

Rule Change Proposal Prioritisation and Scheduling Framework

MAC Meeting 2017-03
12 July 2017

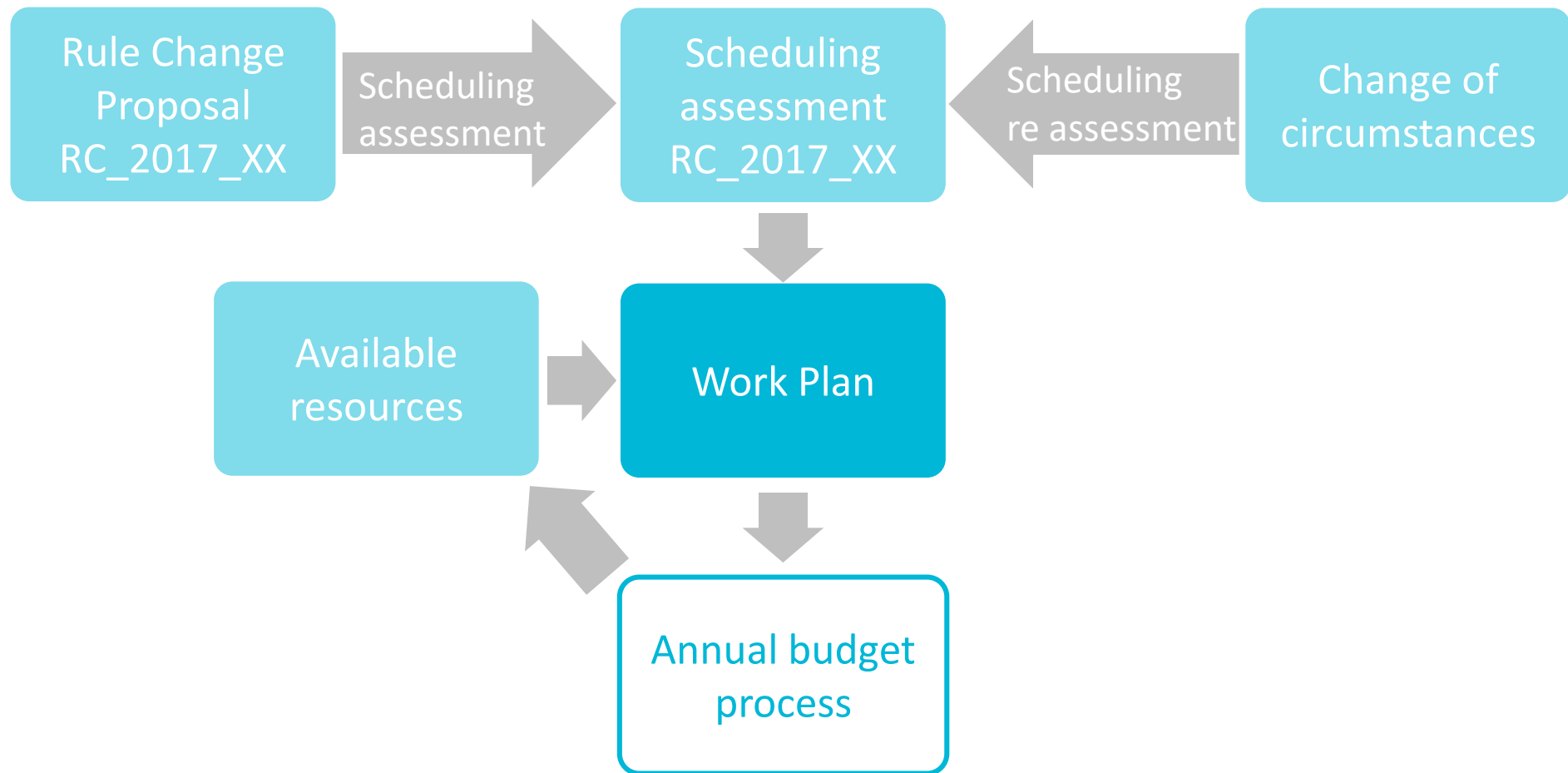
Content

- Need for a framework
- Proposed framework
- Proposed urgency ratings
- Urgency rating examples
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Need for a Framework

