

Meeting Agenda

Meeting Title:	Market Advisory Committee
Meeting Number:	2017-08
Date:	Wednesday 13 December 2017
Time:	13:00 pm – 4:40 pm
Location:	Training Room No. 1, Albert Facey House 469 Wellington Street, Perth

Item	Item	Responsibility	Duration
1	Welcome	Chair	5 min
2	Meeting Apologies/Attendance	Chair	5 min
3	Minutes from Previous Meeting	Chair	5 min
4	Actions Arising	Chair	10 min
5	Presentation – Balancing Offer Market Guideline (no paper)	ERA	15 min
6	Market Rules		
	(a) Overview of Rule Change Proposals	Laura Koziol	10 min
	(b) Presentation – Outage Planning (RC_2013_15) (no paper)	Jenny Laidlaw	20 min
	(c) Discussion – Removal of Resource Plans and Dispatchable Loads (RC_2014_06) (late paper)	Laura Koziol	15 min
	(d) Discussion – Correction of Gazettal Error (PRC_2017_10)	Stephen Eliot	10 min
7	Update on AEMO's Market Procedures	AEMO	10 min
8	Implementation Plan – Security Constrained Market Model (verbal update)	PUO/AEMO	15 min
9	Update on the Market Rules Issues List	Chair	90 min
10	General Business		
	(a) MAC Meeting Schedule for 2018	Chair	5 Min
	(b) MAC Composition Review for 2017 and Call for Nominations for 2018	Richard Cheng	5 Min

Next Meeting: 14 February 2018

Please note, this meeting will be recorded.

Minutes

Meeting Title:	Market Advisory Committee (MAC)
Meeting No:	2017-07
Date:	8 November 2017
Time:	1:00 pm – 3:55 pm
Location:	Training Room No. 1, Albert Facey House 469 Wellington Street, Perth

Attendees	Class	Comment
Stephen Eliot	Chair	
Matthew Martin	Minister's Appointee – Small-Use Consumer Representative	
Martin Maticka	AEMO	
Mehdi Toufan	System Management	Proxy, from 1:10 pm
Sara O'Connor	Economic Regulation Authority (ERA) Observer	
Margaret Pырchla	Network Operator	From 1:15 pm
Will Bargmann	Synergy	From 2:30 pm
Shane Cremin	Market Generators	
Wendy Ng	Market Generators	
Andrew Stevens	Market Generators	
Jacinda Papps	Market Generators	To 3:35 pm
Liz Aitken	Market Customers	Proxy
Simon Middleton	Market Customers	
Geoff Gaston	Market Customers	
Steve Gould	Market Customers	
Peter Huxtable	Contestable Customers	

Apologies	Class	Comment
Dean Sharafi	System Management	
Patrick Peake	Market Customers	

Also in attendance	From	Comment
Jenny Laidlaw	RCP Support	Presenter
Laura Koziol	RCP Support	Presenter
Ashwin Raj	Public Utilities Office (PUO)	Presenter, to 1:55 pm
Bobby Ditric	PUO	Observer
Aditi Varma	PUO	Observer
Justin Ashley	PUO	Observer, to 1:55 pm
Jenni Conroy	PUO	Presenter, to 1:55 pm
Paul Hynch	PUO	Observer, to 2:30 pm
Kristian Myhre	PUO	Observer, to 1:55 pm
Matthew Fairclough	AEMO	Observer, from 1:10 pm
Stuart Featham	AEMO	Observer
Ignatius Chin	Bluewaters Power	Observer
Angelina Cox	Synergy	Observer
Tim McLeod	Amanda Energy	Observer
Richard Cheng	RCP Support	Observer
Sandra Ng Wing Lit	RCP Support	Minutes

Item	Subject	Action
1	<p>Welcome</p> <p>The Chair opened the meeting at 1:00 pm and welcomed members and observers to MAC meeting 2017-07.</p>	
2	<p>Meeting Apologies/Attendance</p> <p>The following apologies were noted:</p> <ul style="list-style-type: none"> • Dean Sharafi (System Management) • Patrick Peake (Market Customers) <p>The following proxies were noted:</p> <ul style="list-style-type: none"> • Mehdi Toufan for Dean Sharafi (System Management) • Liz Aitken for Patrick Peake (Market Customers) 	

3	<p>Minutes from Previous Meeting</p> <p>The minutes of MAC meeting 2017-05 held on 13 September 2017 were circulated on 27 October 2017.</p> <p>The minutes were accepted as a true record of the meeting.</p> <p>Action: RCP Support to publish the minutes of meeting 2017-05 on the Rule Change Panel's website as final.</p>	RCP Support
4	<p>Actions Arising</p> <p>The closed action items were taken as read.</p> <p>Action 19/2017: Mr Matthew Martin noted that the PUO had commenced but not yet completed work to address MAC members' concerns about the amending rules Gazetted by the Minister on 30 June 2017. Mr Martin requested the action item be carried over to the next MAC meeting.</p>	
5a	<p>Overview of Rule Change Proposals</p> <p>The MAC noted the Overview of Rule Change Proposals.</p>	
6	<p>Update on AEMO's Market Procedures</p> <p>Mr Martin Maticka provided an update on AEMO's Market Procedures. Mr Maticka noted that:</p> <ul style="list-style-type: none"> • the revised Market Procedure: Individual Reserve Capacity Requirements commenced on 3 November 2017; • AEMO was working on changes to two Market Procedures (Prudential Requirements and Capacity Credit Allocation); and • the Procedure Change Proposal AEPC_2017_12 (Reserve Capacity Security) was still on hold while AEMO investigated whether a Rule Change Proposal was needed to resolve an inconsistency between the Market Procedure and the Market Rules. 	
7	<p>Implementation Plan – Security Constrained Market Model</p> <p>Mr Martin (assisted by Mr Ashwin Raj and Ms Jenni Conroy from the PUO) and Mr Maticka gave a presentation on the implementation plan for a security constrained market model for the South West interconnected system (SWIS). The presentation is available on the Rule Change Panel's website.</p> <p>The following points were discussed.</p> <ul style="list-style-type: none"> • Mr Raj noted that the main driver for the PUO Networks team was the deadline to introduce legislative amendments to Parliament by mid-2018. The Networks team had been asked to focus on the minimum changes needed to support a constrained network access model, but to also consider what additional, best practice, improvements could be made to the regulatory framework. This may include adopting some aspects of Chapters 6 and 6A of the National Electricity Rules. 	

	<ul style="list-style-type: none"> • Mr Raj that noted the PUO intended to publish a position paper in December 2017 or January 2018 outlining the design of the proposed constrained network access model. The PUO also intended to publish a consultation paper in mid-January 2018 on the data inputs and assumptions for financial modelling that would be used to understand the impacts of a transition to constrained network access on existing generators. • In response to a question from Ms Wendy Ng, Mr Martin explained that the mid-2018 target date for the proposed legislation was designed to support completion of the required regulatory changes by mid-2020. This would provide certainty for industry, although the changes might not take effect at that time. • In response to questions from Mr Simon Middleton and Ms Liz Aitken, Mr Raj clarified that consultation on the proposed modelling would be in two parts. The first consultation, expected to begin in mid-January 2018, would be on the assumptions and data to be used as input to the proposed modelling. This would be followed by the development of the model and then a second round of consultation on the modelling results, which was proposed to be completed by April 2018. • Ms Aitken noted the proposed timeframe would give stakeholders only a few weeks to consider the modelling results, and asked if there was any way the PUO could bring forward the release of the modelling or the request for feedback on the input assumptions. Mr Raj replied that the PUO would do everything it could to release information for consultation earlier, to give industry as much time for review as possible. Ms Aitken suggested that anything less than a couple of months for consultation would probably be inadequate. • Mr Andrew Stevens considered that the network access changes had a material and uncertain impact on generators, and the proposed timeframes might be unrealistic for a proper consultation process. • In response to questions from Mr Middleton, Mr Raj confirmed that the modelling results would be used to inform Government decisions about compensation for existing Generators. Mr Raj advised that the consultation process would also cover how Capacity Credits will be assigned under the new arrangements. • Mr Stevens noted that model of the business case for adopting a constrained network access needed to account for the existence of 1,000 MW to 1,500 MW of spare unconstrained capacity at Kwinana and Muja. • Mr Shane Cremin suggested that the PUO consider alternative options in case the cost of moving to a constrained network access model is found to be prohibitive. There was some discussion about the benefits of implementing constrained network access, the potential short and longer-term alternatives and the need to allow adequate time for consultation. • Mr Raj advised that the PUO intended to use a 10-year horizon for its modelling. 	
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	<ul style="list-style-type: none"> • Mr Martin explained that most of the PUO’s market reform work would be undertaken by two teams, a dedicated Networks team and a dedicated Wholesale team. It was not intended to use a steering committee; instead policy proposals would be submitted to the Minister for consideration and approval in the normal manner. • Mr Cremin asked whether any additional Generators would be able to connect to the SWIS before the proposed implementation of constrained network access in 2022. Mr Martin replied that the current connection processes were likely to remain in place until changes were made to the regulatory framework. • Mrs Jacinda Papps asked whether the proposed changes included the implementation of 5-minute settlement. Ms Conroy indicated that while the proposed changes included a 5-minute dispatch cycle the PUO did not yet have a position on 5-minute settlement. Mr Maticka added that 5-minute settlement was yet to be implemented in the National Electricity Market and was unlikely to be implemented soon in the Wholesale Electricity Market (WEM). • Mr Middleton asked what level of policy certainty the ERA would need to approve AEMO’s funding for the project. Mr Maticka replied that AEMO would be looking at how its work on the reform program would be funded (e.g. whether the Government intended to underwrite the work directly, or provide a policy direction to give the ERA sufficient certainty to approve the required funding). Mr Maticka expected AEMO would only have a small team working on the reform program until there was clarity about the funding arrangements. • Mr Ignatius Chin asked how changes to the Reserve Capacity Mechanism (RCM) would be progressed. Mr Martin replied that a separate PUO work team was looking at the options for the RCM, including whether to implement an auction or continue with some form of administered pricing mechanism. The PUO was currently seeking Ministerial approval for the project plan. The work was expected to take about eight months to complete. • Mr Middleton asked whether there was any pressure to revise the treatment of Demand Side Programmes (DSPs) as part of the RCM work, given that the current arrangements for DSPs were only intended to be transitional and last until the implementation of an auction. Mr Martin replied that the PUO was not proposing to change the arrangements for DSPs until other changes to the RCM that affected all Market Participants (not just DSP providers) were implemented. 	
8	<p>MAC Market Rules Issues List – Review of Candidate Issues</p> <p>The Chair noted that RCP Support received 40 issues in response to its request for candidate issues for the proposed Market Rules Issues List. Following the circulation of the collated list on 18 October 2017, RCP Support had received three further issues for consideration, one from the Independent Market Operator (IMO) and two from the ERA.</p>	

<p>As it was not possible to discuss all the issues in detail in a single session, RCP Support had categorised the issues into six groups:</p> <ul style="list-style-type: none"> • issues to be added to the list of potential Rule Change Proposals; • issues that appear to require a broader review – RCP Support intended to schedule preliminary discussions on these issues at upcoming MAC meetings; • issues that RCP Support suggested should be put on hold pending the outcomes of other work currently underway; • issues that appeared to be out of scope; • issues that appeared to be duplicates of other issues in the list; and • unclear issues requiring further explanation. <p>The Chair noted that the following review/discussion topics had been identified from the candidate issues, with some issues spanning multiple topics:</p> <ul style="list-style-type: none"> • the RCM (excluding its pricing mechanisms); • behind-the-meter issues; • the treatment of storage facilities in the WEM; • the basis for the allocation of Market Fees; • review of agency roles and responsibilities; and • (potentially) Commissioning Tests. <p>An updated candidate issues list showing RCP Support's proposed categorisations was presented to aid the discussion. A copy of the updated list is available on the Rule Change Panel's website.</p> <p>The MAC discussed and categorised each of the candidate issues and requested several action items, as summarised below.</p> <p><u>Issue 1 (Individual Reserve Capacity Requirement (IRCR) calculations and capacity allocation)</u>: assigned to discussion/review category.</p> <p><u>Issue 2 (Allocation of market costs)</u>: assigned to discussion/review category.</p> <p><u>Issue 3 (Penalties for outage)</u>: assigned to discussion/review category.</p> <p>Ms Aitken raised a concern about a lack of timely information on the dynamic refund rates applicable for each Trading Interval since the implementation of the new dynamic refund regime on 1 October 2017. Mr Maticka agreed to investigate and report back to the MAC on the matter.</p> <p>Action: AEMO to investigate and report to the MAC on:</p> <p>(a) the timing and content of the information provided to Market Participants on dynamic refund rates under the Market Rules:</p>	<p>AEMO</p>
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<p>(b) whether the required information is currently provided in accordance with the Market Rules, and, if not, when it is expected to be; and</p> <p>(c) any options to improve the content and/or timeliness of the information provided to Market Participants on dynamic refund rates.</p> <p><u>Issue 4 (Incentives for maintaining appropriate generation mix):</u> assigned to discussion/review category.</p> <p><u>Issue 5 (Improved definition of short run marginal cost (SRMC)) and Issue 6 (Improved definition of market power):</u> placed on hold pending development of the ERA's proposed Balancing Market Offer Guidelines. Ms Sara O'Connor noted that the ERA was working on a market offer guideline to provide transparency on the ERA's interpretation of terms such as 'market power' and 'reasonable expectation (of SRMC)'. The ERA hoped to begin consultation (including a workshop) on the draft guideline before the end of 2017.</p> <p><u>Issue 7 (Improved definition of the quantity of LFAS i) required and ii) dispatched):</u> placed on hold pending the Minister's energy market reforms, with potential input from work on the Rule Change Proposal RC_2017_02 (Implementation of 30-Minute Balancing Gate Closure).</p> <p><u>Issue 8 (Conduct the 3 year review of the mechanism for allocating Certified Reserve Capacity to Intermittent Generators (Relevant Level Methodology)):</u> After some discussion the MAC agreed that the Relevant Level Methodology review prescribed under the Market Rules was unlikely to address the underlying concerns that led Dr Steve Gould to submit the candidate issue. The MAC agreed to delete the issue on the basis that these underlying concerns will be raised in the relevant discussion/review sessions.</p> <p>Mr Maticka queried the order in which the ERA intended to progress the periodic reviews it is required to conduct under the Market Rules (which include the Relevant Level Methodology Review). Ms O'Connor agreed with Mr Maticka that the ERA would not be able to conduct all the reviews concurrently, and advised that the ERA intended to discuss the order of progressing the reviews internally and with AEMO before providing an update on the matter to the MAC.</p> <p>Action: The ERA to provide an update to the MAC on the proposed order and timing of the upcoming periodic market reviews that the ERA is required to conduct under the Market Rules.</p> <p><u>Issue 9 (Improvement of AEMO forecasts of System Load; real-time and day-ahead):</u> Dr Gould and Ms Aitken both raised concerns about the current quality of AEMO's load forecasts. After some discussion the MAC agreed to assign the issue to the discussion/review category and add 'forecast quality' to the list of topics for future discussion/review.</p> <p><u>Issue 10 (Review of participant and facility classes):</u> placed on hold pending the Minister's energy market reforms, with AEMO to raise any specific changes it considers would be beneficial to progress earlier as a separate issue.</p>	<p>ERA</p>
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<p><u>Issue 11 (Whole-of-system planning oversight)</u>: assigned to the discussion/review category, and in particular to the review of agency roles and responsibilities.</p> <p><u>Issue 12 (Review of institutional responsibilities)</u>: assigned to the discussion/review category, except for the sub-issue raised concerning clause 4.5.14 (which requires AEMO to document the procedure that the ERA must follow in conducting periodic reviews of the Planning Criterion and the process by which AEMO forecasts SWIS peak demand), which will be addressed as part of the Minister's changes to abolish the IMO. In response to a question from Mrs Papps, Mr Martin advised that the timing of the changes to abolish the IMO was still uncertain and dependent on the availability of Parliamentary Counsel's Office resources.</p> <p><u>Issue 13 (Use of data for market monitoring and compliance)</u>: assigned to the potential Rule Change Proposal category, to be discussed at the next MAC meeting. Mrs Papps noted that she disagreed with the proposal and considered that information provided by Market Participants should only be used for the purpose for which it was provided.</p> <p><u>Issue 14 (Imposition of seasonal, monthly or daily caps on capacity refunds)</u>: assigned to the potential Rule Change Proposal category, to be discussed at the next MAC meeting.</p> <p><u>Issue 15 (Changes to the rules for approving Planned Outage extensions)</u>: placed on hold pending the progression of the Rule Change Proposal RC_2013_15 (Outage Planning Phase 2 – Outage Process Refinements), which includes proposed amendments related to this issue.</p> <p>Mr Martin noted that the scope of the Minister's energy market reforms was not expected to include material changes to the WEM outage provisions, and so should not prevent the progression of RC_2013_15 by the Rule Change Panel on a business-as-usual basis. Ms Jenny Laidlaw noted the Rule Change Panel had not yet assigned an urgency rating to RC_2013_15, due to uncertainty about its interdependencies with the Minister's reform program. Ms Laidlaw requested the views of MAC members and observers on the appropriate urgency rating for the proposal.</p> <p><i>Action: MAC members and observers to send their suggested urgency ratings for RC_2013_15 (Outage Planning Phase 2 – Outage Process Refinements) by email to RCP Support by 5:00 pm on Wednesday, 15 November 2017.</i></p> <p><u>Issue 16 (Requirement for behind-the-meter generation to pay their fair share of network costs, market fees and ancillary service charges)</u>: assigned to discussion/review category.</p> <p><u>Issue 17 (Retrospective logging of Forced Outages after the 15 day deadline)</u>: There was general support from MAC members to address the issue if possible as part of the Rule Change Proposal RC_2014_03 (Administrative Improvements to the Outage Process). The MAC agreed to place the issue on hold pending the progression of RC_2014_03.</p>	<p>All</p>
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<p>There was some discussion about how the late logging of a Forced Outage for a Scheduled Generator would flow through to the settlement adjustment process, and in particular how it would affect the generator's capacity refunds and constrained off payments. Ms Laidlaw considered that additional changes were likely to be needed to ensure the correct settlement adjustment outcome. Mr Maticka agreed to investigate what would be the simplest and cheapest option to achieve the desired result (i.e. the correct payment of capacity refunds and the recovery of any unwarranted constrained off compensation).</p> <p><i>Action: AEMO to investigate and report back to the MAC on the simplest and cheapest option for changes to ensure that the late logging of a Forced Outage by a Generator would result in the appropriate settlement adjustment outcomes (i.e. correct payment of capacity refunds and the recovery of any unwarranted constrained off compensation).</i></p> <p><u>Issue 18 (Changes to the Spinning Reserve procurement process):</u> assigned to the potential Rule Change Proposal category, to be discussed at the next MAC meeting.</p> <p><u>Issue 19 (Conduct a review of the margin values evaluation process and propose rule changes to address any identified deficiencies):</u> placed on hold pending the Minister's energy market reforms.</p> <p>Mr Chin suggested that it should be possible to improve the transparency of the margin values determination process, even if more material changes were dependent on the Minister's reform program. Mr Maticka and Ms O'Connor agreed to take Mr Chin's suggestion into account in future margin value reviews.</p> <p><u>Issue 20 (Changes to the Spinning Reserve cost allocation model):</u> assigned to the potential Rule Change Proposal category, to be discussed at the next MAC meeting.</p> <p>Ms Laidlaw noted that both the IMO and the Electricity Market Review had recommended the implementation of a full runway model for Spinning Reserve cost recovery, and asked whether it would be feasible to implement the full runway model in advance of the Minister's other energy market reforms. Mr Maticka replied that this was feasible, but questioned who would take responsibility for developing the Rule Change Proposal. Mr Maticka, Mr Stevens and Mr Cremin all expressed support for the full runway model.</p> <p><u>Issue 21 (consideration of one-off events in the determination of Credit Limits):</u> The MAC agreed to delete the issue on the basis that it relates to a Market Procedure rather than the Market Rules, and recommended that Bluewaters discuss the matter directly with AEMO (the responsible procedure administrator).</p> <p><u>Issue 22 (Amendments to the determination of Credit Limits to better account for prepayments):</u> Mr Chin noted that AEMO recently advised stakeholders of its plan to undertake a review of the Credit Limit determination methodology following completion of its current work to improve the accuracy of the Outstanding Amount calculation. Mr Maticka confirmed that this was AEMO's intention and</p>	<p>AEMO</p>
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<p>recommended incorporating this issue into AEMO's review, which was expected to begin in the first half of 2018.</p> <p>The MAC agreed to place the issue on hold pending AEMO's proposed review of the process for Credit Limit determination.</p> <p><u>Issue 23 (Review of Market Fees structure including the cost recovery mechanism for a reform program):</u> assigned to the discussion/review category.</p> <p><u>Issue 24 (Simplify the Wholesale Market Objective to a single statement):</u> The MAC agreed to delete the issue on the basis that it was a policy issue involving changes to the Electricity Industry Act.</p> <p><u>Issue 25 (Publish a guidance as to how the Wholesale Market Objective(s) are to be applied by the Rule Change Panel):</u> There was some discussion about the difficulty of assigning a priority order to the objectives (e.g. whether efficiency was more or less important than reliability) and the role of the Rule Change Panel as a panel of experts, able to exercise discretion in its decisions on Rule Change Proposals. The Chair questioned what could usefully be included in a guideline, apart from a ranking of the Wholesale Market Objectives that would need to be provided by the Minister. The MAC agreed to delete the issue.</p> <p><u>Issue 26 (A more flexible, less narrow definition as to what can constitute a fast track Rule Change Proposal):</u> In response to a request for clarification from Ms Laidlaw, Mr Middleton suggested it may be beneficial to introduce a third rule change process, with a duration falling between the current standard and fast track processes. There was some discussion about the fast track criteria and the changing preferences of the MAC over time with regard to the use of the Fast Track Rule Change Process. The MAC agreed to delete the issue.</p> <p>Mr Chin asked Ms Laidlaw about a new fast track process discussed by the Energy Market Operations and Processes (EMOP) Consultation Group in 2016. Ms Laidlaw did not think the proposed process had applied to rule changes but agreed to report back to the MAC with details of the proposed process.</p> <p><i>Action: RCP Support to provide an update to the MAC on the new fast track process discussed by the EMOP Consultation Group in 2016.</i></p> <p><u>Issue 27 (Review what should constitute a Protected Provision):</u> Mr Middleton noted that while he did not have any specific concerns, he questioned what the criteria should be for making a provision a Protected Provision. It was agreed that following the recent changes to institutional arrangements in the WEM there may be some provisions that no longer need to be protected (e.g. that relate purely to functions of AEMO).</p> <p>Mr Martin advised that the PUO would review the current Protected Provisions to identify if there were any that no longer needed to be classified as such. The MAC agreed to place the issue on hold pending the outcome of the PUO's review.</p>	<p>RCP Support</p>
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	<p><u>Issue 41 (Issue relating to the Energy Review Board's recent decision regarding the IMO's Application No. 1 of 2016 against Vinalco)</u>: There was general agreement that the preferred long-term solutions to the problems identified during the Vinalco investigation would need to be progressed by the Minister as part of his network and energy market reform program. However, there was some discussion about potential short-term solutions, including clarification of the interpretation of the SRMC provisions in situations where a Generator is constrained on for an extended period. The MAC agreed to place the issue on hold pending the development of the ERA's proposed Balancing Market Offer Guidelines.</p> <p><u>Issue 42 (Ancillary Service approvals process)</u>: placed on hold pending the Minister's energy market reforms.</p> <p><u>Issue 43 (SRMC investigation process)</u>: assigned to the potential Rule Change Proposal category, to be discussed at the next MAC meeting.</p> <p>Action: RCP Support to schedule a discussion of the issues identified as potential Rule Change Proposals on the agenda for the December 2017 MAC meeting.</p> <p>Action: RCP Support to schedule preliminary MAC discussions covering the following topics:</p> <ul style="list-style-type: none"> • the RCM (excluding its pricing mechanisms); • behind-the-meter issues; • the treatment of storage facilities in the WEM; • the basis for the allocation of Market Fees; • review of agency roles and responsibilities; • Commissioning Tests; and • forecast quality. 	<p>RCP Support</p> <p>RCP Support</p>
<p>8</p>	<p>General Business</p> <p><u>Approval to disband Procedure Change Working Groups</u></p> <p>The Chair noted that the MAC had decided in a previous meeting to replace the IMO Procedure Change and Development Working Group (IMOPWG) and the System Management Procedure Change and Development Working Group (SMPWG) with a new Working Group called the AEMO Procedure Change Working Group (APCWG). The old Working Groups were to be disbanded once their names were removed from the Market Procedure: Procedure Administration (Administration Procedure).</p> <p>As the necessary amendments to the Administration Procedure were now complete, the MAC agreed to disband the IMOPWG and SMPWG.</p> <p><u>Manifest error in calculation of New Notional Wholesale Meter (Step 5A of Appendix 5)</u></p> <p>Ms Laidlaw noted that Step 5A of Appendix 5 of the Market Rules sets out the calculation of the IRCR contribution of the New Notional Wholesale Meter, which is intended to account for new non-interval</p>	

