 June 2021	
July 2021	Tuesday 20 July 2021		
August 2021	Tuesday 31 August 2021	Thursday 5 August 2021	
September 2021		Thursday 16 September 2021	Thursday 23 September 2021
October 2021	Tuesday 12 October 2021	Thursday 28 October 2021	
November 2021	Tuesday 23 November 2021		
December 2021		Thursday 9 December 2021	