- Ideally Rule Change Proposals are progressed in default timeframe
 - **But:** Uncertain workload
 - Quantity and timing of proposals
 - Complexity and subject matter of proposals
 - Default timeframe not always achievable at efficient cost
- Framework needed for **efficient** use of resources and budget

Framework Components



Resources

- Trade-offs for resourcing: availability, experience, cost
- Default RCP budget
 - Core team + share of other ERA staff
If core team not fully utilised → used by ERA
 - Consulting budget
- Additional resources if needed
 - “Borrow” ERA staff
 - Short term contractors
- AEMO support

Scheduling Assessment of Rule Change Proposal – Input Factors

- Urgency based on available information – revision possible
- Submission date
- Required resources
 - Internal e.g. analyst, legal support, consultant
 - External e.g. AEMO
- Qualifying factors, e.g.
 - Reserve Capacity Cycle
 - IT and process implementation cycles
 - EMR program considerations

Basis for Urgency Rating

- Rule change consequence of external event (e.g. GST)?

→ obvious

- How bad (WEM Objectives) if proposal is delayed?

→ May require judgment call

- How good (WEM Objectives) if proposal is dealt with?

→ May require judgment call

- Likely implementation and ongoing operational costs?

→ Best guess based on available information

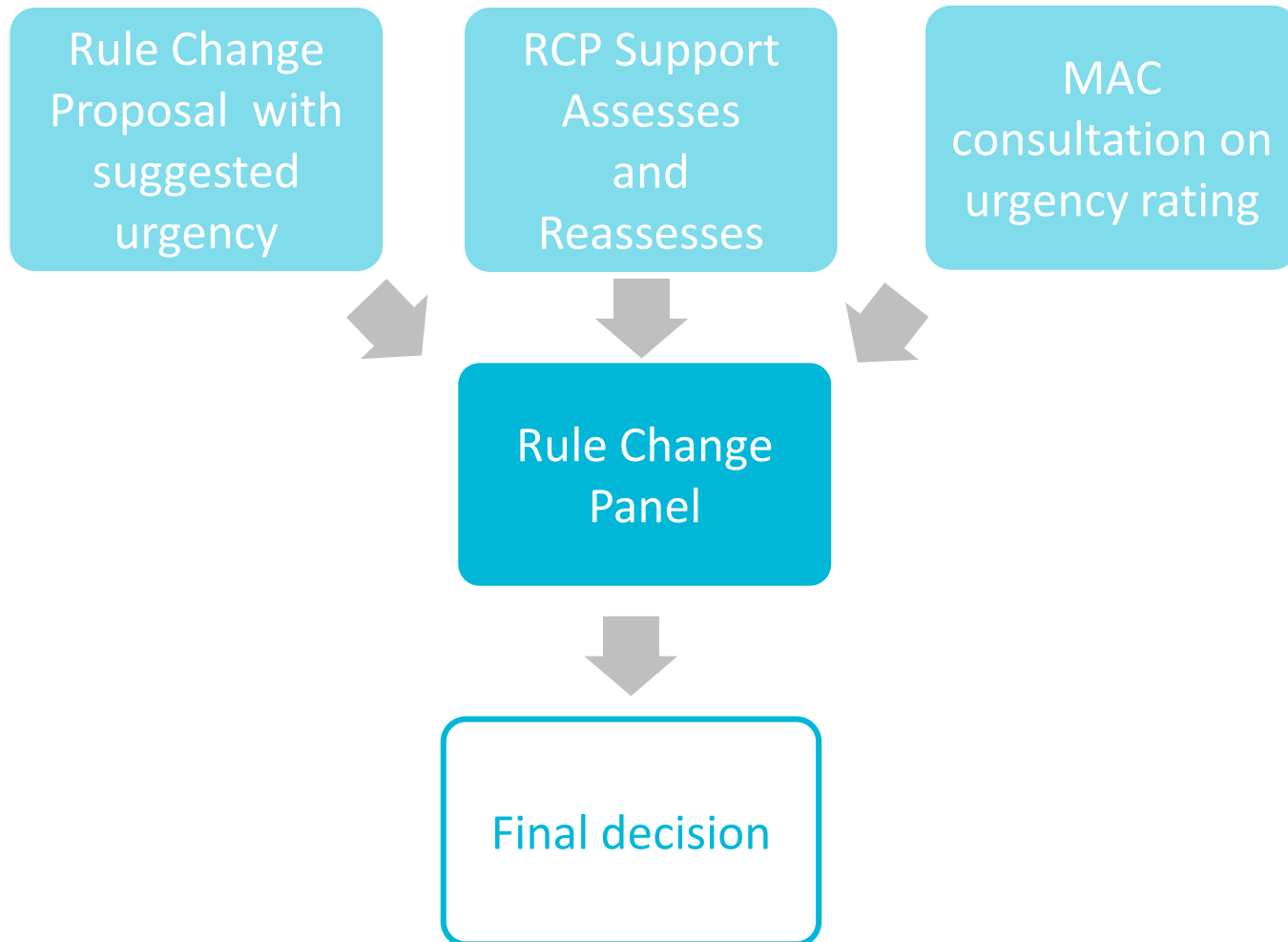
Question: What other factors/questions should be considered?