<p>meters that have been registered since the previous Hot Season. The step was introduced by the Rule Change Proposal RC_2008_32 (Calculation of IRCR) to ensure that new non-interval meters received equivalent treatment to new interval meters in the IRCR calculations.</p> <p>Any new interval meter that is not registered in the previous Hot Season but is registered by the end of month n-3 is included in the IRCR calculations for month n. While RC_2008_32 sought an equivalent outcome for non-interval meters, Ms Laidlaw considered that Step 5A did not achieve this, as it only considered the non-interval meter growth over a single Trading Month instead of the actual number of months between the end of the relevant Hot Season and month n-3 (i.e. between 4 and 15 months). The current calculation appears to greatly underestimate the actual size of the New Notional Wholesale Meter.</p> <p>Ms Laidlaw sought the views of MAC members on whether they considered this constituted a manifest error in the Market Rules or, alternatively, why the calculation only considered non-interval meter growth for a single month.</p> <p><i>Action: MAC members and observers to send their views on whether the failure of Step 5A of Appendix 5 of the Market Rules to consider non-interval meter growth over all the months since the relevant Hot Season up to month n-3 is a manifest error in the Market Rules (and if not why) by email to RCP Support by 5:00 pm on Wednesday, 15 November 2017.</i></p>	<p>All</p>
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The meeting closed at 3:55 pm.

Agenda Item 4: MAC Action Items

Meeting 2017-08 – 13 December 2017

Shaded	Shaded action items are actions that have been completed since the last 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/progress
19/2017	The PUO to consult with AEMO and RCP Support on how to address the concerns raised by MAC members about the 2017/03 Amending Rules and develop a proposal for consideration at the next MAC meeting.	PUO/AEMO/ RCP Support	August 2017	Open
27/2017	RCP Support to publish the minutes of meeting 2017-05 on the Rule Change Panel's website as final.	RCP Support	November 2017	Completed
28/2017	AEMO to investigate and report to the MAC on: <ul style="list-style-type: none"> (a) the timing and content of the information provided to Market Participants on dynamic refund rates under the Market Rules; (b) whether the required information is currently provided in accordance with the Market Rules, and, if not, when it is expected to be; and (c) any options to improve the content and/or timeliness of the information provided to Market Participants on dynamic refund rates. 	AEMO	November 2017	Open

Item	Action	Responsibility	Meeting arising	Status/progress
29/2017	The ERA to provide an update to the MAC on the proposed order and timing of the upcoming periodic market reviews that the ERA is required to conduct under the Market Rules.	ERA	November 2017	Open
30/2017	MAC members and observers to send their suggested urgency ratings for RC_2013_15 (Outage Planning Phase 2 – Outage Process Refinements) to RCP Support by e-mail by 5:00 pm on Wednesday, 15 November 2017.	All	November 2017	Completed
31/2017	AEMO to investigate and report back to the MAC on the simplest and cheapest option for changes to ensure that the late logging of a Forced Outage by a Generator would result in the appropriate settlement adjustment outcomes (i.e. correct payment of capacity refunds and the recovery of any unwarranted constrained off compensation).	AEMO	November 2017	Open
32/2017	RCP Support to provide an update to the MAC on the new fast track process discussed by the EMOP Consultation Group in 2016.	RCP Support	November 2017	Open
33/2017	The PUO to review the current list of Protected Provisions in the Market Rules to determine if any of the provisions no longer need to be Protected Provisions.	PUO	November 2017	Open
34/2017	AEMO to investigate what simple options might exist to improve the accessibility and timeliness of the information provided to Market Participants on LFAS and Spinning Reserve costs.	AEMO	November 2017	Open
35/2017	RCP Support to schedule a discussion of the issues identified as potential Rule Change Proposals on the agenda for the December 2017 MAC meeting.	RCP Support	November 2017	Completed – see Agenda Item 9
36/2017	RCP Support to schedule preliminary MAC discussions covering the following topics: <ul style="list-style-type: none"> the RCM (excluding its pricing mechanisms); behind-the-meter issues; the treatment of storage facilities in the WEM; the basis for the allocation of Market Fees; 	RCP Support	November 2017	Open

Item	Action	Responsibility	Meeting arising	Status/progress
	<ul style="list-style-type: none"> • review of agency roles and responsibilities; • Commissioning Tests; and • forecast quality. 			
37/2017	MAC members and observers to send their views on whether the failure of Step 5A of Appendix 5 of the Market Rules to consider non-interval meter growth over all the months since the relevant Hot Season up to month n-3 is a manifest error in the Market Rules (and if not why) to RCP Support by e-mail by 5:00 pm on Wednesday, 15 November 2017.	All	November 2017	Completed

Agenda Item 6a: Overview of Rule Change Proposals

Meeting 2017-08 – 13 December 2017

Changes to the report provided at the previous MAC meeting are shown in red.

Formally Submitted Rule Change Proposals (as at 6 December 2017)

Reference	Submitted	Proponent	Title	Urgency	Next Step	Date
Standard Rule Change Proposals with Second Submission Period Open						
RC_2017_06	17/07/2017	AEMO	Reduction of the prudential exposure in the Reserve Capacity Mechanism	High	Submission Period Closes	16/01/2018
Standard Rule Change Proposals with First Submission Period Closed						
RC_2015_03	27/03/2015	IMO	Formalisation of the Process for Maintenance Requests	Low	Publication of Draft Rule Change Report	29/12/2017
RC_2015_01	03/03/2015	IMO	Removal of Market Operation Market Procedures	Low	Publication of Draft Rule Change Report	29/12/2017
RC_2014_09	13/03/2015	IMO	Managing Market Information	Low	Publication of Draft Rule Change Report	29/12/2017
RC_2014_06	28/01/2015	IMO	Removal of Resource Plans and Dispatchable Loads	Medium	Publication of Draft Rule Change Report	29/12/2017
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	29/12/2017

Reference	Submitted	Proponent	Title	Urgency	Next Step	Date
RC_2014_03	27/01/2014	IMO	Administrative Improvements to the Outage Process	High	Publication of Draft Rule Change Report	29/12/2017
RC_2013_15	24/12/2013	IMO	Outage Planning Phase 2 – Outage Process Refinements	Unable to assess	Publication of Draft Rule Change Report	29/12/2017
RC_2017_02	04/04/2017	Perth Energy	Implementation of 30-Minute Balancing Gate Closure	Medium	Publication of Draft Rule Change Report	23/03/2018

Standard Rule Change Proposals with Second Submission Period Closed

RC_2017_05	07/07/2017	AEMO	AEMO Role In Market Development	High	Publication of Final Rule Change Report	20/12/2017
RC_2014_10	13/01/2015	IMO	Provision of Network Information to System Management	Superseded	Publication of Final Rule Change Report	29/12/2017
RC_2014_07	22/12/2014	IMO	Omnibus Rule Change	Low	Publication of Final Rule Change Report	29/12/2017

Rule Change Proposals Commenced since the last MAC Meeting

Reference	Submitted	Proponent	Title	Commencement
None				

Gazetted Rule Changes not yet Commenced

Gazette		Content	Commencement Date
Number	Date		
2016/89	31/05/2016	Wholesale Electricity Market Amending Rules 2016, Schedule B, Part 4 <i>Further changes to the Reserve Capacity Mechanism involving Reviewable Decisions</i>	A time specified by the Minister in a notice published in the Gazette

Agenda Item 6(d): Pre Rule Change Proposal RC_2017_10: Correction of Gazettal Errors – Manifest Error

Meeting 2017-08 13 December 2017

1. The Proposal

RCP Support has identified that there were several oversights in Gazette drafting by the Minister over the period 25 November 2015 to 30 June 2017 to enable re-distribution of market functions between the IMO, AEMO, the Economic Regulation Authority, and the Rule Change Panel. RCP Support considers that the oversights constitute manifest errors in the Market Rules.

RCP Support has developed a Pre Rule Change Proposal (to be proposed by the Rule Change Panel) seeking to instate the Minister's intended amendments to 16 clauses, and proposes to correct a few minor and typographical errors. RCP Support recommends that the proposal should be progressed under the Fast Track Rule Change Process.

2. Recommendation

It is recommended that the MAC discusses the Pre Rule Change Proposal and the proposed Amending Rules. RCP Support will discuss the Pre-Rule Change Proposal including the MAC's feedback with the Rule Change Panel.



Wholesale Electricity Market Rule Change Proposal

Rule Change Proposal ID: *PRC_2017_10*
Date received: *[to be filled in by the RCP]*

Change requested by:

Name:	Peter Kolf
Phone:	
Email:	peter.kolf@rcpwa.com.au
Organisation:	Rule Change Panel
Address:	
Date submitted:	<date submitted to the RCP>
Urgency:	High
Rule Change Proposal title:	Correction of Gazettal Errors
Market Rule(s) affected:	2.11.1, 2.11.2, 2.13.6D, 2.24.2, 4.26.1, 4.26.1B, 4.26.5, 6.16B.1(b)(i), 6.16B.2(b)(i), 7.6.1D, 7.7.2, 7.10.8, 7.11.3, 10.2.2, 10.3.2 and 10.5.1

Introduction

Clause 2.5.1 of the Wholesale Electricity Market (WEM) Rules (Market Rules) provides that any person may make a Rule Change Proposal by completing a Rule Change Proposal form that must be submitted to the Rule Change Panel.

This Rule Change Proposal can be sent by:

Email to: rcp.secretariat@rcpwa.com.au

Post to: Rule Change Panel
 Attn: Executive Officer
 C/o Economic Regulation Authority
 PO Box 8649
 PERTH WA 6849

The Rule Change Panel will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the Wholesale Market Objectives.

The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

Details of the Proposed Rule Change

1. Describe the concern with the existing Market Rules that is to be addressed by the proposed rule change:

Under section 2.4A of the Market Rules, the Minister for Energy may make Amending Rules to give effect to changes to the Market Rules. Over the period from 25 November 2015 to 30 June 2017 the previous and current Ministers made changes to the Market Rules by publishing eight sets of Amending Rules in the Gazettes.

The Ministers' changes were primarily targeted at reorganising the market functions, including:

- (a) the operation of the Wholesale Electricity Market was transferred from the Independent Market Operator (IMO) to the Australian Energy Market Operator (AEMO) from 30 November 2015;
- (b) the System Management function was transferred from Western Power to AEMO from 1 July 2016;
- (c) various responsibilities were transferred from the IMO to the Economic Regulation Authority (Authority) from 1 July 2016, including responsibility for compliance; and
- (d) the Rule Change Panel was instituted on 26 November 2016, and responsibility for managing changes to the Market Rules was transferred from the IMO to the Rule Change Panel on 3 April 2017.

AEMO, the Authority, and the Rule Change Panel inherited obligations and took responsibility for existing matters from their predecessor entities (e.g. AEMO inherited the IMO's approved budget for operation of the Wholesale Electricity Market). AEMO, the Authority, and the Rule Change Panel also inherited market records from their predecessor entities, and needed to manage new market records after the transitions, while making previous records available as required by the Market Rules (including on or via the Market Web Site, where required). The Market Rules needed to be amended to reflect each transition, recognising the transfer of

continuing matters and the distribution of historical records between the entities.

Oversights in the drafting of the Gazettes occurred as a result of this complexity, and resulted in various manifest errors and omissions in the Market Rules as at 13 October 2017. Therefore, the Rule Change Panel has developed this Rule Change Proposal to seek to correct:

- the errors introduced from the Gazette drafting; and
- some language, punctuation, and typographic issues.

The issues for each clause are detailed in section 3 of this rule change proposal.

The appendix to this paper outlines the changes in the clauses covered in this Rule Change Proposal from 1 September 2015, or the relevant version of the Market Rules, through the Gazette amendments, up to the current 13 October 2017 version of the Market Rules.

2. Explain the reason for the degree of urgency:

While AEMO, the Authority, and the Rule Change Panel are operating as intended by the Minister's amendments; these parties may be acting outside the Market Rules in various aspects as a result of the errors and omissions in the Market Rules. For this reason, the Rule Change Panel would like to assign to this Rule Change Proposal a provisional urgency rating of 2: High and recommends that it is progressed under the Fast Track Rule Change Process.

3. Provide any proposed specific changes to particular Market Rules: *(for clarity, please use the current wording of the rules and place a ~~strikethrough~~ where words are deleted and underline words added)*

- 2.11.1. A Rule Participant may apply to the Electricity Review Board for a Procedural Review of a decision by the IMO, Rule Change Panel, AEMO, or System Management or the Economic Regulation Authority, as applicable, contemplated by clauses 2.10.2A(a) or 2.10.13 within the time specified in regulation 44 of the WEM Regulations, on the grounds that the IMO, Rule Change Panel, AEMO, or System Management or the Economic Regulation Authority, as applicable, has not followed the process set out in section~~clause~~ 2.10 or the Administration Procedure.

Issues with Clause 2.11.1 (Protected Provision):

Gazette 116 required the replacement of "IMO, AEMO or System Management" in clause 2.11.1 with "IMO, AEMO, System Management or the Economic Regulation Authority". This amendment was not made because there was no ", AEMO" in clause 2.11.1. Gazette 209 subsequently required adding the Rule Change Panel to the list, but this amendment could not be made because of the error from Gazette 116.

Clause 2.11.1 references clauses 2.10.2A and 2.10.13. These two clauses suggest the list should include the IMO, Rule Change Panel, AEMO, System Management and the Economic Regulation Authority. This appears to be the clear intent from the Ministerial amendments to clause 2.11.1 in both Gazette 116 and 209.

The Rule Change Panel also suggests a typographical correction to change "clause 2.10" to "section 2.10".

- 2.11.2. Following an application for a Procedural Review under clause 2.11.1, if the Electricity Review Board finds that the IMO, Rule Change Panel, AEMO, System

Management or the Economic Regulation Authority has not followed the process set out in section~~clause~~ 2.10 or the Administration Procedure, the Electricity Review Board may set aside the IMO's decision, Rule Change Panel's decision, Economic Regulation Authority's decision, AEMO's decision, or System Management's decision and direct the IMO, Rule Change Panel, AEMO, System Management or the Economic Regulation Authority to reconsider the relevant Procedure Change Proposal in accordance with section~~clause~~ 2.10 and the Administration Procedure.

Issues with Clause 2.11.2 (Protected Provision):

The "Economic Regulation Authority's decision" is left out of the list of decisions in the clause 2.11.2.

The Rule Change Panel also proposes typographical corrections to replace the term "clause 2.10" with "section 2.10" each time it occurs.

2.13.6D. System Management may determine the Tolerance Range to apply to all Facilities for the purposes of System Management's reporting of alleged breaches of clause 7.10.1 and section~~clause~~ 3.21 to ~~AEMO~~ the Economic Regulation Authority under clause 2.13.6A. When determining the appropriate Tolerance Range to apply for all Market Participants, System Management must:

- (a) consult with Rule Participants prior to setting the Tolerance Range; and
- (b) publish on the Market Web Site at least 14 Business Days prior to the date from which change to the Tolerance Range becomes effective, the following:
 - i. all submissions received from Rule Participants;
 - ii. the Tolerance Range; and
 - iii. an effective date for the commencement of the Tolerance Range.

Issues with Clause 2.13.6D (Protected Provision):

Gazette 116 shows clear intent by the Minister to move the compliance functions for clause 7.10.1 and section 3.21 to the Economic Regulation Authority. Due to the manifest error arising from the amendment in Gazette 179, the compliance function was unintentionally moved from the IMO to the AEMO. Thus in Gazette 116, the amendment of replacing the "IMO" with "Economic Regulation Authority" cannot take place.

Further evidence of this manifest error is the amendment to clause 2.13.6A in Gazette 116, which moves the compliance function from the IMO to the Economic Regulation Authority, not from the AEMO to the Economic Regulation Authority.

The Rule Change Panel also proposed some minor typographical corrections.

2.24.2. Before 30 June each year, ~~AEMO~~ the IMO must determine and publish the level of the Market Fee rate, System Management Fee rate and Regulator Fee rate, and the level of each of the Application Fees, and the level of the Reassessment Fee to apply over the year starting 1 July in accordance with ~~AEMO~~ the IMO's approved budget and information provided by the Economic Regulation Authority under clause 2.24.6 (if any). Where:

- (a) the Minister has not approved ~~AEMO~~~~the IMO~~'s budget proposal, AEMO will determine and publish the expected level of Market Fee rate for AEMO based on the most recent approved budget (and based on AEMO's own budget published under clause 2.22A.4); and

...

Issues with Clause 2.24.2 (Protected Provision):

The references to the IMO in the opening line should have been amended to AEMO. This is missed out in the various replacements of the IMO to AEMO in the amendments of clause 2.24.2 in Gazette 179. The IMO references in the form of "the IMO's" were also missed in the opening line of the clause and in clause 2.24.2(a).

- 4.26.1. If a Market Participant holding Capacity Credits associated with a Facility fails to comply with its Reserve Capacity Obligations applicable to any given Trading Interval then the Market Participant must pay a refund to AEMO calculated in accordance with the following provisions.

- (a) The Trading Interval Refund Rate for a Facility f in the Trading Interval t is determined as ~~follows:~~~~follows—~~

$$\text{Trading Interval Refund Rate}(f,t) = RF(f,t) \times Y$$

~~where:~~~~where—~~

- i. Trading Interval Refund Rate (f,t) is the Trading Interval Refund Rate for a Facility f in the Trading Interval t ;
- ii. $RF(f,t)$ is the refund factor for a Facility f in the Trading Interval t and is calculated in accordance with clause 4.26.1(c); and

...

- (b) For a Facility f in the Trading Interval t , Y is determined as ~~follows:~~~~follows—~~

- i. for a Non-Scheduled Generator, Y equals zero if AEMO has determined that in Trading Interval t the Non-Scheduled Generator is in Commercial Operation under clause 4.13.10B and one of the following ~~applies:~~~~applies—~~

...

- ii. for a Demand Side Programme, Y equals the DSM Reserve Capacity Price divided by 400; ~~and-~~
- iii. subject to clauses 4.26.1(b)(i) and 4.26.1(b)(ii), for a Facility f in the Trading Interval t , Y ~~equals:~~~~equals—~~

...