Proposed Urgency Rating

Urgency	Description	Resourcing implications
5	Essential: Legal necessity, unacceptable market outcomes, serious threat to power system security and reliability	Do not delay - acquire additional resources if necessary
4	High: Compelling proposal and large net benefit	Do not delay except for urgency 5 - acquire additional resources if necessary
3	Medium: Net benefit either <ul style="list-style-type: none"> • may be large but needs more analysis to determine • material but not large enough for rating 4 	May delay up to X if budgeted resources unavailable
2	Low: Minor net benefit, e.g. reduced administration costs	May delay up to X if budgeted resources unavailable
1	Housekeeping: No real market benefit, e.g. just improves readability of Market Rules	May delay up to X if budgeted resources unavailable

Question: What delay periods are acceptable for urgencies 1-3?

Assignment of Urgency Rating



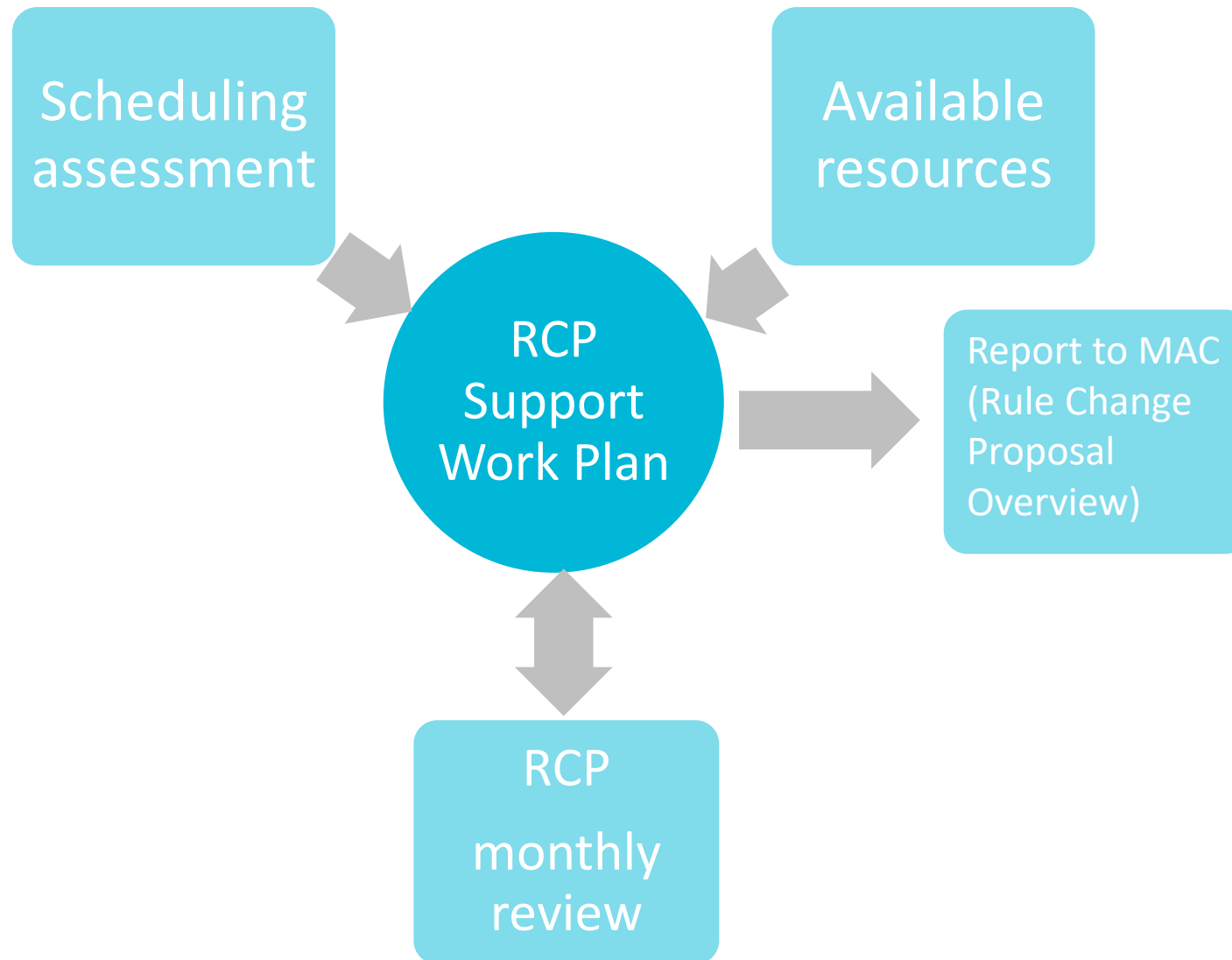
Special Cases

- Superseded by EMR
 - Progress proposal and reject
- Unable to assess due to EMR uncertainty
 - Delay progress until EMR direction clearer
- Expected that EMR changes will reduce payback
 - On hold until superseded or EMR abandons changes
- Multiple components – some affected by EMR
 - Progress components that should be progressed
 - Reject components that cannot be progressed

Proposed Work Plan Management 1

- Order of progressing Rule Changes Proposals
 1. By urgency rating
 2. Submission date **but** account for qualifying factors
 - Resource availability and workflow practicality
 - Rule Change Panel availability
 - MAC and AEMO availability