- (c) The refund factor $RF(f,t)$ for a Facility f in the Trading Interval t is the lesser ~~of:~~~~of—~~

- i. six; and
- ii. the greater of the dynamic refund factor RF dynamic(t) as determined under clause 4.26.1(d) and the minimum refund factor

RF floor(f,-t) as determined under clauses 4.26.1(f) or 4.26.1(g) as appropriate.

- (d) The dynamic refund factor RF dynamic(t) in the Trading Interval t is determined as ~~follows: follows—~~

$$\text{RF dynamic}(t) = 11.75 - \left(\frac{5.75}{750} \right) \times \sum_{f \in F} \text{Spare}(f,-t)$$

~~where: where—~~

- i. F is the set of Facilities for which Market Participants hold Capacity Credits in the Trading Interval t and f is a Facility within that set;
- ii. Spare(f,-t) is the available capacity related to the Capacity Credits of the Facility f, which is not dispatched in the Trading Interval t determined in accordance with clause ~~4.26.1(e).4.26.1(e)—~~

- (e) For a Facility f in the Trading Interval t, Spare(f,-t) is determined as ~~follows: follows—~~

- i. for each Scheduled Generator, the greater of zero ~~and: and—~~

1. the MW quantity of Capacity Credits; less

...

- ii. for each Non-Scheduled Generator is ~~zZero~~; and

- iii. for each Demand Side Programme f which has a Reserve Capacity Obligation Quantity in the Trading Interval t, Spare(f,t) is equal to: determined as follows—

$$\max\{0, \min\left(\text{RCOQ}(f,t), (\text{DSP Load}(f,t) - \text{DSP MinLoad}(f,t))\right)\}$$

~~$$\text{DSP A}(t) = \max\{0, \min\left(\text{RCOQ}(t), (\text{DSP Load}(t) - \text{DSP MinLoad}(t))\right)\}$$~~

~~where: where—~~

1. DSP A(t) is ~~the total available quantity of consumption which can be reduced via the dispatch of the Demand Side Programme in MW in the Trading Interval t; [Blank]~~
2. RCOQ(f,t) is the ~~Demand Side Programme's Reserve Capacity Obligation for the Demand Side Programme f~~ in the Trading Interval t;
3. DSP Load(f,t) is the ~~Demand Side Programme's Demand Side Programme Load for the Demand Side Programme f~~ in the Trading Interval t as determined under clause 6.16.2 multiplied by two so as to be a MW quantity; and
4. DSP MinLoad(f,t) is the sum of the Minimum Consumption of each Associated Load of the Demand Side Programme f in MW in the Trading Interval t;

- (f) Subject to clause 4.26.1(g), the minimum refund factor RF floor(f,-t) in the Trading Interval t is determined as ~~follows: follows—~~

$$\text{RF floor}(f,-t) = 1 - 0.75 \times \text{Dispatchable}(f,-t)$$

~~where:where—~~

- i. Dispatchable(f,-t) for a Facility f in the Trading Interval t is its portion of capacity which is not subject to a Forced Outage over the 4,320 previous Trading Intervals pt prior to and including the Trading Interval t and is determined as ~~follows:follows—~~

$$\text{Dispatchable}(f,-t) = 1 - \left(\frac{\sum_{pt \in PT} \text{FO}(f,-pt)}{\sum_{pt \in PT} \text{CC}(f,-pt)} \right)$$

~~where:where—~~

1. PT is the set of 4,320 Trading Intervals immediately prior to and including the Trading Interval t and pt is a Trading Interval within that set;
 2. FO(f,-pt) is the quantity of Forced Outage for a Facility f in the Trading Interval pt, as recorded in accordance with clause 7.13.1A(b); and
 3. CC(f,-pt) is the number of Capacity Credits a Market Participant holds for Facility f in the Trading Interval pt; and
- (g) RF floor(f,-t) is equal to one in the Trading Interval t for a Facility f to which any of the following ~~applies:applies—~~

...

Issues with Clause 4.26.1:

Clause 4.26.1(e)(iii) covers the term Spare(f, t) for Demand Side Programmes. In comparison with Scheduled Generator covered in clause 4.26.1(e)(i), the Facility parameter f has been left out of clause 4.26.1(e)(iii) due to an oversight in drafting of amendment 46(1) in Gazette 89.

A Demand Side Programme Market Participant could have several Demand Side Programmes, equivalent to a Market Generator having several generators; and each of these Demand Side Programmes could have one or more Associated Loads. These loads are not designed to be dispatchable by System Management, they have to be dispatched through the Demand Side Programme by the Market Participant.

To be consistent with the formulation of the other clauses in 4.26.1(e), the Rule Change Panel proposes to add the facility parameter f in the variable names Spare(t), RCOQ(t), DSP Load(t) and DSP MinLoad(t) in clause 4.26.1(e)(iii). Also, the Rule Change Panel proposes to delete the variable DSP A(t) because it is superfluous.

Some minor typographical errors are also proposed to be corrected:

- (a) replace “clause 4.26.1(b)(i) and (i)” to “clauses 4.26.1(b)(i) and 4.26.1(b)(ii)” in clause 4.26.1(b)(iii);
- (b) replace the long dash at end of clause 4.26.1(d)(ii) with a stop;
- (c) replace the stop at the end of clause 4.26.1(b)(ii) with “; and”;
- (d) replace “Zero” to “zero” in clause 4.26.1(e)(ii);
- (e) replace “determined as follows” with “equal to” in clause 4.26.1(e)(iii);

- (f) replace the long dashes with colons on the 17 instances throughout clause 4.26.1; and
- (g) delete the extra spaces in variable names for consistency, as they are referred to in the formulae in the 11 instances throughout clause 4.26.1.

4.26.1B. AEMO must calculate the Generation Reserve Capacity Deficit Refund for each Market Participant for each Trading ~~Interval~~Month as the sum of the Facility Reserve Capacity Deficit Refunds for the Trading ~~Interval~~Month for each Facility registered to the relevant Market Participant, excluding any registered Demand Side Programmes.

Issues with Clause 4.26.1B:

This Rule Change Proposal is to give effect to the intention in amendment 46(3) of Gazette 89, substituting “Interval” for “Month”, which was implemented because the drafting in the Gazette used the term “Months” rather than “Month”.

4.26.5. To support the calculation of the values of $RCOQ(p,d,t)$ and $RCOQ(f,d,t)$ required by clause 4.26.2:

- (a) AEMO must record the following temperature data for generation systems (other than Intermittent Generators) in respect of which Market Participants hold Capacity Credits and which, in accordance with clause 4.10.1(e)(iv), indicated a valid method for measuring ambient temperature:
 - i. the publicly available maximum daily temperature associated with a Facility for which temperature is defined in accordance with clause 4.10.1(e)(iv)(1); and
 - ii. temperatures measured by the SCADA system for Facilities for which temperature is defined in accordance with clause 4.10.1(e)(iv)(2).

(b) [Blank]

Issues with Clause 4.26.5:

Amendment 46(19) in Schedule B, Part 3 of Gazette 89 is to remove the “d” parameter from $RCOQ(p,d,t)$ and $RCOQ(f,d,t)$. This did not take place because the Gazette had an extra “(“ in front of “RCOQ” in the words to be deleted.

This Rule Change Proposal is to give effect to the removal of the “d” parameter in the opening line.

6.16B.1. The Portfolio Upwards Out of Merit Generation in a Trading Interval for the Balancing Portfolio equals:

- (a) subject to clause 6.16B.1(b), the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio less the Maximum Theoretical Energy Schedule for the Balancing Portfolio; or
- (b) zero if:
 - i. the Economic Regulation Authority has notified AEMO under clause 7.10.8 that Synergy has not adequately or appropriately

complied with a Dispatch Order in respect of the Balancing Portfolio;
or

- ii. the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio less the Maximum Theoretical Energy Schedule for the Balancing Portfolio is less than the sum of:

...

Issues with Clause 6.16B.1(b)(i):

An amendment in Gazette 179 implied the deletion of the word “or”, but the “or” was not included in the replacement clause, and the inadvertent deletion of “or” was not subsequently reinstated. This omission leads to potential confusion of reading clauses 6.16B.1(b)(i) and 6.16B.1(b)(ii) as if an “and” exists between them. This Rule Change Proposal is to add “or” at the end of clause 6.16B.1(b)(i).

6.16B.2. The Portfolio Downwards Out of Merit Generation in a Trading Interval for the Balancing Portfolio equals:

- (a) subject to clause 6.16B.2(b), the Minimum Theoretical Energy Schedule less the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio; or
- (b) zero if:
 - i. the Economic Regulation Authority has notified AEMO under clause 7.10.8 that Synergy has not adequately or appropriately complied with a Dispatch Order; or
 - ii. the Minimum Theoretical Energy Schedule of the Balancing Portfolio less the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio is less than the sum of:

...

Issues with Clause 6.16B.2(b)(i):

An amendment in Gazette 179 implied the deletion of the word “or”, but the “or” was not included in the replacement clause, and the inadvertent deletion was not subsequently reinstated. This omission leads to potential confusion of reading clauses 6.16B.2(b)(i) and 6.16B.2(b)(ii) as if an “and” exists between them. This Rule Change Proposal is to add “or” at the end of clause 6.16B.2(b)(i).

7.6.1D. System Management may only issue Dispatch Instructions under:

...

- (c) clause 7.6.1C(d) in priority to clause 7.6.1C(c); and,
- (cA) clause 7.6.1C(e) in priority to clause 7.6.1C(d);

...

Issues with Clause 7.6.1D:

Amendment 55(4) of the Gazette 89 intended to replace the “,” at the end of clause 7.6.1D(c) with “; and”, as an additional clause 7.6.1D(cA) is inserted in amendment 55(5); but this did not take place because the Gazette referred to the comma as a full stop.

This Rule Change Panel proposes to give effect to the amendment intended and proposes to further delete the semi-colon in clause (cA).

- 7.7.2. Each Dispatch Instruction ~~issued to a Non-Balancing Facility or to a Balancing Facility Out of Merit~~ under clause 7.6.1C(c) or 7.6.1C(e) must:
- (a) be consistent with the latest data described in clause 7.1.1 available to System Management at the time the Dispatch Instruction is determined;
 - (b) be applicable to a specific Registered Facility; and
 - (c) be issued at a time that takes into account the Standing Data minimum response time for the Registered Facility.

Issues with Clause 7.7.2:

The Minister’s clear intent in amendment 56(1) of Gazette 89 was to delete “issued to a Non-Balancing Facility or to a Balancing Facility Out of Merit” from the opening line in clause 7.7.2. However this deletion did not take place as the Gazette refers to “issues a ...” rather than “issued to...”.

The Dispatch Instruction recipients are covered in the referred clauses 7.6.1C(c) and 7.6.1C(e). There is thus no requirement for “issued to a Non-Balancing Facility or to a Balancing Facility Out of Merit” in the opening line as intended in amendment 56(1) of the Gazette.

This Rule Change Proposal is to give effect to the intended deletion.

- 7.10.8. Where AEMO (in its capacity as System Management) prepares a report under clause 7.10.7, AEMO must promptly provide that report to the Economic Regulation Authority. Where the Economic Regulation Authority receives such a report, if the Economic Regulation Authority determines that (as applicable):~~(as applicable)~~—
- (a) the relevant Market Participant has not adequately or appropriately complied with a Dispatch Instruction; or
 - (b) Synergy has not adequately or appropriately complied with a Dispatch Order, then
- the Economic Regulation Authority must promptly notify AEMO.

Issues with Clause 7.10.8:

Amendment 32(1) in Gazette 116 inserts “or” in the clause 7.10.8(b) when it should have been inserted in clause 7.10.8(a).

The Rule Change Panel also propose to correct punctuation by changing the long dash to a colon.

- 7.11.3. Dispatch Advisories must be released as soon as practicable after System Management becomes aware of a situation requiring the release of a Dispatch

Advisory and System Management must update the Dispatch Advisory as soon as possible after new, relevant information becomes available to it.

Issues with Clause 7.11.3:

An oversight in drafting in amendment 58(2) of Gazette 89 made it unclear as to who is the responsible entity for the function added in amendment 58(2). As System Management is the entity with dispatch responsibility and is the entity releasing the Dispatch Advisory, it is clear that System Management should be responsible for updating the Dispatch Advisory. The Rule Change Panel proposes to clarify that System Management is the responsible entity for updating the Dispatch Advisory.

10.2.2. The classes of confidentiality status are:

...

(c) Rule Participant Market Restricted, in which case the relevant information or documents may only be made available to:

- i. a specific Rule Participant;
- ii. the IMO;
- iiA. AEMO (including in its capacity as System Management);
- iiB. [Blank][blank];

...

- v. other Regulatory or Government Agencies in accordance with applicable laws;

(d) Rule Participant Dispatch Restricted, in which case the relevant information or documents may only be made available to ~~to~~

- i. a specific Rule Participant;
- ii. [Blank][blank];

...

- vi. other Regulatory or Government Agencies in accordance with applicable laws;

(e) System Management Confidential, in which case the relevant information or documents may only be made available to:

...

- v. other Regulatory or Government Agencies in accordance with applicable laws;

(f) IMO and AEMO Confidential, in which case the relevant information or documents may only be made available to:

- i. the IMO;
- ii. the Electricity Review Board;
- iiA. AEMO (including in its capacity as System Management);
- iiB. the Rule Change Panel;

- iii. the Economic Regulation Authority; and
 - iv. other Regulatory or Government Agencies in accordance with applicable laws; and
- (g) Rule Participant Network Restricted, in which case the relevant information or documents may only be made available to:
- ...
- vii. any other Regulatory or Government Agencies in accordance with applicable laws.

Issues with Clause 10.2.2:

AEMO's information and documents are not classified as confidential. As AEMO is now operating some previous IMO functions, AEMO's information and documents should have the same confidentiality status as the IMO's information and documents. This was clearly the Minister's intent because reference to AEMO was added to clause 10.2.3(e), and the term "IMO and AEMO confidential" was defined in Gazette 179 (Amendment 41(7), page 4801). Since both the latter clause and the defined term refer to the "IMO and AEMO Confidential" status or clause 10.2.2(f), it is apparent that AEMO should be added to the IMO confidentiality status.

The Rule Change Panel also proposes some typographical changes to:

- use an upper case "B" in clauses 10.2.2(c)(iiB) and 10.2.2(d)(ii);
- make consistent use of the word "[Blank]" across the clause;
- change the long dash to a colon in clause 10.2.2(d); and
- replace "in accord" with "in accordance" in all of the five instances.

- 10.3.2. Subject to clause 10.4.2, the IMO, the Rule Change Panel, AEMO or the Economic Regulation Authority must not require a fee for information or documents released by the IMO, the Rule Change Panel, AEMO and the Economic Regulation Authority via the Market Web Site.

Issues with Clause 10.3.2 (Protected Provision):

Clause 10.3.2 was amended in Gazette 179 to replace "the IMO" with "AEMO" to prohibit the Rule Participant from requiring a fee for information and documents released to the Market Web Site. With this substitution, the amendment intended in Gazette 116 to delete "IMO or AEMO" and replace it with "IMO, AEMO or the Economic Regulation Authority" could not take place. As a consequence, the "Rule Change Panel" could also not be added from Gazette 209 amendment because the "IMO, AEMO" reference could not be deleted.

With the IMO functions now being carried out by the IMO, AEMO, the Rule Change Panel and the Economic Regulation Authority, and with each organisation adding information and documents to or via the Market Web Site, these Rule Participants should be included in the prohibition in clause 10.3.2. This extended Rule Participants list should also be mentioned as the entities releasing information and documents via the Market Web Site.

This Rule Change Proposal is to rectify the manifest error by expanding the list to include the four non-Market Rule Participants of the IMO, Rule Change Panel, Economic Regulation Authority and AEMO.

- 10.5.1. AEMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and AEMO must make each item of information available from or via the Market Web Site after that item of information becomes available to ~~AEMO:AEMO~~—
- (a) the following Market Rule and Market Procedure information and ~~documents:documents~~—
 - ...
 - vii. information on any changes to any Market Procedures that have been made in accordance with the Procedure Change Process but are yet to commence or to be included in the current version of the applicable Market Procedure, including the date those Market Procedure changes will take ~~effect~~affect;
 - ...
 - (c) details of all Rule Participants ~~including:including~~—
 - ...
 - (e) details of bid, offer and clearing price limits as approved by the Economic Regulation Authority ~~including:including~~—
 - ...
 - iii. the Alternative Maximum STEM Price₁;
 - ...
 - (f) the following Reserve Capacity information ~~(if applicable):(if applicable)~~—
 - ...
 - iiiA. for each Market Participant that was assigned Certified Reserve Capacity, the level of Certified Reserve Capacity assigned to each ~~to~~ Facility for each Reserve Capacity Cycle;
 - ...
 - vi. for each Special Price Arrangement for each Registered ~~Facility:Facility~~—
 - ...
 - viii. reports summarising the outcomes of Reserve Capacity Tests and reasons for delays in those tests, as required by clause 4.25.11;~~and~~
 - ix. the following annually calculated and monthly adjusted ~~ratios:ratios~~—
 1. NTDL_Ratio as calculated in accordance with Appendix 5, ~~STEP~~Step 8;
 2. TDL_Ratio as calculated in accordance with Appendix 5, ~~STEP~~Step 8; and
 3. Total_Ratio as calculated in accordance with Appendix 5, ~~STEP~~Step 10;~~and~~

- x. the following information identified for a Reserve Capacity Cycle under the Relevant Level ~~Methodology~~:
 - 1. the Existing Facility Load for Scheduled Generation for each Trading Interval in the five year period determined under ~~Step 1(a) of Appendix 9~~ the Relevant Level ~~Methodology~~;
and
 - 2. the 12 Trading Intervals occurring on separate Trading Days with the highest Existing Facility Load for Scheduled Generation for each 12 month period in the five year period;
and
- xi. for a Facility that has had its Capacity Credits cancelled for the Capacity Year, the information specified in clause 4.20.12(a), 4.20.12(c) and 4.20.12(d):-
- (g) the Ancillary Service report referred to in clause 3.11.11;
- (h) for each Trading Interval in each completed Trading Day in the previous 12 calendar ~~months~~:
 - ...
 - (i) the following STEM summary ~~information~~:
 - i. for each Trading Interval in each completed Trading Day in the previous 12 calendar ~~months~~:
 - ...
 - ii. for each Trading Interval in each Trading Day during the 12 calendar months, before the end of the seventh day from the start of the Trading ~~Day~~:
 - ...
 - (iA) the following Balancing summary ~~information~~:
 - i. for each Trading Interval in each completed Trading Day in the previous 12 calendar ~~months~~:
 - ...
 - ii. for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading ~~Day~~:
 - ...
 - (iB) the following LFAS summary information for each Trading Interval in each completed Trading Day in the previous 12 calendar ~~months~~:
 - ...
 - (j) for each Trading Interval in each completed Trading Day in the previous 12 calendar months the following dispatch summary ~~information~~:
 - ...
 - (l) Loss Factors for each network connection point in accordance with ~~section~~ clause 2.27;

(p) details of resolved Disputes, including all Public Information associated with the dispute, but not aspects of the resolution or information associated with the resolution which, in accordance with its confidentiality status class, cannot be made public;

...

(r) ~~Public Reports~~ pertaining to the Wholesale Electricity Market issued ~~by~~—

...

(v) summary information pertaining to the account maintained by AEMO for market settlement for the preceding 24 calendar months, including;

...

iv. Service Fee Settlement Amount paid to AEMO, ~~the IMO~~ and the Economic Regulation Authority;

...

(w) the STEM Price for each Trading Interval of the current Trading Month for which STEM auction results have been released to Market Participants;

...

(y) as soon as practicable after a Trading ~~Interval~~—

...

(z) as soon as practicable after ~~real-time~~—

- i. the total generation; and
- ii. the total Spinning Reserve;

where these values are not required to be maintained on the Market Web Site after their initial publication;

(zA) the current Tolerance Range determined by System Management in accordance with clause 2.13.6D; ~~and~~

(zB) any Facility Tolerance Ranges determined by System Management in accordance with clause 2.13.6E, and, if applicable, any Facility Tolerance Ranges which System Management has varied in accordance with clause 2.13.6H;

(zD) [Blank];

...

(zG) documentation of the functionality ~~of~~—

- i. any software used to run the Reserve Capacity Auction;
- ii. the STEM Auction software; and
- iii. the Settlement System software; ~~and~~

(zH) information relating to Commissioning Tests; ~~and~~

...

Issues with Clause 10.5.1:

Clause 10.5.1(v)(iv) includes the IMO as a service fee recipient for which AEMO maintains the record of the Service Fee Settlement Amounts paid for the past 24 calendar months. The service fee recipient list is intended to be only AEMO and the Economic Regulation Authority, as per amendment 36(2) in Gazette 116. This amendment could not take place because an oversight in the Gazette drafting overlooked the earlier amendment 81(5) in Gazette 89 that deleted System Management, so the IMO could consequently not be removed from the list.

The two Service Fee recipients are AEMO and the Economic Regulation Authority as suggested in clause 9.24.3A(a)(i). The fee collected by AEMO covers the cost of the IMO and its own operations, including its System Management cost as detailed in clause 2.25.4. The fee collected by the Economic Regulation Authority covers the cost for the Rule Change Panel and its own cost, including the Rule Change Panel Secretariat, as detailed in clause 2.25.4A. This position is suggested in clause 9.15.1 where the Rule Participants entitled to charge Service Fees are the IMO, AEMO, AEMO (in its capacity as System Management) and the Economic Regulation Authority.

Several other minor errors are also proposed to be corrected:

- (a) delete the comma after “clause 10.2.1” in the opening paragraph;
- (b) replace “affect” by “effect” in (a)(vii);
- (c) delete the “to” in front of “Facility” in (f)(iiiA);
- (d) delete “ and” at end of clauses (f)(viii), (f)(ix)(3), (zG)(iii), (zH) and (zA);
- (e) replace “STEP” with “Step” in clauses (f)(ix)(1), (f)(ix)(2) and (f)(ix)(3);
- (f) upper case “S” for “step 1(a)” in clause (f)(x)(1);
- (g) replace “the Relevant Level Methodology” with “Appendix 9” in clause (f)(x)(1);
- (h) replace the stop at end of clause (f)(xi) with a semi-colon;
- (i) add a dot in the numbering of clause (iA)(i);
- (j) replace “clause” by “section” in clause (l);
- (k) add a semi-colon at end of clause (p);
- (l) lower case “public reports” for clause (r);
- (m) replace the semi-colon with colon after the word “including” in clause (v);
- (n) replace the semi-colon at end of clause (z)(ii) with a comma;
- (o) delete the semi-colon after [Blank] in clause (zD); and
- (p) replace the long dashes with colons on 21 instances throughout the clause 10.5.1.

4. Describe how the proposed rule change would allow the Market Rules to better address the Wholesale Market Objectives:

The proposed changes will improve the integrity of the Market Rules, contributing to the achievement of the Wholesale Market Objectives.

5. Provide any identifiable costs and benefits of the change:

Cost will be minimal given that the changes will align the Market Rules with the Minister's intent. The benefit of the changes will be clarity and integrity in the Market Rules.

DRAFT

Appendix for Correction of Gazettal Errors Rule Change Proposal

Clause 2.11.1

1 July 2016 Market Rules (following the amendment of the clause in Schedule A of Gazette 89, commencing 1 July 2016)

2.11.1. A Rule Participant may apply to the Electricity Review Board for a Procedural Review of a decision by the IMO or System Management, as applicable, contemplated by clauses 2.10.2A(a) or 2.10.13 within the time specified in regulation 44 of the WEM Regulations, on the grounds that the IMO or System Management, as applicable, has not followed the process set out in clause 2.10 or the Administration Procedure.

Gazette Changes

Gazette 116 commencing 1 July 2016

Page 2705

40. Various insertions of the word “Economic Regulation Authority”

...

(2) In each of the existing clauses listed in the Table, delete the text “IMO, AEMO or System Management” and replace it with “IMO, AEMO, System Management or the Economic Regulation Authority” each place where it occurs.

Table

| |
|--|
| ... |
| Clause 2.11.1 (each place where it occurs) |
| ... |

Gazette 209 commencing 26 November 2016

Page 5308

33. Various references to Rule Change Panel inserted

(1) In each of the existing clauses listed in the Table, delete the words “IMO, AEMO” and replace them with “IMO, Rule Change Panel, AEMO” (each place where it occurs)—

Table

| |
|---------------|
| ... |
| Clause 2.11.1 |
| ... |

13 October 2017 Market Rules (current rules incorporating the Gazettes)

2.11.1. A Rule Participant may apply to the Electricity Review Board for a Procedural Review of a decision by the IMO or System Management, as applicable, contemplated by clauses 2.10.2A(a) or 2.10.13 within the time specified in regulation 44 of the WEM Regulations, on the grounds that the IMO or System Management, as applicable, has not followed the process set out in clause 2.10 or the Administration Procedure.

Clause 2.11.2

1 September 2015 Market Rules

2.11.2. Following an application for a Procedural Review under clause 2.11.1, if the Electricity Review Board finds that the IMO, AEMO or System Management has not followed the process set out in clause 2.10 or the Administration Procedure, the Electricity Review Board may set aside the IMO’s decision, AEMO’s decision, or System Management’s decision and direct the IMO, AEMO or System Management to reconsider the relevant Procedure Change Proposal in accordance with clause 2.10 and the Administration Procedure.

Gazette Changes

Gazette 116 commencing 1 July 2016

Page 2705

40. Various insertions of the word “Economic Regulation Authority”

...

(2) In each of the existing clauses listed in the Table, delete the text “IMO, AEMO or System Management” and replace it with “IMO, AEMO, System Management or the Economic Regulation Authority” each place where it occurs.

Table

| |
|--|
| ... |
| Clause 2.11.2 (each place where it occurs) |
| ... |

Gazette 209 commencing 26 November 2016

Page 5303

17. Market Rule 2.11 amended

(1) Amend clause 2.11.2 by inserting the words “Rule Change Panel’s decision,” after the words “IMO’s decision,”

Page 5308

33. Various references to Rule Change Panel inserted

(1) In each of the existing clauses listed in the table, delete the words “IMO, AEMO” and replace them with “IMO, Rule Change Panel, AEMO” (each place where it occurs)—

Table

| |
|---------------|
| ... |
| Clause 2.11.2 |
| ... |

13 October 2017 Market Rules (current rules incorporating the Gazettes)

2.11.2. Following an application for a Procedural Review under clause 2.11.1, if the Electricity Review Board finds that the IMO, Rule Change Panel, AEMO, System Management or the Economic Regulation Authority has not followed the process set out in clause 2.10 or the Administration Procedure, the Electricity Review Board may set aside the IMO’s decision, Rule Change Panel's decision, AEMO's

decision, or System Management's decision and direct the IMO, Rule Change Panel, AEMO, System Management or the Economic Regulation Authority to reconsider the relevant Procedure Change Proposal in accordance with clause 2.10 and the Administration Procedure.

DRAFT

Clause 2.13.6D

1 September 2015 Market Rules

2.13.6D System Management may determine the Tolerance Range to apply to all Facilities for the purposes of System Management’s reporting of alleged breaches of clause 7.10.1 and clause 3.21 to the IMO under clause 2.13.6A. When determining the appropriate Tolerance Range to apply for all Market Participants, System Management must:

- (a) consult with Rule Participants prior to setting the Tolerance Range; and
- (b) submit to the IMO for publication on the Market Web Site at least 14 Business Days prior to the date from which change to the Tolerance Range becomes effective, the following:
 - i. all submissions received from Rule Participants;
 - ii. the Tolerance Range; and
 - iii. an effective date for the commencement of the Tolerance Range.

Gazette Changes

Gazette 179 commencing 30 November 2015

Page 4795

41. Various references to the IMO amended.

...

(2) In each place in the Market Rules listed in the Table “the IMO” or “The IMO” is deleted and replaced with the word “AEMO”.

Table

| |
|----------------|
| ... |
| Clause 2.13.6D |
| ... |

Gazette 89, Schedule A commencing 1 July 2016

Page 1662

6. Market Rule 2.13 amended

(2) Amend clause 2.13.6D(b) by deleting the words “submit to AEMO for publication” and replacing them with the word “publish”.

Gazette 116 commencing 1 July 2016

Page 2703

38. Various reference to the IMO amended

(1) In each place in the Market Rules listed in the Table, delete the word “IMO” and replace it with “Economic Regulation Authority”.

Table

| |
|---|
| ... |
| Clause 2.13.6A |
| ... |
| Clause 2.13.6D (each place where it occurs) |
| ... |

13 October 2017 Market Rules (current rules incorporating the Gazettes)

2.13.6D System Management may determine the Tolerance Range to apply to all Facilities for the purposes of System Management's reporting of alleged breaches of clause 7.10.1 and clause 3.21 to AEMO under clause 2.13.6A. When determining the appropriate Tolerance Range to apply for all Market Participants, System Management must:

- (a) consult with Rule Participants prior to setting the Tolerance Range; and
- (b) publish on the Market Web Site at least 14 Business Days prior to the date from which change to the Tolerance Range becomes effective, the following:
 - i. all submissions received from Rule Participants;
 - ii. the Tolerance Range; and
 - iii. an effective date for the commencement of the Tolerance Range.

DRAFT

Clause 2.24.2**1 September 2015 Market Rules**

2.24.2. Before 30 June each year, the IMO must determine and publish the level of the Market Fee rate, System Operation Fee rate and Regulator Fee rate, and the level of each of the Application Fees, and the level of the Reassessment Fee to apply over the year starting 1 July.

Where:

- (a) the Minister has not approved the IMO's budget proposal, the IMO will determine and publish the expected level of Market Fee rate for the IMO based on the most recent budget proposal (or revised budget proposal) provided to the Minister under clause 2.22.9;
- (b) System Management has not provided the IMO with its approved budget, under clause 2.23.11, the IMO will determine and publish the expected level of System Operation Fee rate for System Management based on the most recent budget information provided to the IMO under either clause 2.23.9 or clause 2.23.11; and
- (c) the Economic Regulation Authority has not provided the IMO with the information required under clause 2.24.6 by the date which is five Business Days prior to 30 June, the IMO will determine and publish the expected level of Regulator Fee rate based on the most recent information provided to the IMO by the Economic Regulation Authority under clause 2.24.6.

Gazette Changes**Gazette 179 commencing 30 November 2015**

Page 4788

17. Market Rule 2.24 amended

(1) Amend clause 2.24.2(a) by inserting the words "(and based on AEMO's own budget published under clause 2.22A.4)" after the words "clause 2.22.9".

...

Page 4795

41. Various references to the IMO amended

...

(2) In each place in the Market Rules listed in the Table "the IMO" or "The IMO" is deleted and replaced with the word "AEMO".

Table

| |
|--|
| ... |
| Clause 2.24.2(a) (in the first and second place where it occurs) |
| Clause 2.24.2(b) (in each place where it occurs) |
| Clause 2.24.2(c) (in each place where it occurs) |
| ... |

Gazette 89, Schedule A commencing 1 July 2016

Page 1663

12. Market Rule 2.24 amended

(1) Amend clause 2.24.2(a) by inserting the word "and", at the end of the clause.

Page 1675

84. Various references to System Operation Fee amended

(1) In each place in the Market Rules listed in the Table, delete the word “Operation” and replace it with the word “Management”.

Table

| |
|--|
| ... |
| Clause 2.24.2 (in the first place where it occurs) |
| ... |

Pages 1676 and 1677

87. Various clauses deleted

(1) In each of the existing clauses listed in the Table, delete the existing text and replace it with “[Blank]”

Table

| |
|------------------|
| ... |
| Clause 2.24.2(b) |
| ... |

Gazette 116 commencing 1 July 2016

Page 2701

20. Market Rule 2.24 amended

(1) Amend clause 2.24.2 by inserting the words “in accordance with the IMO’s approved budget and information provided by the Economic Regulation Authority under clause 2.24.6 (if any)” after the words “1 July”.

(2) Amend clause 2.24.2 by deleting the words “most recent budget proposal (or revised budget proposal) provided to the Minister under clause 2.22.9” and replacing them with “most recent approved budget”.

13 October 2017 Market Rules (current rules incorporating the Gazettes)

2.24.2. Before 30 June each year, the IMO must determine and publish the level of the Market Fee rate, System Management Fee rate and Regulator Fee rate, and the level of each of the Application Fees, and the level of the Reassessment Fee to apply over the year starting 1 July in accordance with the IMO’s approved budget and information provided by the Economic Regulation Authority under clause 2.24.6 (if any). Where:

- (a) the Minister has not approved the IMO’s budget proposal, AEMO will determine and publish the expected level of Market Fee rate for AEMO based on the most recent approved budget (and based on AEMO’s own budget published under clause 2.22A.4); and
- (b) [Blank]
- (c) the Economic Regulation Authority has not provided AEMO with the information required under clause 2.24.6 by the date which is five Business Days prior to 30 June, AEMO will determine and publish the expected level of Regulator Fee rate based on the most recent information provided to AEMO by the Economic Regulation Authority under clause 2.24.6.

Clause 4.26.11 October 2017 Market Rules

Clause 4.26.1 was completely replaced in Schedule B Part 3 (Gazette 89) and was also further amended by the Rule Change Panel in RC_2017_01 to correct two manifest errors as detailed below.

Gazette ChangesGazette 89 Schedule B Part 3 commencing 1 October 2017

Page 1689 to 1691

46. Market Rule 4.26 amended

(1) Delete the existing clause 4.26.1 and replace it with the following—

4.26.1. If a Market Participant holding Capacity Credits associated with a Facility fails to comply with its Reserve Capacity Obligations applicable to any given Trading Interval then the Market Participant must pay a refund to AEMO calculated in accordance with the following provisions.

(a) The Trading Interval Refund Rate for a Facility *f* in the Trading Interval *t* is determined as follows—

$$\text{Trading Interval Refund Rate}(f, t) = \text{RF}(f, t) \times Y$$

where—

- i. Trading Interval Refund Rate(*f*, *t*) is the Trading Interval Refund Rate for a Facility *f* in the Trading Interval *t*;
- ii. RF(*f*, *t*) is the refund factor for a Facility *f* in the Trading Interval *t* and is calculated in accordance with clause 4.26.1(c); and
- iii. *Y* is the per interval Reserve Capacity Price associated with the Trading Interval *t* for a Facility *f* and is determined in accordance with clause 4.26.1(b).

(b) For a Facility *f* in the Trading Interval *t*, *Y* is determined as follows—

- i. for a Non-Scheduled Generator, *Y* equals zero if AEMO has determined that in Trading Interval *t* the Non-Scheduled Generator is in Commercial Operation under clause 4.13.10B and one of the following applies—
 1. the Non-Scheduled Generator has operated at a level equivalent to its Required Level in at least two Trading Intervals, adjusted to 100 percent of the level of Capacity Credits currently held; or
 2. the Market Participant has provided AEMO with a report under clause 4.13.10C specifying that the Facility can operate at a level equivalent to its Required Level, adjusted to 100 percent of the level of Capacity Credits currently held;
- ii. for a Demand Side Programme, *Y* equals the DSM Reserve Capacity Price divided by 400.
- iii. subject to clause 4.26.1(b)(i) and (ii), for a Facility *f* in the Trading Interval *t*, *Y* equals—
 1. the Monthly Reserve Capacity Price; divided by
 2. the number of Trading Intervals in the relevant Trading Month the Trading Interval *t* falls in.

- (c) The refund factor $RF(f, t)$ for a Facility f in the Trading Interval t is the lesser of—
- i. six; and
 - ii. the greater of the dynamic refund factor $RF\ dynamic(t)$ as determined under clause 4.26.1(d) and the minimum refund factor $RF\ floor(f, t)$ as determined under clauses 4.26.1(f) or 4.26.1(g) as appropriate.

- (d) The dynamic refund factor $RF\ dynamic(t)$ in the Trading Interval t is determined as follows—

$$RF\ dynamic(t) = 11.75 - \left(\frac{5.75}{750}\right) \times \sum_{f \in F} Spare(f, t)$$

where—

- i. F is the set of Facilities for which Market Participants hold Capacity Credits in the Trading Interval t and f is a Facility within that set;
- ii. $Spare(f, t)$ is the available capacity related to the Capacity Credits of the Facility f , which is not dispatched in the Trading Interval t determined in accordance with clause 4.26.1(e)—

- (e) For a Facility f in the Trading Interval t , $Spare(f, t)$ is determined as follows—

- i. for each Scheduled Generator, the greater of zero and—
 1. the MW quantity of Capacity Credits; less
 2. the MW quantity of Outage provided under clause 7.13.1A(b); less
 3. the Sent Out Metered Schedule multiplied by two so as to be a MW quantity;
- ii. for each Non-Scheduled Generator is Zero; and
- iii. for each Demand Side Programme which has a Reserve Capacity Obligation Quantity in the Trading Interval t , $Spare(t)$ is determined as follows—

$$DSP\ A(t) = \max\{0, \min\{RCOQ(t), (DSP\ Load(t) - DSP\ MinLoad(t))\}\}$$

where—

1. $DSP\ A(t)$ is the total available quantity of consumption which can be reduced via the dispatch of the Demand Side Programme in MW in the Trading Interval t ;
2. $RCOQ(t)$ is the Demand Side Programme's Reserve Capacity Obligation in the Trading Interval t ;
3. $DSP\ Load(t)$ is the Demand Side Programme's Demand Side Programme Load in the Trading Interval t as determined under clause 6.16.2 multiplied by two so as to be a MW quantity; and
4. $DSP\ MinLoad(t)$ is the sum of the Minimum Consumption of each Associated Load of the Demand Side Programme in MW in the Trading Interval t ;

- (f) Subject to clause 4.26.1(g), the minimum refund factor $RF\ floor(f, t)$ in the Trading Interval t is determined as follows—

$$RF\ floor(f, t) = 1 - 0.75 \times Dispatchable(f, t)$$

where—

- i. $Dispatchable(f, t)$ for a Facility f in the Trading Interval t is its portion of capacity which is not subject to a Forced Outage over the 4,320

previous Trading Intervals pt prior to and including the Trading Interval t and is determined as follows—

$$\text{Dispatchable}(f, t) = 1 - \left(\frac{\sum_{pt \in PT} \text{FO}(f, pt)}{\sum_{pt \in PT} \text{CC}(f, pt)} \right)$$

where—

1. PT is the set of 4,320 Trading Intervals immediately prior to and including the Trading Interval t and pt is a Trading Interval within that set;
 2. $\text{FO}(f, pt)$ is the quantity of Forced Outage for a Facility f in the Trading Interval pt , provided in accordance with clause 7.13.1A(b); and
 3. $\text{CC}(f, pt)$ is the number of Capacity Credits a Market Participant holds for Facility f in the Trading Interval pt ; and
- (g) $\text{RF floor}(f, t)$ is equal to one in the Trading Interval t for a Facility f to which any of the following applies—
- i. the Facility is a Demand Side Programme;
 - ii. [Blank]
 - iii. the Facility is an Intermittent Generator to which clauses 4.26.1A(a)(ii)(2) or 4.26.1A(a)(ii)(3) applies; or
 - iv. the Facility is a Scheduled or Non-Scheduled Generator to which clauses 4.26.1A(a)(ii)(4) or 4.26.1A(a)(ii)(5) applies.

RC 2017 01 Commencing at 8:00am on 1 October 2017 immediately after the commencement of the Amending Rules set out in Schedule B Part 3 of the Order (marked up against the Market Rules in effect at that time)

Following the consultation period in the rule change proposal RC_2017_01, the Rule Change Panel made some additional changes to the proposed Amending Rules to correct two manifest errors in clause 4.26.1 of the Market Rules as detailed below:

4.26.1. If a Market Participant holding Capacity Credits associated with a Facility fails to comply with its Reserve Capacity Obligations applicable to any given Trading Interval then the Market Participant must pay a refund to AEMO calculated in accordance with the following provisions.

- (a) The Trading Interval Refund Rate for a Facility f in the Trading Interval t is determined as follows—

$$\text{Trading Interval Refund Rate}(f, t) = \text{RF}(f, t) \times Y$$

where—

...

...

- (e) For a Facility f in the Trading Interval t , $\text{Spare}(f, t)$ is determined as follows—

- i. for each Scheduled Generator, the greater of zero and—
 1. the MW quantity of Capacity Credits; less
 2. the MW quantity of Outage ~~provided~~ as recorded under clause 7.13.1A(b); less
 3. the Sent Out Metered Schedule multiplied by two so as to be a MW quantity;

...

- (f) Subject to clause 4.26.1(g), the minimum refund factor RF floor(f, t) in the Trading Interval t is determined as follows—

$$\text{RF floor}(f, t) = 1 - 0.75 \times \text{Dispatchable}(f, t)$$

where—

- i. Dispatchable(f, t) for a Facility f in the Trading Interval t is its portion of capacity which is not subject to a Forced Outage over the 4,320 previous Trading Intervals pt prior to and including the Trading Interval t and is determined as follows—

$$\text{Dispatchable}(f, t) = 1 - \left(\frac{\sum_{pt \in \text{PT}} \text{FO}(f, pt)}{\sum_{pt \in \text{PT}} \text{CC}(f, pt)} \right)$$

where—

1. PT is the set of 4,320 Trading Intervals immediately prior to and including the Trading Interval t and pt is a Trading Interval within that set;
2. FO(f, pt) is the quantity of Forced Outage for a Facility f in the Trading Interval pt, ~~provided~~ as recorded in accordance with clause 7.13.1A(b); and

...

13 October 2017 Market Rules (current rules incorporating the Gazettes)

- 4.26.1. If a Market Participant holding Capacity Credits associated with a Facility fails to comply with its Reserve Capacity Obligations applicable to any given Trading Interval then the Market Participant must pay a refund to AEMO calculated in accordance with the following provisions.