 - IT and process development timing
 - EMR program consideration

Proposed Work Plan Management 2



Urgency Rating Examples

Proposal	Submitted	Status	Proposed urgency
RC_2013_21 Limit to Early Entry Capacity Payments	10/01/2014	Second Submission Period closed	4
RC_2013_15 Outage Planning Phase 2 - Outage Process Refinements	24/12/2013	First Submission Period closed	Unable to assess due to EMR
RC_2014_03 Administrative Improvements to the Outage Process	27/01/2014	First Submission Period closed	3 or 4?
RC_2014_10 Provision of Network Information to System Management	13/01/2015	Second Submission Period closed	Superseded?
RC_2015_01 Removal of Market Operation Market Procedures	03/03/2015	First Submission Period closed	2

Urgency Rating Examples

Proposal	Submission date	Status	Proposed urgency
RC_2017_05 AEMO Role In Market Development	7/07/2017	Submitted	3 or 4?
PRC_2017_06 Reduction of the prudential exposure in the Reserve Capacity Mechanism	NA	PRC	4
PRC_2017_07 Reserve Capacity Mechanism – Transitional Rules	NA	PRC	4
RC_2017_02 Implementation of 30-Minute Balancing Gate Closure	04/04/2017	First Submission Period closed	3

Next Steps

- MAC provides feedback on framework and highest priority (4/5) proposals by **5:00pm Tuesday 18 July 2017**
- Rule Change Panel reviews and approves proposed framework and agrees highest priority proposals
- RCP Support focusses on highest priority proposals
- For legacy proposals
 - call for further submissions; and/or
 - further MAC discussion
- Consult MAC on urgency ratings for other proposals
- Rule Change Panel reviews and approves urgency ratings and work plan