- (a) The Trading Interval Refund Rate for a Facility f in the Trading Interval t is determined as follows—

$$\text{Trading Interval Refund Rate}(f, t) = \text{RF}(f, t) \times Y$$

where—

- i. Trading Interval Refund Rate (f, t) is the Trading Interval Refund Rate for a Facility f in the Trading Interval t;
 - ii. RF(f, t) is the refund factor for a Facility f in the Trading Interval t and is calculated in accordance with clause 4.26.1(c); and
 - iii. Y is the per interval Reserve Capacity Price associated with the Trading Interval t for a Facility f and is determined in accordance with clause 4.26.1(b).
- (b) For a Facility f in the Trading Interval t, Y is determined as follows—
- i. for a Non-Scheduled Generator, Y equals zero if AEMO has determined that in Trading Interval t the Non-Scheduled Generator is in Commercial Operation under clause 4.13.10B and one of the following applies—
 1. the Non-Scheduled Generator has operated at a level equivalent to its Required Level in at least two Trading Intervals, adjusted to 100 percent of the level of Capacity Credits currently held; or
 2. the Market Participant has provided AEMO with a report under clause 4.13.10C specifying that the Facility can operate at a level equivalent to its Required Level, adjusted to 100 percent of the level of Capacity Credits currently held;

- ii. for a Demand Side Programme, Y equals the DSM Reserve Capacity Price divided by 400.
- iii. subject to clause 4.26.1(b)(i) and (ii), for a Facility f in the Trading Interval t, Y equals—
 1. the Monthly Reserve Capacity Price; divided by
 2. the number of Trading Intervals in the relevant Trading Month the Trading Interval t falls in.
- (c) The refund factor RF(f, t) for a Facility f in the Trading Interval t is the lesser of—
 - i. six; and
 - ii. the greater of the dynamic refund factor RF dynamic(t) as determined under clause 4.26.1(d) and the minimum refund factor RF floor(f, t) as determined under clauses 4.26.1(f) or 4.26.1(g) as appropriate.
- (d) The dynamic refund factor RF dynamic(t) in the Trading Interval t is determined as follows—

$$\text{RF dynamic}(t) = 11.75 - \left(\frac{5.75}{750} \right) \times \sum_{f \in F} \text{Spare}(f, t)$$

where—

- i. F is the set of Facilities for which Market Participants hold Capacity Credits in the Trading Interval t and f is a Facility within that set;
- ii. Spare(f, t) is the available capacity related to the Capacity Credits of the Facility f, which is not dispatched in the Trading Interval t determined in accordance with clause 4.26.1(e)—
- (e) For a Facility f in the Trading Interval t, Spare(f, t) is determined as follows—
 - i. for each Scheduled Generator, the greater of zero and—
 1. the MW quantity of Capacity Credits; less
 2. the MW quantity of Outage as recorded under clause 7.13.1A(b); less
 3. the Sent Out Metered Schedule multiplied by two so as to be a MW quantity;
 - ii. for each Non-Scheduled Generator is Zero; and
 - iii. for each Demand Side Programme which has a Reserve Capacity Obligation Quantity in the Trading Interval t, Spare(t) is determined as follows—

$$\text{DSP A}(t) = \max \{0, \min (\text{RCOQ}(t), (\text{DSP Load}(t) - \text{DSP MinLoad}(t))) \}$$

where—

1. DSP A(t) is the total available quantity of consumption which can be reduced via the dispatch of the Demand Side Programme in MW in the Trading Interval t;
2. RCOQ(t) is the Demand Side Programme's Reserve Capacity Obligation in the Trading Interval t;
3. DSP Load(t) is the Demand Side Programme's Demand Side Programme Load in the Trading Interval t as determined under clause 6.16.2 multiplied by two so as to be a MW quantity; and

4. DSP MinLoad(t) is the sum of the Minimum Consumption of each Associated Load of the Demand Side Programme in MW in the Trading Interval t;

- (f) Subject to clause 4.26.1(g), the minimum refund factor RF floor(f, t) in the Trading Interval t is determined as follows—

$$\text{RF floor}(f, t) = 1 - 0.75 \times \text{Dispatchable}(f, t)$$

where—

- i. Dispatchable(f, t) for a Facility f in the Trading Interval t is its portion of capacity which is not subject to a Forced Outage over the 4,320 previous Trading Intervals pt prior to and including the Trading Interval t and is determined as follows—

$$\text{Dispatchable}(f, t) = 1 - \left(\frac{\sum_{pt \in PT} \text{FO}(f, pt)}{\sum_{pt \in PT} \text{CC}(f, pt)} \right)$$

where—

1. PT is the set of 4,320 Trading Intervals immediately prior to and including the Trading Interval t and pt is a Trading Interval within that set;
2. FO(f, pt) is the quantity of Forced Outage for a Facility f in the Trading Interval pt, as recorded in accordance with clause 7.13.1A(b); and
3. CC(f, pt) is the number of Capacity Credits a Market Participant holds for Facility f in the Trading Interval pt; and

- (g) RF floor(f, t) is equal to one in the Trading Interval t for a Facility f to which any of the following applies—

- i. the Facility is a Demand Side Programme;
- ii. [Blank]
- iii. the Facility is an Intermittent Generator to which clauses 4.26.1A(a)(ii)(2) or 4.26.1A(a)(ii)(3) applies; or
- iv. the Facility is a Scheduled or Non-Scheduled Generator to which clauses 4.26.1A(a)(ii)(4) or 4.26.1A(a)(ii)(5) applies.

Clause 4.26.1B

1 September 2017 Market Rules

4.26.1B. AEMO must calculate the Generation Reserve Capacity Deficit Refund for each Market Participant for each Trading Month as the sum of the Facility Reserve Capacity Deficit Refunds for the Trading Month for each Facility registered to the relevant Market Participant, excluding any registered Demand Side Programmes.

Gazette Changes

Commencement 1 October 2017

Gazette 89 Schedule B Part 3 commencing 1 October 2017

Pages 1689 and 1692

46. Market Rule 4.26 amended

(3) Amend clause 4.26.1B by deleting the word “Months” and replacing it with “Interval” each time it occurs.

13 October 2017 Market Rules (current rules incorporating the Gazettes)

4.26.1B. AEMO must calculate the Generation Reserve Capacity Deficit Refund for each Market Participant for each Trading Month as the sum of the Facility Reserve Capacity Deficit Refunds for the Trading Month for each Facility registered to the relevant Market Participant, excluding any registered Demand Side Programmes.

Clause 4.26.51 September 2017 Market Rules

4.26.5. To support the calculation of the values of RCOQ(p,d,t) and RCOQ(f,d,t) required by clause 4.26.2:

- (a) AEMO must record the following temperature data for generation systems (other than Intermittent Generators) in respect of which Market Participants hold Capacity Credits and which, in accordance with clause 4.10.1(e)(iv), indicated a valid method for measuring ambient temperature:
 - i. the publicly available maximum daily temperature associated with a Facility for which temperature is defined in accordance with clause 4.10.1(e)(iv)(1); and
 - ii. temperatures measured by SCADA system for Facilities for which temperature is defined in accordance with clause 4.10.1(e)(iv)(2).
- (b) [Blank]

Gazette ChangesGazette 89 Schedule B Part 3 commencing 1 October 2017

Pages 1689 and 1694

46. Market Rule 4.26 amended

...

(19) Amend clause 4.26.5 by deleting the words “(RCOQ(p,d,t) and RCOQ(f,d,t)” and replacing them with “RCOQ(p,t) and RCOQ(f,t)”.

13 October 2017 Market Rules (current rules incorporating the Gazettes)

4.26.5. To support the calculation of the values of RCOQ(p,d,t) and RCOQ(f,d,t) required by clause 4.26.2:

- (a) AEMO must record the following temperature data for generation systems (other than Intermittent Generators) in respect of which Market Participants hold Capacity Credits and which, in accordance with clause 4.10.1(e)(iv), indicated a valid method for measuring ambient temperature:
 - i. the publicly available maximum daily temperature associated with a Facility for which temperature is defined in accordance with clause 4.10.1(e)(iv)(1); and
 - ii. temperatures measured by the SCADA system for Facilities for which temperature is defined in accordance with clause 4.10.1(e)(iv)(2).
- (b) [Blank]

Clause 6.16B.1(b)(i)

1 September 2015 Market Rules

6.16B.1. The Portfolio Upwards Out of Merit Generation in a Trading Interval for the Balancing Portfolio equals:

- (a) subject to clause 6.16B.1(b), the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio less the Maximum Theoretical Energy Schedule for the Balancing Portfolio; or
- (b) zero if:
 - i. System Management has provided a report to the IMO under clause 7.10.7 and the IMO determines that Synergy has not adequately or appropriately complied with a Dispatch Order in respect of the Balancing Portfolio; or
 - ii. the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio less the Maximum Theoretical Energy Schedule for the Balancing Portfolio is less than the sum of:
 - 1. any increase in sent out energy due to a Network Control Service Contract which System Management instructed a Facility within the Balancing Portfolio to provide;
 - 2. if Facilities within the Balancing Portfolio were instructed by System Management to provide LFAS, the sum of Upwards LFAS Enablement and Upwards LFAS Backup Enablement, both divided by two so that they are expressed in MWh;
 - ...

Gazette Changes

Gazette 179 commencing 30 November 2015

Page 4790

31. Market Rule 6.16B amended

- (1) Delete the existing clause 6.16B.1(b)(i), and replace it with the following—
 - i. the IMO has notified AEMO under clause 7.10.8 that Synergy has not adequately or appropriately complied with a Dispatch Order in respect of the Balancing Portfolio;

Gazette 116 commencing 1 July 2016

Pages 2703 and 2704

38. Various references to the IMO amended

- (1) In each place in the Market Rules listed in the Table, delete the word “IMO” and replace it with “Economic Regulation Authority”.

Table

| |
|----------------------|
| ... |
| Clause 6.16B.1(b)(i) |
| ... |

13 October 2017 Market Rules (current rules incorporating the Gazettes)

6.16B.1. The Portfolio Upwards Out of Merit Generation in a Trading Interval for the Balancing Portfolio equals:

- (a) subject to clause 6.16B.1(b), the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio less the Maximum Theoretical Energy Schedule for the Balancing Portfolio; or
- (b) zero if:
 - i. the Economic Regulation Authority has notified AEMO under clause 7.10.8 that Synergy has not adequately or appropriately complied with a Dispatch Order in respect of the Balancing Portfolio;
 - ii. the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio less the Maximum Theoretical Energy Schedule for the Balancing Portfolio is less than the sum of:
...

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Clause 6.16B.2(b)(i)

1 September 2015 Market Rules

- 6.16B.2. The Portfolio Downwards Out of Merit Generation in a Trading Interval for the Balancing Portfolio equals:
- (a) subject to clause 6.16B.2(b), the Minimum Theoretical Energy Schedule less the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio; or
 - (b) zero if:
 - i. System Management has provided a report to the IMO under clause 7.10.7 and the IMO determines that Synergy has not adequately or appropriately complied with a Dispatch Order; or
 - ii. the Minimum Theoretical Energy Schedule of the Balancing Portfolio less the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio is less than the sum of:

...

Gazette Changes

Gazette 179 commencing 30 November 2015

Page 4790

31. Market Rule 6.16B amended

- (2) Delete the existing clause 6.16B.2(b)(i), and replace it with the following—
- i. the IMO has notified AEMO under clause 7.10.8 that Synergy has not adequately or appropriately complied with a Dispatch Order;

Gazette 116 commencing 1 July 2016

Pages 2703 and 2704

38. Various references to the IMO amended

- (1) In each place in the Market Rules listed in the Table, delete the word "IMO" and replace it with "Economic Regulation Authority".

Table

| |
|----------------------|
| ... |
| Clause 6.16B.2(b)(i) |
| ... |

13 October 2017 Market Rules (current rules incorporating the Gazettes)

- 6.16B.2. The Portfolio Downwards Out of Merit Generation in a Trading Interval for the Balancing Portfolio equals:
- (a) subject to clause 6.16B.2(b), the Minimum Theoretical Energy Schedule less the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio; or
 - (b) zero if:
 - i. the Economic Regulation Authority has notified AEMO under clause 7.10.8 that Synergy has not adequately or appropriately complied with a Dispatch Order;

- ii. the Minimum Theoretical Energy Schedule of the Balancing Portfolio less the sum of any Sent Out Metered Schedules for Facilities in the Balancing Portfolio is less than the sum of:
...

DRAFT

Clause 7.6.1D**1 September 2017 Market Rules**

7.6.1D. System Management may only issue Dispatch Instructions under:

- (a) clause 7.6.1C(b) in priority to clause 7.6.1C(a);
- (b) clause 7.6.1C(c) in priority to clause 7.6.1C(b); and
- (c) clause 7.6.1C(d) in priority to clause 7.6.1C(c),

...

Gazette Changes**Gazette 89 Schedule B Part 3 commencing 1 October 2017**

Page 1701

55. Market Rule 7.6 amended

- (3) Amend clause 7.6.1D(b) by deleting the word “and” at the end of the clause.
- (4) Amend clause 7.6.1D(c) by deleting the full stop and inserting “; and” instead.
- (5) Insert new clause 7.6.1D(cA) after clause 7.6.1D(c) as follows—
 - (cA) clause 7.6.1C(e) in priority to clause 7.6.1C(d);

13 October 2017 Market Rules (current rules incorporating the Gazettes)

7.6.1D. System Management may only issue Dispatch Instructions under:

- (a) clause 7.6.1C(b) in priority to clause 7.6.1C(a);
- (b) clause 7.6.1C(c) in priority to clause 7.6.1C(b);
- (c) clause 7.6.1C(d) in priority to clause 7.6.1C(c),
- (cA) clause 7.6.1C(e) in priority to clause 7.6.1C(d);

...

Clause 7.7.21 September 2017 Market Rules

- 7.7.2. Each Dispatch Instruction issued to a Non-Balancing Facility or to a Balancing Facility Out of Merit under clause 7.6.1C(c) must:
- (a) be consistent with the latest data described in clause 7.1.1 available to System Management at the time the Dispatch Instruction is determined;
 - (b) be applicable to a specific Registered Facility; and
 - (c) be issued at a time that takes into account the Standing Data minimum response time for the Registered Facility.

Gazette ChangesGazette 89 Schedule B Part 3 commencing 1 October 2017

Page 1701

56. Market Rule 7.7 amended

- (1) Amend clause 7.7.2 by deleting the words “issues a non-Balancing Facility or to a Balancing Facility Out of Merit”.
- (2) Amend clause 7.7.2 by inserting the words “or 7.6.1C(e)” after the words “under clause 7.6.1C(c)”.

13 October 2017 Market Rules (current rules incorporating the Gazettes)

- 7.7.2. Each Dispatch Instruction issued to a Non-Balancing Facility or to a Balancing Facility Out of Merit under clause 7.6.1C(c) or 7.6.1C(e) must:
- (a) be consistent with the latest data described in clause 7.1.1 available to System Management at the time the Dispatch Instruction is determined;
 - (b) be applicable to a specific Registered Facility; and
 - (c) be issued at a time that takes into account the Standing Data minimum response time for the Registered Facility.

Clause 7.10.8

30 November 2015 Market Rules

Clause 7.10.8 is a new clause introduced on 30 November 2015.

Gazette Changes

Gazette 179 commencing 30 November 2015

Page 4790

32. Market Rule 7.10 amended

(1) Insert a new clause 7.10.8, after clause 7.10.7, as follows—

7.10.8. Where AEMO receives a report from System Management under clause 7.10.7, AEMO must promptly provide that report to the IMO. Where the IMO receives such a report, if the IMO determines that (as applicable)—

- (a) the relevant Market Participant has not adequately or appropriately complied with a Dispatch Instruction;
- (b) Synergy has not adequately or appropriately complied with a Dispatch Order, then

the IMO must promptly notify AEMO.

Gazette 89 Schedule A commencing 1 July 2016

Page 1671

63. Market Rule 7.10 amended

(3) Amend clause 7.10.8 by deleting the words “receives a report from System Management” and replacing them with the words “(in its capacity as System Management) prepares a report”.

Gazette 116 commencing 1 July 2016

Page 2702

32. Market Rule 7.10 amended

(1) Amend sub-clause 7.10.8(b) by inserting the word “or” after the semi-colon.

Pages 2703 and 2705

38. Various references to the IMO amended

(1) In each place in the Market Rules listed in the Table, delete the word “IMO” and replace it with “Economic Regulation Authority”.

Table

| |
|--|
| ... |
| Clause 7.10.8 (each place where it occurs) |
| ... |

13 October 2017 Market Rules (current rules incorporating the Gazettes)

7.10.8. Where AEMO (in its capacity as System Management) prepares a report under clause 7.10.7, AEMO must promptly provide that report to the Economic Regulation Authority. Where the Economic Regulation Authority receives such a report, if the Economic Regulation Authority determines that (as applicable)—

- (a) the relevant Market Participant has not adequately or appropriately complied with a Dispatch Instruction;
 - (b) Synergy has not adequately or appropriately complied with a Dispatch Order, then
- the Economic Regulation Authority must promptly notify AEMO.

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Clause 7.11.3

1 September 2017 Market Rules

7.11.3. Dispatch Advisories must be released as soon as practicable after System Management becomes aware of a situation requiring the release of a Dispatch Advisory.

Gazette Changes

Gazette 89 commencing 1 October 2017

Page 1702

58. Market Rule 7.11 amended

(2) Amend clause 7.11.3 by inserting the words “and must update the Dispatch Advisory as soon as possible after new, relevant information becomes available to it”.

13 October 2017 Market Rules (current rules incorporating the Gazettes)

7.11.3. Dispatch Advisories must be released as soon as practicable after System Management becomes aware of a situation requiring the release of a Dispatch Advisory and must update the Dispatch Advisory as soon as possible after new, relevant information becomes available to it.

Clause 10.2.2**1 September 2015 Market Rules**

10.2.2. The classes of confidentiality status are:

- (a) Public, in which case the relevant information or documents may be made available to any person by any person;
- (b) [Blank]
- (c) Rule Participant Market Restricted, in which case the relevant information or documents may only be made available to:
 - i. a specific Rule Participant;
 - ii. the IMO;
 - iii. the Electricity Review Board;
 - iv. the Economic Regulation Authority; and
 - v. other Regulatory or Government Agencies in accord with applicable laws;
- (d) Rule Participant Dispatch Restricted, in which case the relevant information or documents may only be made available to:
 - i. a specific Rule Participant;
 - ii. System Management;
 - iii. the IMO;
 - iv. the Electricity Review Board;
 - v. the Economic Regulation Authority; and
 - vi. other Regulatory or Government Agencies in accord with applicable laws;
- (e) System Management Confidential, in which case the relevant information or documents may only be made available to:
 - i. System Management;
 - ii. the IMO;
 - iii. the Electricity Review Board;
 - iv. the Economic Regulation Authority; and
 - v. other Regulatory or Government Agencies in accord with applicable laws;
- (f) IMO Confidential, in which case the relevant information or documents may only be made available to:
 - i. the IMO;
 - ii. the Electricity Review Board;
 - iii. the Economic Regulation Authority; and
 - iv. other Regulatory or Government Agencies in accord with applicable laws; and
- (g) Rule Participant Network Restricted, in which case the relevant information or documents may only be made available to:
 - i. a specific Rule Participant;
 - ii. the relevant Network Operator;
 - iii. System Management;
 - iv. the IMO;
 - v. the Electricity Review Board;
 - vi. the Economic Regulation Authority; and

- vii. any other Regulatory or Government Agencies in accord with applicable laws.

Gazette Changes

Gazette 179 commencing 30 November 2015

Page 4790

38. Market Rule 10.2 amended

(1) Amend clauses 10.2.2(c), (e) and (f), by inserting a new clause (in numerical order), as follows—

iiA. AEMO;

(2) Amend clauses 10.2.2(d) by inserting a new clause (in numerical order), as follows—

iiiA. AEMO;

(3) Amend clauses 10.2.2(g) by inserting a new clause (in numerical order), as follows—

ivA. AEMO;

Gazette 89, Schedule A commencing 1 July 2016

Page 1674

80. Market Rule 10.2 amended

(1) Insert a new clause 10.2.2(c)(iiB), after clause 10.2.2(c)(iiA), as follows—

iiB. a Network Operator;

(2) Amend clause 10.2.2(d)(ii) by inserting the words “and any System Operator”, after the words “System Management”.

(3) Insert a new clause 10.2.2(d)(iiA), after clause 10.2.2(d)(ii), as follows—

iiA. a Network Operator;

(4) Amend clause 10.2.2(e)(i) by deleting the words “System Management” and replacing them with the words “AEMO (including in its capacity as System Management)”.

(5) Insert a new clause 10.2.2(e)(iA), after clause 10.2.2(e)(i), as follows—

iA. a System Operator (but only to the extent necessary for it to carry out activities as a System Operator);

(6) Amend clause 10.2.2(g)(iii) by deleting the words “System Management” and replacing them with the words “AEMO (including in its capacity as System Management)”.

(7) Insert a new clause 10.2.2(g)(iiiA), after clause 10.2.2(g)(iii), as follows—

iiiA. a System Operator (but only to the extent necessary for it to carry out activities as a System Operator);

Pages 1676 and 1677

85. Various references to AEMO amended

(1) In each place in the Market Rules listed in the Table, after “AEMO” insert the following—
“(including in its capacity as System Management)”

Table

| |
|-----------------------|
| ... |
| Clause 10.2.2(c)(iiA) |

| |
|-----------------------|
| Clause 10.2.2(f)(iiA) |
|-----------------------|

87. Various clauses deleted

(1) In each of the existing clauses listed in the Table, delete the existing text and replace it with “[Blank]”.

Table

| |
|-----------------------|
| ... |
| Clause 10.2.2(e)(iiA) |
| Clause 10.2.2(g)(ivA) |

Gazette 209 commencing 26 November 2016

Page 5305

28. Market Rule 10.2 amended

(1) Amend clause 10.2.2 by deleting the words “a Network Operator” in sub-clause 10.2.2(c)(iiB) and replacing them with “[blank]”.

(2) Amend clause 10.2.2 by inserting a new sub-clause 10.2.2(c)(iiC), after sub-clause 10.2.2(c)(iiB), as follows—

iiC. the Rule Change Panel;

(3) Amend clause 10.2.2 by deleting the existing sub-clause 10.2.2(d) and replacing it with the following—

- (d) Rule Participant Dispatch Restricted, in which case the relevant information or documents may only be made available to—
- i. a specific Rule Participant;
 - ii. [blank];
 - iiA. a System Operator (but only to the extent necessary for it to carry out activities as a System Operator);
 - iii. the IMO;
 - iiiA. AEMO (including in its capacity as System Management);
 - iiiB. the Rule Change Panel;
 - iv. the Electricity Review Board;
 - v. the Economic Regulation Authority; and
 - vi. other Regulatory or Government Agencies in accord with applicable laws;

(4) Amend clause 10.2.2 by deleting the word “[Blank]” in sub-clause 10.2.2(e)(iiA) and replacing it with “the Rule Change Panel;”.

(5) Amend clause 10.2.2 by inserting a new clause 10.2.2(f)(iiB), after clause 10.2.2(f)(iiA), as follows—

iiB. the Rule Change Panel;

(6) Amend clause 10.2.2 by deleting the word “[Blank]” in sub-clause 10.2.2(g)(ivA) and replacing it with “the Rule Change Panel;”.

Gazette 125 commencing 24 June 2017

Page 3315

7. Market Rule 10.2 amended

Delete the word “the” and replace it with “a” in clause 10.2.2(g)(ii).

13 October 2017 Market Rules (current rules incorporating the Gazettes)

10.2.2. The classes of confidentiality status are:

- (a) Public, in which case the relevant information or documents may be made available to any person by any person;
- (b) [Blank]
- (c) Rule Participant Market Restricted, in which case the relevant information or documents may only be made available to:
 - i. a specific Rule Participant;
 - ii. the IMO;
 - iiA. AEMO (including in its capacity as System Management);
 - iiB. [blank];
 - iiC. the Rule Change Panel;
 - iii. the Electricity Review Board;
 - iv. the Economic Regulation Authority; and
 - v. other Regulatory or Government Agencies in accord with applicable laws;
- (d) Rule Participant Dispatch Restricted, in which case the relevant information or documents may only be made available to—
 - i. a specific Rule Participant;
 - ii. [blank];
 - iiA. a System Operator (but only to the extent necessary for it to carry out activities as a System Operator);
 - iii. the IMO;
 - iiiA. AEMO (including in its capacity as System Management);
 - iiiB. the Rule Change Panel;
 - iv. the Electricity Review Board;
 - v. the Economic Regulation Authority; and
 - vi. other Regulatory or Government Agencies in accord with applicable laws;
- (e) System Management Confidential, in which case the relevant information or documents may only be made available to:
 - i. AEMO (including in its capacity as System Management);
 - iA. a System Operator (but only to the extent necessary for it to carry out activities as a System Operator);
 - ii. the IMO;
 - iiA. the Rule Change Panel;
 - iii. the Electricity Review Board;
 - iv. the Economic Regulation Authority; and
 - v. other Regulatory or Government Agencies in accord with applicable laws;
- (f) IMO Confidential, in which case the relevant information or documents may only be made available to:
 - i. the IMO;

- ii. the Electricity Review Board;
 - iiA. AEMO (including in its capacity as System Management);
 - iiB. the Rule Change Panel;
 - iii. the Economic Regulation Authority; and
 - iv. other Regulatory or Government Agencies in accord with applicable laws; and
- (g) Rule Participant Network Restricted, in which case the relevant information or documents may only be made available to:
- i. a specific Rule Participant;
 - ii. a relevant Network Operator;
 - iii. AEMO (including in its capacity as System Management);
 - iiiA. a System Operator (but only to the extent necessary for it to carry out activities as a System Operator);
 - iv. the IMO;
 - ivA. the Rule Change Panel;
 - v. the Electricity Review Board;
 - vi. the Economic Regulation Authority; and
 - vii. any other Regulatory or Government Agencies in accord with applicable laws.

Clause 10.3.2

1 September 2015 Market Rules

10.3.2. Subject to clause 10.4.2, the IMO must not require a fee for information or documents released by the IMO via the Market Web Site.

Gazette Changes

Gazette 179 commencing 30 November 2015

Pages 4795 and 4798

41. Various references to the IMO amended

(2) In each place in the Market Rules listed in the Table “the IMO” or “The IMO” is deleted and replaced with the word “AEMO”.

Table

| |
|--|
| ... |
| Clause 10.3.2 (in the first place where it occurs) |
| ... |

Gazette 116 commencing 1 July 2016

Page 2705

40. Various insertions of the word “Economic Regulation Authority”

(1) In each of the existing clauses listed in the Table, delete the text “IMO or AEMO” and replace it with “IMO, AEMO or the Economic Regulation Authority” each place where it occurs.

Table

| |
|--|
| ... |
| Clause 10.3.2 (each place where it occurs) |

Gazette 209 commencing 26 November 2016

Page 5308

33. Various references to Rule Change Panel inserted

(1) In each of the existing clauses listed in the Table, delete the words “IMO, AEMO” and replace them with “IMO, Rule Change Panel, AEMO” (each place where it occurs)—

Table

| |
|---------------|
| ... |
| Clause 10.3.2 |

13 October 2017 Market Rules (current rules incorporating the Gazettes)

10.3.2. Subject to clause 10.4.2, AEMO must not require a fee for information or documents released by the IMO via the Market Web Site.

Clause 10.5.1

1 June 2016 Market Rules (following the amendments in Gazette 89, Schedule B Part 1, commencing 1 June 2016)

- 10.5.1. AEMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and AEMO must make each item of information available from the Market Web Site after that item of information becomes available to AEMO—
- (a) the following Market Rule and Market Procedure information and documents—
 - i. information on the records that must be maintained by Rule Participants;
 - ii. the list of the confidentiality status of information and documents pertaining to the Wholesale Electricity Market developed by AEMO in accordance with clause 10.2.1;
 - iii. the current version of the Market Rules;
 - iv. information on any Amending Rules that have been made in accordance with the Rule Change Process but are yet to commence or to be included in the current version of the Market Rules, including the date those Amending Rules will take affect;
 - v. any Rule Change Proposals that are open to public comment;
 - vi. the current version of Market Procedures;
 - vii. information on any changes to any Market Procedures that have been made in accordance with the Procedure Change Process but are yet to commence or to be included in the current version of the applicable Market Procedure, including the date those Market Procedure changes will take affect;
 - viii. any Procedure Change Proposals that are open to public comment; and
 - ix. a document summarising all Rule Change Proposals and Procedure Change Proposals that are no longer open to public comment and whether or not those proposals were accepted or rejected;
 - (b) instructions as to how to initiate a rule change process and Procedure Change Process;
 - (c) details of all Rule Participants including—
 - i. name;
 - ii. mailing address, telephone and facsimile number;
 - iii. the name and title of a contact person;
 - iv. details of applicable licenses held;
 - v. applicable Rule Participant classes;
 - vi. applicable Market Participant classes; and
 - vii. names and capacities of Registered Facilities;
 - (d) the precise basis for determining the Bank Bill Rate;
 - (e) details of bid, offer and clearing price limits as approved by the Economic Regulation Authority including—
 - i. the Benchmark Reserve Capacity Price;
 - ii. the Maximum STEM Price; and
 - iii. the Alternative Maximum STEM Price;
 including rules that could cause different values to apply at different times;
 - (f) the following Reserve Capacity information (if applicable)—
 - i. Requests for Expressions of Interest described in clause 4.2.3 for the previous five Reserve Capacity Cycles;

- ii. the summary of Requests for Expressions of Interest described in clause 4.2.7 for the previous five Reserve Capacity Cycles;
 - iii. the Reserve Capacity Information Pack published in accordance with clause 4.7.2 for the previous five Reserve Capacity Cycles;
 - iiiA. for each Market Participant that was assigned Certified Reserve Capacity, the level of Certified Reserve Capacity assigned to each to Facility for each Reserve Capacity Cycle;
 - iv. for each Market Participant holding Capacity Credits, the Capacity Credits provided by each Facility for each Reserve Capacity Cycle;
 - v. the identity of each Market Participant from which AEMO procured Capacity Credits in the most recent Reserve Capacity Auction, and the total amount procured, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;
 - vi. for each Special Price Arrangement for each Registered Facility—
 1. the amount of Reserve Capacity covered;
 2. the term of the Special Price Arrangement; and
 3. the Special Reserve Capacity Price applicable to the Special Price Arrangement,
 where this information is to be current as at, and published on, January 7th of each year;
 - vii. all Reserve Capacity Offer quantities and prices, including details of the bidder and facility, for a Reserve Capacity Auction, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;
 - viii. reports summarising the outcomes of Reserve Capacity Tests and reasons for delays in those tests, as required by clause 4.25.11; and
 - ix. the following annually calculated and monthly adjusted ratios—
 1. NTDL_Ratio as calculated in accordance with Appendix 5, STEP 8;
 2. TDL_Ratio as calculated in accordance with Appendix 5, STEP 8; and
 3. Total_Ratio as calculated in accordance with Appendix 5, STEP 10; and
 - x. the following information identified for a Reserve Capacity Cycle under the Relevant Level Methodology—
 1. the Existing Facility Load for Scheduled Generation for each Trading Interval in the five year period determined under step 1(a) of the Relevant Level Methodology; and
 2. the 12 Trading Intervals occurring on separate Trading Days with the highest Existing Facility Load for Scheduled Generation for each 12 month period in the five year period; and
 - xi. for a Facility that has had its Capacity Credits cancelled for the Capacity Year, the information specified in clause 4.20.12(a), 4.20.12(c) and 4.20.12(d).
- (g) the Ancillary Service report referred to in clause 3.11.11;
- (h) for each Trading Interval in each completed Trading Day in the previous 12 calendar months—
- i. the sum of the Metered Schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Synergy;

- ii. the sum of the Metered Schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Market Participants other than Synergy; and
 - iii. the sum of the Resource Plan schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Market Participants other than Synergy;
- (i) the following STEM summary information—
- i. for each Trading Interval in each completed Trading Day in the previous 12 calendar months—
 - 1. the total STEM Offer quantity;
 - 2. the total STEM Bid quantity;
 - 3. whether the STEM was suspended in relation to the relevant Trading Interval;
 - 4. where the STEM was not suspended, the STEM quantity purchased by AEMO; and
 - 5. where the STEM was not suspended, the STEM Clearing Price;
 - ii. for each Trading Interval in each Trading Day during the 12 calendar months, before the end of the seventh day from the start of the Trading Day—
 - 1. the STEM Offers by Market Participant;
 - 2. the STEM Bids by Market Participant;
 - 3. the quantity bought or sold in the STEM by Market Participant; and
 - 4. the Fuel Declaration, Availability Declaration and, if applicable, Ancillary Service Declaration made by Market Participant;
- (iA) the following Balancing summary information—
- i. for each Trading Interval in each completed Trading Day in the previous 12 calendar months—
 - 1. where available, each Balancing Forecast;
 - 2. where available, the BMO, excluding information that would identify specific Market Participants;
 - 3. where available, the Relevant Dispatch Quantity; and
 - 4. where available, the Balancing Price;
 - ii. for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day—
 - 1. the prices in Balancing Price-Quantity Pairs submitted in Balancing Submissions by Market Participant; and
 - 2. the Fuel Declaration, Availability Declaration and, if applicable, Ancillary Service Declaration made by Market Participant;
- (iB) the following LFAS summary information for each Trading Interval in each completed Trading Day in the previous 12 calendar months—
- i. the LFAS Downwards Merit Order;
 - ii. the LFAS Upwards Merit Order;
 - iii. where available, the Upwards LFAS Quantity and the Downwards LFAS Quantity; and

- iv. where available, the LFAS Price;
- (iC) for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day, the LFAS Submissions by Market Participant;
- (j) for each Trading Interval in each completed Trading Day in the previous 12 calendar months the following dispatch summary information—
 - i. the values of the Balancing Price, the LFAS Price, the Backup Downwards LFAS Price and the Backup Upwards LFAS Price;
 - ii. the Load Forecast prepared by System Management in accordance with clause 7.2.1;
 - iii. the sum of the Metered Schedule load for all Non-Dispatchable Load, Dispatchable Load and Interruptible Load;
 - iv. estimates of the energy not served due to involuntary load curtailment; and
 - v. any shortfalls in Ancillary Services;
- (jA)
 - i. for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day, any changes to a Facility's Consumption Decrease Price or Consumption Increase Price; and
 - ii. the values of any Consumption Decrease Price or Consumption Increase Price of a Facility that has been dispatched pursuant to a Dispatch Instruction, as soon as practicable;
- (jB) for each Trading Month which has been settled under Chapter 9, reports providing the MWh quantities of energy dispatched under Network Control Service Contracts, by Facility, and by Trading Interval, as specified by System Management in accordance with clause 7.13.1(dA);
- (k) any Market Advisories and Dispatch Advisories released in the previous 12 months;
- (l) Loss Factors for each network connection point in accordance with clause 2.27;
- (m) the most current Statement of Opportunities Report;
- (n) the medium term PASA report described in clause 3.16.9;
- (o) the Short Term PASA report described in clause 3.17.2;
- (p) details of resolved Disputes, including all Public Information associated with the dispute, but not aspects of the resolution or information associated with the resolution which, in accordance with its confidentiality status class, cannot be made public
- (q) public consultation proceedings;
- (r) Public Reports pertaining to the Wholesale Electricity Market issued by—
 - i. the IMO;
 - iA. AEMO;
 - ii. System Management;
 - iii. the Electricity Review Board;
 - iv. the Economic Regulation Authority; or
 - v. the Minister;
- (s) event reports explaining what happened during unusual market or dispatch events but not aspects of such reports which, in accordance with its confidentiality status class, cannot be made public;

- (t) AEMO, the IMO and System Management budget information for the current financial year;
- (u) a schedule of fees for services provided by AEMO;
- (v) summary information pertaining to the account maintained by AEMO for market settlement for the preceding 24 calendar months, including;
 - i. the end of month balance;
 - ii. the total income received for transactions in each of the Reserve Capacity Mechanism, the STEM, Balancing, Market Fees, System Operation Fees, Regulator Fees and a single value for all other income;
 - iii. the total outgoings paid for transactions in each of the Reserve Capacity Mechanism (excluding Supplementary Capacity Contracts), Supplementary Capacity Contracts, the STEM, Balancing and a single value for all other expenses; and
 - iv. Service Fee Settlement Amount paid to AEMO, the IMO, System Management and the Economic Regulation Authority;
- (vA) reports providing the MWh of non-compliance of Synergy by Trading Interval, as specified by System Management in accordance with clause 7.13.1A(a), for each Trading Month which has been settled;
- (w) the STEM Price for each Trading Interval of the current Trading Month for which STEM auction results have been released to Market Participants;
- (x) for each Trading Interval of the current Trading Month for which Balancing Price results have been released to Market Participants, the value of the Balancing Price;
- (y) as soon as practicable after a Trading Interval—
 - i. the total generation in that Trading Interval;
 - ii. the total Spinning Reserve in that Trading Interval; and
 - iii. an initial value of the Operational System Load Estimate, taken directly from System Management’s EMS/SCADA system,
 where these values are to be available from the Market Web Site for each Trading Interval in the previous 12 calendar months;
- (z) as soon as practicable after real-time—
 - i. the total generation; and
 - ii. the total Spinning Reserve;
 where these values are not required to be maintained on the Market Web Site after their initial publication;
- (zA) the current Tolerance Range determined by System Management in accordance with clause 2.13.6D, including the information provided to AEMO in accordance with clause 2.13.6D; and
- (zB) any Facility Tolerance Ranges determined by System Management in accordance with clause 2.13.6E, including the information provided to AEMO in accordance with clause 2.13.6E, and, if applicable, any Facility Tolerance Ranges which System Management has been directed to vary by AEMO in accordance with clause 2.13.6H;
- (zC) summary information on Disputes in progress that may impact other Rule Participants;
- (zD) [Blank];
- (zE) the current Non-Balancing Dispatch Merit Order;
- (zF) audit reports;

- (zG) documentation of the functionality of—
 - i. any software used to run the Reserve Capacity Auction;
 - ii. the STEM Auction software; and
 - iii. the Settlement System software; and
- (zH) information relating to Commissioning Tests which is supplied under clause 3.21A.16 by System Management.

...

Gazette Changes

Gazette 89 Schedule A commencing 1 July 2016

Page 1674

81. Market Rule 10.5 amended

- (1) Amend clause 10.5.1(j)(ii) by deleting the words “System Management” and replacing them with the words “AEMO (in its capacity as System Management)”.
- (2) Amend clause 10.5.1(o) by deleting “3.17.2” and replacing it with “3.17.9”.
- (3) Amend clause 10.5.1(t) by deleting the “,” and replacing it with the word “and”.
- (4) Amend clause 10.5.1(t) by deleting the words “and System Management”.
- (5) Amend clause 10.5.1(v)(iv) by deleting the words “, System Management”.
- (6) Amend clause 10.5.1(y)(iii) by deleting the words “, taken directly from System Management’s EMS/SCADA system”.
- (7) Amend clause 10.5.1(zA) by deleting the words “, including the information provided to AEMO in accordance with clause 2.13.6D”.
- (8) Delete the existing clause 10.5.1(zB) and replace it with the following—
 - (zB) any Facility Tolerance Ranges determined by System Management in accordance with clause 2.13.6E, and if applicable, any Facility Tolerance Ranges which System Management has varied in accordance with clause 2.13.6H;
- (9) Amend clause 10.5.1(zH) by deleting the words “which is supplied under clause 3.21A.16 by System Management”.

Pages 1675-1676

84. Various references to System Operation Fee amended

- (1) In each place in the Market Rules listed in the Table, delete the word “Operation” and replace it with the word “Management”.

Table

| |
|----------------------|
| ... |
| Clause 10.5.1(v)(ii) |

Gazette 116 commencing 1 July 2016

Page 2702

36 Market Rule 10.5 amended

- (1) Amend clause 10.5.1 by insert the words “or via” between the words “information available from” and “the Market Web Site”.
- (2) Amend sub-clause 10.5.1(v)(iv) by deleting the words “, the IMO, System Management”.

Pages 2705 and 2706

41. Various clauses deleted

(1) In each of the existing clauses listed in the Table, delete the existing text and replace it with “[Blank]”.

Table

| |
|-------------------------|
| ... |
| Sub-clause 10.5.1(r)(i) |

Gazette 209 commencing 26 November 2016

Page 5306

29. Market Rule 10.5 amended

(1) Amend clause 10.5.1 by deleting the word “[Blank]” in sub-clause 10.5.1(r)(i) and replacing it with “the Rule Change Panel;”.

Gazette 89, Schedule B Part 3 commencing 1 October 2017

Page 1705

65 Market Rule 10.5 amended

- (1) Amend clause 10.5.1(jA)(i) by deleting the word “or” and inserting a comma instead.
- (2) Amend clause 10.5.1(jA)(i) by inserting the words “or Extra Consumption Decrease Price” after the words “Consumption Increase Price”.
- (3) Amend clause 10.5.1(jA)(ii) by deleting the word “or” and inserting a comma instead.
- (4) Amend clause 10.5.1(jA)(ii) by inserting the words “or Extra Consumption Decrease Price” after the words “Consumption Increase Price”.
- (5) Delete the existing clause 10.5.1(zE) and replace with the following—
 - (zE) the Non-Balancing Dispatch Merit Orders;
- (6) Amend clause 10.5.1(zH) by deleting the full stop and inserting “; and” instead.
- (7) Insert new clauses 10.5.1(zI) and (zJ) after clause 10.5.1(zH) as follows—
 - (zI) the Refund Exempt Planned Outage Count for each Scheduled Generator for each of the 1,000 Trading Days up to and including the most recent Trading Day which System Management has recorded in accordance with clause 7.13.1A(b); and
 - (zJ) as soon as practicable, the consumption data information under clause 7.13.1(eH).

13 October 2017 Market Rules (current rules incorporating the Gazettes)

- 10.5.1. AEMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and AEMO must make each item of information available from or via the Market Web Site after that item of information becomes available to AEMO—
- (a) the following Market Rule and Market Procedure information and documents—
 - i. information on the records that must be maintained by Rule Participants;
 - ii. the list of the confidentiality status of information and documents pertaining to the Wholesale Electricity Market developed by AEMO in accordance with clause 10.2.1;
 - iii. the current version of the Market Rules;

- iv. information on any Amending Rules that have been made in accordance with the Rule Change Process but are yet to commence or to be included in the current version of the Market Rules, including the date those Amending Rules will take affect;
 - v. any Rule Change Proposals that are open to public comment;
 - vi. the current version of Market Procedures;
 - vii. information on any changes to any Market Procedures that have been made in accordance with the Procedure Change Process but are yet to commence or to be included in the current version of the applicable Market Procedure, including the date those Market Procedure changes will take affect;
 - viii. any Procedure Change Proposals that are open to public comment; and
 - ix. a document summarising all Rule Change Proposals and Procedure Change Proposals that are no longer open to public comment and whether or not those proposals were accepted or rejected;
- (b) instructions as to how to initiate a rule change process and Procedure Change Process;
- (c) details of all Rule Participants including—
- i. name;
 - ii. mailing address, telephone and facsimile number;
 - iii. the name and title of a contact person;
 - iv. details of applicable licenses held;
 - v. applicable Rule Participant classes;
 - vi. applicable Market Participant classes; and
 - vii. names and capacities of Registered Facilities;
- (d) the precise basis for determining the Bank Bill Rate;
- (e) details of bid, offer and clearing price limits as approved by the Economic Regulation Authority including—
- i. the Benchmark Reserve Capacity Price;
 - ii. the Maximum STEM Price; and
 - iii. the Alternative Maximum STEM Price;
- including rules that could cause different values to apply at different times;
- (f) the following Reserve Capacity information (if applicable)—
- i. Requests for Expressions of Interest described in clause 4.2.3 for the previous five Reserve Capacity Cycles;
 - ii. the summary of Requests for Expressions of Interest described in clause 4.2.7 for the previous five Reserve Capacity Cycles;
 - iii. the Reserve Capacity Information Pack published in accordance with clause 4.7.2 for the previous five Reserve Capacity Cycles;
 - iiiA. for each Market Participant that was assigned Certified Reserve Capacity, the level of Certified Reserve Capacity assigned to each to Facility for each Reserve Capacity Cycle;
 - iv. for each Market Participant holding Capacity Credits, the Capacity Credits provided by each Facility for each Reserve Capacity Cycle;
 - v. the identity of each Market Participant from which AEMO procured Capacity Credits in the most recent Reserve Capacity Auction, and the total amount procured, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;

- vi. for each Special Price Arrangement for each Registered Facility—
 1. the amount of Reserve Capacity covered;
 2. the term of the Special Price Arrangement; and
 3. the Special Reserve Capacity Price applicable to the Special Price Arrangement,
 where this information is to be current as at, and published on, January 7th of each year;
 - vii. all Reserve Capacity Offer quantities and prices, including details of the bidder and facility, for a Reserve Capacity Auction, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;
 - viii. reports summarising the outcomes of Reserve Capacity Tests and reasons for delays in those tests, as required by clause 4.25.11; and
 - ix. the following annually calculated and monthly adjusted ratios—
 1. NTDL_Ratio as calculated in accordance with Appendix 5, STEP 8;
 2. TDL_Ratio as calculated in accordance with Appendix 5, STEP 8; and
 3. Total_Ratio as calculated in accordance with Appendix 5, STEP 10; and
 - x. the following information identified for a Reserve Capacity Cycle under the Relevant Level Methodology—
 1. the Existing Facility Load for Scheduled Generation for each Trading Interval in the five year period determined under step 1(a) of the Relevant Level Methodology; and
 2. the 12 Trading Intervals occurring on separate Trading Days with the highest Existing Facility Load for Scheduled Generation for each 12 month period in the five year period; and
 - xi. for a Facility that has had its Capacity Credits cancelled for the Capacity Year, the information specified in clause 4.20.12(a), 4.20.12(c) and 4.20.12(d).
- (g) the Ancillary Service report referred to in clause 3.11.11;
 - (h) for each Trading Interval in each completed Trading Day in the previous 12 calendar months—
 - i. the sum of the Metered Schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Synergy;
 - ii. the sum of the Metered Schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Market Participants other than Synergy; and
 - iii. the sum of the Resource Plan schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Market Participants other than Synergy;
 - (i) the following STEM summary information—
 - i. for each Trading Interval in each completed Trading Day in the previous 12 calendar months—
 1. the total STEM Offer quantity;
 2. the total STEM Bid quantity;

3. whether the STEM was suspended in relation to the relevant Trading Interval;
 4. where the STEM was not suspended, the STEM quantity purchased by AEMO; and
 5. where the STEM was not suspended, the STEM Clearing Price;
- ii. for each Trading Interval in each Trading Day during the 12 calendar months, before the end of the seventh day from the start of the Trading Day—
 1. the STEM Offers by Market Participant;
 2. the STEM Bids by Market Participant;
 3. the quantity bought or sold in the STEM by Market Participant; and
 4. the Fuel Declaration, Availability Declaration and, if applicable, Ancillary Service Declaration made by Market Participant;
- (iA) the following Balancing summary information—
- i. for each Trading Interval in each completed Trading Day in the previous 12 calendar months—
 1. where available, each Balancing Forecast;
 2. where available, the BMO, excluding information that would identify specific Market Participants;
 3. where available, the Relevant Dispatch Quantity; and
 4. where available, the Balancing Price;
 - ii. for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day—
 1. the prices in Balancing Price-Quantity Pairs submitted in Balancing Submissions by Market Participant; and
 2. the Fuel Declaration, Availability Declaration and, if applicable, Ancillary Service Declaration made by Market Participant;
- (iB) the following LFAS summary information for each Trading Interval in each completed Trading Day in the previous 12 calendar months—
- i. the LFAS Downwards Merit Order;
 - ii. the LFAS Upwards Merit Order;
 - iii. where available, the Upwards LFAS Quantity and the Downwards LFAS Quantity; and
 - iv. where available, the LFAS Price;
- (iC) for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day, the LFAS Submissions by Market Participant;
- (j) for each Trading Interval in each completed Trading Day in the previous 12 calendar months the following dispatch summary information—
- i. the values of the Balancing Price, the LFAS Price, the Backup Downwards LFAS Price and the Backup Upwards LFAS Price;
 - ii. the Load Forecast prepared by AEMO (in its capacity as System Management) in accordance with clause 7.2.1;

- iii. the sum of the Metered Schedule load for all Non-Dispatchable Load, Dispatchable Load and Interruptible Load;
 - iv. estimates of the energy not served due to involuntary load curtailment; and
 - v. any shortfalls in Ancillary Services;
- (jA)
- i. for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day, any changes to a Facility's Consumption Decrease Price, Consumption Increase Price or Extra Consumption Decrease Price; and
 - ii. the values of any Consumption Decrease Price, Consumption Increase Price or Extra Consumption Decrease Price of a Facility that has been dispatched pursuant to a Dispatch Instruction, as soon as practicable;
- (jB) for each Trading Month which has been settled under Chapter 9, reports providing the MWh quantities of energy dispatched under Network Control Service Contracts, by Facility, and by Trading Interval, as specified by System Management in accordance with clause 7.13.1(dA);
- (k) any Market Advisories and Dispatch Advisories released in the previous 12 months;
- (l) Loss Factors for each network connection point in accordance with clause 2.27;
- (m) the most current Statement of Opportunities Report;
- (n) the medium term PASA report described in clause 3.16.9;
- (o) the Short Term PASA report described in clause 3.17.9;
- (p) details of resolved Disputes, including all Public Information associated with the dispute, but not aspects of the resolution or information associated with the resolution which, in accordance with its confidentiality status class, cannot be made public
- (q) public consultation proceedings;
- (r) Public Reports pertaining to the Wholesale Electricity Market issued by—
- i. the Rule Change Panel;
 - iA. AEMO;
 - ii. System Management;
 - iii. the Electricity Review Board;
 - iv. the Economic Regulation Authority; or
 - v. the Minister;
- (s) event reports explaining what happened during unusual market or dispatch events but not aspects of such reports which, in accordance with its confidentiality status class, cannot be made public;
- (t) AEMO and the IMO budget information for the current financial year;
- (u) a schedule of fees for services provided by AEMO;
- (v) summary information pertaining to the account maintained by AEMO for market settlement for the preceding 24 calendar months, including;
- i. the end of month balance;
 - ii. the total income received for transactions in each of the Reserve Capacity Mechanism, the STEM, Balancing, Market Fees, System

- Management Fees, Regulator Fees and a single value for all other income;
- iii. the total outgoings paid for transactions in each of the Reserve Capacity Mechanism (excluding Supplementary Capacity Contracts), Supplementary Capacity Contracts, the STEM, Balancing and a single value for all other expenses; and
 - iv. Service Fee Settlement Amount paid to AEMO, the IMO and the Economic Regulation Authority;
- (vA) reports providing the MWh of non-compliance of Synergy by Trading Interval, as specified by System Management in accordance with clause 7.13.1A(a), for each Trading Month which has been settled;
 - (w) the STEM Price for each Trading Interval of the current Trading Month for which STEM auction results have been released to Market Participants;
 - (x) for each Trading Interval of the current Trading Month for which Balancing Price results have been released to Market Participants, the value of the Balancing Price;
 - (y) as soon as practicable after a Trading Interval—
 - i. the total generation in that Trading Interval;
 - ii. the total Spinning Reserve in that Trading Interval; and
 - iii. an initial value of the Operational System Load Estimate, where these values are to be available from the Market Web Site for each Trading Interval in the previous 12 calendar months;
 - (z) as soon as practicable after real-time—
 - i. the total generation; and
 - ii. the total Spinning Reserve;
 where these values are not required to be maintained on the Market Web Site after their initial publication;
 - (zA) the current Tolerance Range determined by System Management in accordance with clause 2.13.6D; and
 - (zB) any Facility Tolerance Ranges determined by System Management in accordance with clause 2.13.6E, and, if applicable, any Facility Tolerance Ranges which System Management has varied in accordance with clause 2.13.6H;
 - (zC) summary information on Disputes in progress that may impact other Rule Participants;
 - (zD) [Blank];
 - (zE) the Non-Balancing Dispatch Merit Orders;
 - (zF) audit reports;
 - (zG) documentation of the functionality of—
 - i. any software used to run the Reserve Capacity Auction;
 - ii. the STEM Auction software; and
 - iii. the Settlement System software; and
 - (zH) information relating to Commissioning Tests; and
 - (zI) the Refund Exempt Planned Outage Count for each Scheduled Generator for each of the 1,000 Trading Days up to and including the most recent Trading Day which System Management has recorded in accordance with clause 7.13.1A(b); and
 - (zJ) as soon as practicable, the consumption data information under clause 7.13.1(eH).

MARKET ADVISORY COMMITTEE MEETING, 13 DECEMBER 2017

FOR NOTING

SUBJECT: UPDATE ON AEMO'S MARKET PROCEDURES

AGENDA ITEM: 7

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 | 4 September 2017 (as reported previously) | 19 December 2017 |
| Market Procedures for discussion | Market Procedure: Reserve Capacity Security | <ul style="list-style-type: none"> PSOP: Tolerance Ranges (new) Monitoring and Reporting Protocol (new) PSOP: Communications and Control Systems <p>Note: The current PSOP: Monitoring and Reporting is proposed to be replaced by the PSOP: Tolerance Ranges and the Monitoring and Reporting Protocol</p> |

3. AEMO PROCEDURE CHANGE PROPOSALS

The status of AEMO Procedure Change Proposals is described below, current as at 4 December 2017. Changes since the previous MAC meeting are in **red text**. A procedure change is removed from this report after its commencement has been reported.

| ID | Summary of changes | Status | Next steps | Date |
|--|---|-----------|------------|------------|
| AEPC_2017_05: Individual Reserve Capacity Requirements | The proposed updates are to reflect Amending Rules gazetted by the Minister for Energy on 31 May 2016 | Commenced | - | 3 Nov 2017 |

| ID | Summary of changes | Status | Next steps | Date |
|---|--|---|-----------------------------------|------|
| AEPC_2017_12: Reserve Capacity Security | The proposed updates aim to improve the process for Market Participants providing Reserve Capacity Security as a Security Deposit, specify the process for AEMO to follow in determining when to Draw Upon Reserve Capacity Security, and generally reduce complexity and improve clarity. | Considered by APCWG 4 Sep 2017. On hold pending consideration of potential rule change. | Publish Procedure Change Proposal | TBA |

Agenda Item 9: Update on the Market Rules Issues List

Meeting 2017-08 – 13 December 2017

1. Background

RCP Support presented a table to the Market Advisory Committee (**MAC**) at its meeting on 8 November 2017, titled “MAC Market Rules Issues List: Review of Candidate Issues”. The list contained 43 issues with the Wholesale Electricity Market (**WEM**) that had been identified by MAC members and observers as candidates for inclusion in the proposed Market Rules Issues List.

The MAC reviewed the 43 issues and classified them into four categories, as indicated in Table 1.

| Table 1 – Classification of Candidate Issues | |
|--|--|
| Category | Status |
| (1) Potential Rule Change Proposals (6 issues) | These are issues that have been identified with the Wholesale Electricity Market Rules (Market Rules) that can be pursued via the rule change process. See section 2 below for further discussion of these issues. |
| (2) Request for a review (14 issues) | These are broader issues, in some cases extending beyond the scope of the Market Rules, which require further review before specific changes to the Market Rules (or other instruments) are progressed. See section 3 below for further discussion of these issues. |
| (3) On hold pending outcomes of other work (12 issues) | These are issues that have been identified with the Market Rules, but placed on hold as they are expected to be addressed by other market development activities currently in progress.

RCP Support will log these items and will table them for periodic review by the MAC (e.g. every six months) to determine whether they have been resolved as expected; after which they can be picked up and progressed via the rule change process or can be dismissed. |
| (4) Delete (11 issues) | These are issues the MAC agreed to delete. They include duplicate issues and issues that fall outside the scope of the Market Rules. |

An updated version of the candidate issues list, which indicates how the MAC classified each of the 43 issues on 8 November 2017, is provided in Appendix A of this paper.

2. Potential Rule Change Proposals

The MAC identified six issues as potential Rule Change Proposals, as indicated in Table 2.

| Table 2 – Potential Rule Change Proposals | | |
|---|---|-----------------------------------|
| ID | Descriptor | Submitter |
| 13 | Use of data for market monitoring and compliance | Australian Energy Market Operator |
| 14 and 36 | Changes to capacity refund arrangements | Bluewaters / ERM Power |
| 18 | Short-term enhancements to Spinning Reserve procurement process | Bluewaters |
| 20 and 38 | Spinning Reserve Cost Allocation | Bluewaters / ERM Power |
| 31 | Removal of Synergy LFAS Report obligation | Synergy |
| 43 | SRMC investigation process | Economic Regulation Authority |

Further detail on the issues listed in Table 2 is presented in Appendix B of this paper.

The parties that raised the issues in Table 2 are expected to lead discussion of their issues at the MAC meeting on 13 December 2017. The objective of the discussion will be to:

- allow the submitter to further explain the issue and how addressing it would better achieve the Wholesale Market Objectives;
- allow other members to ask questions and express their views on the issue; and
- have a preliminary discussion about the urgency rating of a Rule Change Proposals and how the rule changes should be developed.

3. Requests for Review

The MAC identified seven broader issues that require further review before any specific changes to the Market Rules or other regulatory instruments are progressed, including:

- behind-the-meter issues;
- treatment of storage facilities in the market;
- the Reserve Capacity Mechanism (excluding the pricing mechanism);
- the basis for allocation of Market Fees;
- review of agency roles and responsibilities;
- commissioning tests; and
- forecast quality.

RCP Support will log these issues and will bring them to the MAC for preliminary discussion in early 2018, where the MAC will be asked to provide input into:

- confirmation of whether a review is needed to consider the issue; and
- where the requirement for a review is confirmed, identification of the proposed terms of reference, deliverables and relative urgency of that review.

Appendix A: Candidate Issues List – Outcomes of 8 November 2017 MAC discussion

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|---|--|---|
| 1 | IRCR calculations and capacity allocation
(“Perhaps looking at how IRCR and the annual capacity requirement are calculated is a good start (i.e. not just the peak intervals in summer) along with recognising behind-the-meter (BTM) 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’.”.) | All of them | (Shane Cremin)
Discussion/review |
| 2 | Allocation of market costs
(“Less grid generation and consumption – who bears market fees and who pays for grid support services?”) | All of them | (Shane Cremin)
Discussion/review |
| 3 | Penalties for outages | All of them | (Shane Cremin)
Discussion/review |
| 4 | Incentives for maintaining appropriate generation mix | All of them | (Shane Cremin)
Discussion/review |
| 5 | Improved definition of SRMC | | (Community Electricity)
On hold pending development of ERA Balancing Market Offer Guidelines |
| 6 | Improved definition of Market Power | | (Community Electricity)
On hold pending development of ERA Balancing Market Offer Guidelines |
| 7 | Improved definition of the quantity of LFAS (i) required and (ii) dispatched | | (Community Electricity) |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|--|---|---|
| | | | On hold pending Minister's energy market reforms (with potential input from work on RC_2017_02: Implementation of 30-Minute Balancing Gate Closure) |
| 8 | Conduct the 3 year review of the mechanism for allocating certified reserve capacity to Intermittent Generators (Relevant Level Methodology) | | (Community Electricity)
Delete – underlying concerns to be raised in relevant discussion/review sessions |
| 9 | Improvement of AEMO forecasts of System Load; real-time and day-ahead | | (Community Electricity)
Discussion/review |
| 10 | <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) • Whether to retain Intermittent Loads as a registration construct or to convert to a settlement construct <p>We acknowledge that this may be worthwhile progressing as part of the energy market reforms from the PUO Final Report of July 2016.</p> | Would support new entry, competition and market efficiency – particularly supporting the achievement of objectives (a) and (b). | (AEMO)
On hold pending Minister's energy market reforms |
| 11 | <p>Whole-of-system planning oversight: As explained in <u>AEMO's submission</u> to the ERA's review of the WEM, AEMO considers the necessity of the production of an 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</p> | This function would support the achievement of power system security and reliability, in line with objective (a). | (AEMO)
Discussion/review (review of agency roles/responsibilities) |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|---|--|--|
| | 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). | | |
| 12 | Review of institutional responsibilities in the WEM Rules. 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 (10.2.1), document retention (10.1.1), updating the contents of the market surveillance data catalogue (2.16.2), content of the market procedure under clause 4.5.14, order of precedence of market documents (1.5.2). | This will promote efficiency in market administration, supporting objectives (a) and (d). | (AEMO)
Discussion/review, except for clause 4.5.14 issue which will be addressed by the PUO as part of the wind-up of the IMO |
| 13 | Use of data for market monitoring and compliance: The restriction on the ERA in clause 2.16.14, preventing it from using information gathered in market monitoring for other purposes (e.g. compliance) seems counter-intuitive. | This will promote efficiency in market administration, supporting objectives (a) and (d). | (AEMO)
Potential Rule Change Proposal |
| 14 | 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 its obligations for making capacities available. Practical impacts of such excessive refund exposure include: <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. excessive insurance premium and cost for meeting prudential support requirements. Recommendation: imposing seasonal, monthly and/or daily caps on the capacity refund. | Reviewing capacity refund arrangement and reducing the excessive refund exposure are likely to promote the Wholesale Market Objectives in the following manners: <ul style="list-style-type: none"> minimising unnecessary business interruption to capacity providers and in turn minimising disruption to supply availability. This is expected to promote power system reliability and security. minimising unnecessary excessive insurance premium and prudential support costs. | (Bluewaters)
Potential Rule Change Proposal |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|---|---|---|
| | | The saving can be passed on to the end consumers. | |
| 15 | <p>An interpretation of MR 3.18.7 is such that System Management will not approve a Planned Outage for a generator unless it was available at the time the relevant Outage Plan was submitted. This gives rise to the following issues:</p> <ul style="list-style-type: none"> operational inefficiency for the generators - it is not uncommon for minor problems to be discovered during a Planned Outage, and addressing these problems may require the Planned Outage period to be marginally extended (by submitting an additional Outage Plan). However, System Management has taken an interpretation of MR 3.18.7 that it is not allowed to approve the Planned Outage period extension because the relevant generator was not available at the time the extension application was submitted. In order to meet this Market Rules requirements, the generator will need to bring the unit online, apply for a Planned Outage while the unit is online, and subsequently bring the unit off-line again only to address the minor problems. Such operational inefficiency could have been avoided if System Management can approve such Planned Outage extension (as long as there is sufficient reserve margin available in the power system during the extended Planned Outage period). driving perverse incentive in the WEM and compromise market efficiency – in order to get around the issue discussed above, generators are likely to overestimate their Planned Outage period requirements in their outage applications. This results in higher than necessary projected plant unavailability which does not promote accurate price signals for guiding trading decisions. This misinformation is expected to lead to an inefficient outcome which in turn does not promote the Wholesale Market Objectives. <p>Recommendation: to clarify in the Market Rules that System Management can approve a Planned Outage extension application.</p> | By clarifying in the Market Rules that System Management can approve a Planned Outage extension application, it will address the operational inefficiency and perverse incentive issues. This is expected to promote economic efficiency in the WEM and in turn promotes the Wholesale Market Objectives. | (Bluewaters)
On hold pending progression of RC_2013_15: Outage Planning Phase 2 – Outage Process Refinements |
| 16 | <p>The Behind the Meter (BTM) generation are treated as reduction in electricity demand rather than actual generation. Hence, they 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 subsidising 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> | This is an example of regulatory arrangement becoming obsolete due to emergence of new technologies. Regulatory design needs to keep up with changes in the industry landscape (including technological change) to ensure | (Bluewaters)
Discussion/review |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|---|--|---|
| | <p>Recommendation: Market Rules to require BTM generation to pay their fair share of the network costs, market fees and ancillary services charges.</p> | <p>that the WEM continues to meet its objectives.</p> <p>If this BTM issue is not promptly addressed, there will be distortion in the investment signal. This is expected to not giving the adequate generation facility mix in the WEM, hence compromising power system security and in turn not promoting the Wholesale Market Objectives.</p> | |
| 17 | <p>Application of MR 3.21.7 – a Market Participant is not allowed to retrospectively log a Forced Outage after the 15 day deadline. This is the case 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. A consequential impact is incorrect information used in the WEM settlements.</p> <p>Recommendation: Market Rule to enable Market Participant 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 such outage.</p> | <p>Outage should be accurately reported to enable the WEM to function as intended for meeting the Wholesale Market Objective.</p> | <p>(Bluewaters)</p> <p>Include if possible in RC_2014_03: Administrative Improvements to the Outage Process - on hold pending progression of RC_2014_03</p> |
| 18 | <p>The Spinning Reserve (SR) procurement process does not allow Market Participants to respond to the draft SR margin values determination by altering its SR offer.</p> <p>Recommendation: Market Rules to allow Market Participants to respond to the draft SR margin values determination by altering its SR offer.</p> | <p>By allowing a Market Participant to respond to the draft SR margin values determination, it can serve as a price signal to enable a price discovery process for SR capacity. This is expected to lead to a more efficient economic outcome and in turn promote the Wholesale Market Objectives.</p> | <p>(Bluewaters)</p> <p>Potential Rule Change Proposal</p> |
| 19 | <p>The SR 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; | <p>Addressing the deficiencies in the SR margin values evaluation process can promote the</p> | <p>(Bluewaters)</p> <p>On hold pending Minister's energy market reforms</p> |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|--|--|---|
| | <ul style="list-style-type: none"> lack of transparency: (a) modelling was a “black box” (b) confidential information limit stakeholders’ ability to query the results; and lack to retrospective evaluation of SR margin values. <p>As a result, the SR margin values have been volatile, potentially inaccurate and not verifiable.</p> <p>Recommendation: to conduct a review on the SR margin values evaluation process and propose Rule Changes to address any identified deficiencies.</p> | <p>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 SR requirement in the WEM. allowing a better informed SR margin values determination process. This is likely to give a more accurately priced SR margin values for promoting an efficient economic outcome. | <p>(Additionally AEMO and ERA to consider whether any options exist to improve transparency of the current margin values process)</p> |
| 20 | <p>Spinning Reserve cost allocation model (Appendix 2 of the Market Rules) – upper bound of Block 2 and lower bound of Block 1 are set to 200 MW. This, in conjunction with the sizes of the existing generating units in the WEM, creates a perverse incentive for some generating units to not make capacity above 200 MW available. This is because doing so is likely to subject the generating units to substantial increase of the SR costs.</p> <p>Recommendation: to review the value of upper bound of Block 2 and lower bound of Block 1 of the Spinning Reserve cost allocation model</p> | <p>Addressing the perverse incentive is likely to give an efficient dispatch outcome. This is likely to give downwards pressure to wholesale electricity prices, hence promoting economic efficiency and in turn promoting the Wholesale Market Objectives.</p> | <p>(Bluewaters)
Potential Rule Change Proposal
(note full runway solution likely to be preferred)</p> |
| 21 | <p>Prudential arrangement design issue: Credit Limit calculation based on exposure history over the last 24 months (see MR 2.37.4 and section 2.2 of the Prudential Requirements Market Procedure (Prudential Procedure)). This does not take into account one-off event hence potentially overestimating Credit Limits.</p> <p>This current prudential arrangement can result in higher than necessary prudential support burden on Market Participants and incurs unnecessary prudential support costs in the WEM.</p> <p>Recommendation: to exclude the one-off event in the prudential support requirement calculation. This is expected to reduce the unnecessary prudential support costs.</p> | <p>The resulting cost saving from reducing this unnecessary prudential burden can be passed on the end consumers.</p> | <p>(Bluewaters)
Delete – Market Procedure issue
(Bluewaters to discuss further with AEMO)</p> |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|--|--|--|
| | <p>Note: it is expected that AEMO has discretion to exclude the one-off event under MR 2.37.5(k). It is recommended that such exclusion be clarified in the Prudential Procedure.</p> | | |
| 22 | <p>Prudential arrangement design issue: MR 2.37.2 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, MR 2.40.1 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 still increase the Market Participant’s Credit Limit (hence increasing its prudential support requirement) despite that the 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. The cost, which is an economic inefficiency in the WEM, is ultimately passed on the end consumers.</p> <p>Recommendation: to 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 the end consumers. This promotes economic efficiency and therefore the Wholesale Market Objectives.</p> | <p>(Bluewaters)
 On hold pending AEMO’s proposed review of the process for Credit Limit determination</p> |
| 23 | <p>Allocation of market fees on 50/50 basis between the generators and retailers may be overly simplistic and have not considered 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>Cost saving from improved economic efficiency can be passed on to the end consumers, hence promoting the Wholesale Market Objectives.</p> | <p>(Bluewaters)
 Discussion/review</p> |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|--|--|--|
| 24 | Simplify the Wholesale Electricity Market Rule Objective to a single statement as opposed to conflicting individual elements that comprise the objectives | Better application of the Objectives to improve the quality of outcomes | (Kleenheat)
Delete - policy issue, requiring changes to the Electricity Industry Act |
| 25 | Publish a guidance as to how the Objective(s) are to be applied by the Rule Change Panel | Better application of the Objectives to improve the quality of outcomes | (Kleenheat)
Delete |
| 26 | A more flexible, less narrow definition as to what can constitute a Fast Track Rule Change | More administratively efficient rule making | (Kleenheat)
Delete |
| 27 | Review what should constitute a protected provision of the WEM Rules | Greater clarity over the role of the Minister for Energy | (Kleenheat)
On hold pending outcome of a PUO review of the current Protected Provisions in the Market Rules |
| 28 | Appropriate rule changes to allow for battery storage to be considered under the Market Rules. 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. | WEM Market Rules Objective (c)
Policy guidance on rapidly changing technology to incorporate into the WEM as a viable alternative to existing generation options. | (Kleenheat)
Discussion/review |
| 29 | Provide greater clarity on the respective roles and responsibilities for each regulatory body as they relate to and impact the operation and application of the Wholesale Electricity Market Rules (PUO, Rule Change Panel, ERA and AEMO) | WEM Market Rules Objective (d) and (e)
Required to ensure no conflicts of interest arise (perceived or real) and the risk of costs as well as duplicated roles and responsibilities is minimised.
As an example, the time involved in enforcing the Wholesale Electricity Market Rules such as | (Kleenheat)
Discussion/review |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|--|--|--|
| | | the Vinalco investigation – the Wholesale Electricity Market Rules are compromised if their enforcement is not efficient and timely. | |
| 30 | <p>Reserve Capacity Mechanism</p> <p>Synergy would like to propose a review of WEM 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 • • Assessment of thermal generation capacity | The review will support WEM objectives (a) and (d). | (Synergy)
Discussion/review |
| 31 | <p>LFAS Report</p> <p>Under the WEM rule 7A.2.9(b) and 7A.2.9(c) Synergy is obligated to compile and send the LFAS weekly report to AEMO based on the LFAS data for the Trade Date supplied to Synergy by the System Management.</p> <p>Given that System Management is now part of AEMO, it seems reasonable to remove such obligation and remove administrative burden.</p> | This rule change supports WEM objective (a). | (Synergy)
Potential Rule Change Proposal |
| 32 | <p>Commissioning Tests</p> <p>The whole area of commissioning does not work currently and is highly impractical. This area of the rules has always been problematic and there is no flexibility afforded to generators who have to commission plant. Work needs to be done to tidy this up in the rules and to also practical enable commissioning to be conducted in an efficient manner.</p> | | (ERM Power)
Delete – covered by issue 39 |
| 33 | <p>Logging of Forced Outages</p> | | (ERM Power) |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|--|--|---|
| | <p>Currently the market systems do not allow forced outages to be amended once entered. This can have the distortionary effect of participants not logging its 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. If Participants 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> | | <p>Include if possible in RC_2014_03:
Administrative Improvements to the Outage Process - on hold pending progression of RC_2014_03</p> |
| 34 | <p>Applications to extend planned outage
Generators will invariably have to perform maintenance at some stage for which approval for the maintenance is subject to plant reserve margins available on the system. When maintenance is performed, sometimes it becomes apparent that there are emerging issues which should be dealt with now rather than later. To get an outage extended has sometimes been problematic. If an application for an outage extension is a genuine request for more time to complete maintenance, and the system margins allow it, why should an outage extension not be allowed? If the facility is boxed up and returned to service without the emerging issue dealt with, this is a bigger risk to the system as the issue could become fatal at any time resulting in potentially reduced system margins.</p> | | <p>(ERM Power)
Delete – covered by issue 15</p> |
| 35 | <p>Behind the meter generation and apportionment of market fees, ancillary services, etc.
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 we have on the SWIS. This category of generation has a significant impact on the system and we have seen this in terms of the day time trough that is observed on the SWIS when the sun is shining and there aren't any clouds. The issue with this 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>(ERM Power)
Discussion/review</p> |
| 36 | <p>Capacity refund arrangement</p> | | <p>(ERM Power)</p> |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|---|---|---|
| | <p>Although the new dynamic refund mechanism has been implemented, the refund regime is still overly punitive. Generators in fact have not much certainty in the refunds it may be exposed to at any time of year as refunds are now calculated based on the supply/demand balance of available generation. In addition to this, there is still a 6 x multiplier that can be applied not just over the potential peak summer months but is now applicable to any time of the year. Is it time to look at reducing this multiplier to a level that is less punitive?</p> | | Delete – covered by issue 14 |
| 37 | <p>Spinning Reserve costs</p> <p>The cost of ancillary services has increased quite dramatically with a significant jump from 30 June 2017 to 1 July 2017 with the new margin peak and off-peak values coming into effect. The price paid for ancillary services is not clear when the margin peak and off-peak values are announced and it is not until the first non-STEM settlement invoice for the new year has been released that a concrete \$/MWh figure for ancillary services is known. Is it possible to get a clear \$/MWh figure for ancillary service costs rather than just a margin peak/off-peak value?</p> | | (ERM Power)
Delete |
| 38 | <p>How Spinning Reserve costs are apportioned</p> <p>The partial runway model of apportioning ancillary service costs based on whether one is in Block1 or Block 2 can be prohibitive and lead to inefficient market outcomes. Is there a better way of calculating and charging out ancillary services currently given that we don't really know when the constrained grid is implemented what this means for the SWIS. Again, this is related to efficiency of dispatch within the SWIS.</p> | | (ERM Power)
Delete – covered by issue 20 |
| 39 | <p>Commissioning Test Process:</p> <p>The commissioning process within the rules and PSOP works well for known events (i.e. the advance timings of tests). However the rules and PSOP do not work for close to real time events. There is limited flexibility in the rules and PSOP to deal with the practical and operational realities of commissioning facilities.</p> <p>The market rules and PSOP require SM to approve a Commissioning Test Plan or a revised Commissioning Test Plan by 8am on the Scheduling Day on which the Commissioning Test Plan would apply.</p> <p>If a market participant cannot conform to their 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 | <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 Wholesale Market Objectives (a), (b) and (d):</p> <p>Market Objective (a):</p> <ul style="list-style-type: none"> Allowing greater flexibility to generators undertaking commissioning activities will lead to the required tests | (Alinta Energy)
Discussion/review |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|--|---|----------------------------------|
| | <ul style="list-style-type: none"> 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:
This restriction to prior to 8:00 AM on the Scheduling Day means that managing changes to the day the day 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 Allowing participants to repeating tests and push remainder of CTP out <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>being able 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 South West interconnected system.</p> <ul style="list-style-type: none"> 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. <p>Market Objective (b):
improvements to the efficiency of the commissioning test process may assist in the facilitation of efficient entry of new competitors.</p> <p>Market Objective (d):</p> <ul style="list-style-type: none"> Balancing appropriate flexibility for generators with appropriate oversight and control for System Management should ensure | |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|---|--|--|
| | | <p>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 market objective (d) relating to the long term cost of electricity supply.</p> <ul style="list-style-type: none"> Impacts on economic efficiency and efficient entry of new competitors (as outlined above) potentially lead to the minimisation of the long term cost of electricity supplied. | |
| 40 | <p>Market Power Mitigation Arrangements</p> <p>A move from the current market power mitigation arrangements in the WEM from the current ex ante approach (i.e. focus on bidding rules) to an ex post approach that focusses more on outcomes which has benefits of flexibility that are relevant to the nature of the WEM.</p> <p>Please refer to section 2.5 of Alinta's submission to the 2016 ERA Market Effectiveness review for more detail of Alinta's proposed solution. Available: https://www.erawa.com.au/cproot/18216/2/2016%20WEM%20Report%20-%20PubSub%20-%20Alinta%20Energy.pdf</p> | <p>Alinta supports a competitive, dynamic market founded on clarity, stability, and transparency. To ensure that the broad market design effectively delivers greater efficiency and competitive outcomes market participants must be able to compete actively in the market. Overly restrictive bidding constraints undermine the benefits of effective competitive dynamics in the generation sector.</p> <p>A move from the current market power mitigation arrangements in the WEM from the current ex ante approach (i.e. focus on bidding rules) to an ex post approach that focusses more on outcomes, and allows all participants to bid</p> | <p>(Alinta Energy)</p> <p>Delete – policy issue, Alinta Energy and the PUO will liaise directly regarding Alinta Energy's proposal</p> |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|---|--|---|
| | | competitively into the market will better achieve Wholesale Market Objectives (a) with regards to the economically efficient production of energy in the South West interconnected system. | |
| 41 | <p>On 1 September 2017, the Electricity Review Board (Board) published its decision and its reasons for decision regarding the IMO's Application No. 1 of 2016 against Vinalco Energy Pty Ltd (Vinalco). A copy of the Board's decision and reasons is available on the Western Australian Energy Disputes Arbitrator website at http://www.edawa.com.au/reviews/12016.</p> <p>The IMO notes that even though the Board found that Vinalco breached clause 7A.2.17 of the Wholesale Electricity Market Rules (Market Rules) during the relevant periods and ordered Vinalco to pay two nominal penalties, the Board was sympathetic to the argument that 'constrained-on' dispatch through the Balancing Market was not the most appropriate mechanism in Vinalco's circumstances.</p> <p>The IMO considers that further work is required to consider what changes are required to the Market Rules to mitigate the risk of a similar situation arising again, and what the next steps may be to progress those changes.</p> | | (IMO)
On hold pending development of ERA Balancing Market Offer Guidelines |
| 42 | <p>Ancillary Services approvals process</p> <p>Market Rule 3.11.6 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); | Reduce administrative inefficiencies, and if more rigour is added to the process, economic benefits in Market Objectives (a) and (d). | (ERA)
On hold pending Minister's energy market reforms |

| Id | Issue Description (and submitter) | Potential Wholesale Market Objectives Benefits of Addressing the Issue | Submitter and MAC Categorisation |
|----|---|--|---|
| | <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), and if so, then the issues above will need to be addressed.</p> | | |
| 43 | <p>SRMC Investigation process</p> <p>SRMC investigations under market effectiveness rule 2.16 no longer have a link to take these matters to the ERB. A separate investigation is required under market rule 2.13 to take the matter before the ERB. This is neither efficient nor cost effective, and is further complicated by the information use restriction in Market Rule 2.16.14 (refer to issue raised by AEMO at Id 13 in this list).</p> | Market Objective (a) and (d). | (ERA)
Potential Rule Change Proposal |

Appendix B: Potential Rule Change Proposals for discussion

| Id | Issue | Benefits of Addressing the Issue | Submitter |
|-----------|---|--|-------------------------|
| 13 | <p>Use of data for market monitoring and compliance:</p> <ul style="list-style-type: none"> The restriction on the ERA in clause 2.16.14, preventing it from using information gathered in market monitoring for other purposes (e.g. compliance) seems counter-intuitive. | <ul style="list-style-type: none"> This will promote efficiency in market administration, supporting Wholesale Market Objectives (a) and (d). | AEMO |
| 14 and 36 | <p>Capacity Refund Arrangements</p> <p>Bluewaters comments:</p> <ul style="list-style-type: none"> 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 its obligations for making capacity available. Practical impacts of such excessive refund exposure include: <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. Excessive insurance premiums and cost for meeting prudential support requirements. Recommendation: imposing seasonal, monthly and/or daily caps on the capacity refund. <p>ERM Power comments:</p> <ul style="list-style-type: none"> Although the new dynamic refund mechanism has been implemented, the refund regime is still overly punitive. Generators in fact have not much certainty in the refunds it may be exposed to at any time of year as refunds are now calculated based on the supply/demand balance of available generation. In addition to this, there is still a 6x multiplier that can be applied not just over the potential peak summer months, | <ul style="list-style-type: none"> Reviewing capacity refund arrangement and reducing the excessive refund exposure are likely to promote the Wholesale Market Objectives in the following manners: <ul style="list-style-type: none"> Minimising unnecessary business interruption to capacity providers and in turn minimising disruption to supply availability. This is expected to promote power system reliability and security. Minimising unnecessary excessive insurance premiums and prudential support costs. The saving can be passed on to the end consumers. | Bluewaters
ERM Power |

| Id | Issue | Benefits of Addressing the Issue | Submitter |
|-----------|---|--|-------------------------|
| | <p>but is now applicable to any time of the year. Is it time to look at reducing this multiplier to a level that is less punitive?</p> | | |
| 18 | <ul style="list-style-type: none"> The Spinning Reserve (SR) procurement process does not allow Market Participants to respond to the draft SR margin values determination by altering its SR offer. <p>Recommendation: Market Rules to allow Market Participants to respond to the draft SR margin values determination by altering its SR offer.</p> | <ul style="list-style-type: none"> By allowing a Market Participant to respond to the draft SR margin values determination, it can serve as a price signal to enable a price discovery process for SR capacity. This is expected to lead to a more efficient economic outcome and in turn promote the Wholesale Market Objectives | Bluewaters |
| 20 and 38 | <p>Spinning Reserve Cost Allocation Model</p> <p>Bluewaters comments:</p> <ul style="list-style-type: none"> The upper bound of Block 2 and lower bound of Block 1 are set to 200 MW. This, in conjunction with the sizes of the existing generating units in the WEM, creates a perverse incentive for some generating units to not make capacity above 200 MW available. This is because doing so is likely to subject the generating units to substantial increase of the SR costs. Recommendation: to review the value of upper bound of Block 2 and lower bound of Block 1 of the Spinning Reserve cost allocation model <p>ERM Power comments:</p> <ul style="list-style-type: none"> The partial runway model of apportioning ancillary service costs based on whether one is in Block1 or Block 2 can be prohibitive and lead to inefficient market outcomes. Is there a better way of calculating and charging out ancillary services currently given that we don't really know when the constrained grid is implemented what this means for the SWIS. Again, this is related to efficiency of dispatch within the SWIS. | <ul style="list-style-type: none"> Addressing the perverse incentive is likely to give an efficient dispatch outcome. This is likely to give downwards pressure to wholesale electricity prices, hence promoting economic efficiency and in turn promoting the Wholesale Market Objectives. | Bluewaters
ERM Power |

| Id | Issue | Benefits of Addressing the Issue | Submitter |
|----|--|---|-----------|
| 31 | <p>LFAS Report</p> <ul style="list-style-type: none"> Under the clauses 7A.2.9(b) and 7A.2.9(c), Synergy is obligated to compile and send the LFAS weekly report to AEMO based on the LFAS data for the Trade Date supplied to Synergy by System Management. Given that System Management is now part of AEMO, it seems reasonable to remove such obligation to remove administrative burden. | <ul style="list-style-type: none"> This rule change supports Wholesale Market Objective (a). | Synergy |
| 43 | <p>SRMC Investigation Process</p> <ul style="list-style-type: none"> SRMC investigations under market effectiveness rule 2.16 no longer have a link to take these matters to the ERB. A separate investigation is required under market rule 2.13 to take the matter before the ERB. This is neither efficient nor cost effective, and is further complicated by the information use restriction in Market Rule 2.16.14 (refer to issue raised by AEMO at Id 13 in this list). | <ul style="list-style-type: none"> Wholesale Market Objectives (a) and (d). | ERA |

Agenda Item 10a: MAC Meeting Schedule for 2018

Meeting 2017-08 – 13 December 2017

This paper presents the proposed schedule for meetings of:

- the Rule Change Panel: Meetings are scheduled for the third Thursday of every month, except that no meeting proposed for January 2018, and the March meeting will be on the fourth Thursday of the month.
- the Market Advisory Committee: Meetings are scheduled for the second Wednesday of every month, except that no meeting proposed for January 2018.

All meetings will be held at Albert Facey House, 469 Wellington Street, Perth. Market Advisory Committee Members are asked to place the scheduled meetings into their diaries.

| Month | Rule Change Panel | Market Advisory Committee |
|----------------|-------------------|---------------------------|
| February 2018 | 15/02/2018 | 14/2/2018 |
| March 2018 | 22/03/2018 | 14/03/2018 |
| April 2018 | 19/04/2018 | 11/04/2018 |
| May 2018 | 17/05/2018 | 09/05/2018 |
| June 2018 | 21/06/2018 | 13/06/2018 |
| July 2018 | 19/07/2018 | 11/07/2018 |
| August 2018 | 16/08/2018 | 08/08/2018 |
| September 2018 | 20/09/2018 | 12/09/2018 |
| October 2018 | 18/10/2018 | 10/10/2018 |
| November 2018 | 15/11/2018 | 14/11/2018 |
| December 2018 | 20/12/2018 | 12/12/2018 |

Agenda Item 10b: MAC Composition Review for 2017 and Call for Nominations for 2018

Meeting 2017-08 – 13 December 2017

Under the terms of the Market Advisory Committee (**MAC**) Constitution, two members are to step down from the MAC each year (and are eligible for reappointment). The two MAC members that are required to step down in February 2018 are Mr Andrew Stevens (representing Market Generators) and Mr Steve Gould (representing Market Customers).

The Rule Change Panel published the attached review and call for nominations on 30 November 2017 seeking nominations for the positions currently held by Mr Stevens and Mr Gould. Mr Stevens and Mr Gould are eligible for re-election.

The timeline for appointment members to the MAC positions that are to be vacated is as follows:

1. **5:00pm on Friday 29 December 2017:** Nominations close.
2. **Friday 29 December to Wednesday 28 Feb 2018:** the Rule Change Panel will assess of nominations against the expected skills, knowledge and experience of the MAC (as a body), as outlined in the MAC Appointment Guidelines.
3. **By 28 February 2018:** All nominees advised in writing of the outcomes of the appointment process.
4. **March 2018:** All new and previous members will be invited to attend the March 2018 MAC meeting.

Further background on this MAC appointment process is provided in the attached call for nominations document.

Copies of the MAC Constitution and MAC Appointment Guidelines are available on the Rule Change Panel website (<https://www.erawa.com.au/rule-change-panel>).

Market Advisory Committee 2018 Review of Composition

Call for Nominations and Nomination Form

30 November 2017

1. Background

The Rule Change Panel (Panel) was established in November 2016 to administer changes to the Wholesale Electricity Market Rules (Market Rules), and commenced operations on 3 April 2017. The Market Rules require the Panel to establish the Market Advisory Committee (MAC) to advise the Panel, the Australian Energy Market Operator (AEMO), and the Economic Regulation Authority (Authority) on the evolution of the Market Rules and Market Procedures. The RCP Secretariat is responsible for providing secretariat services to the Panel and the MAC.

Under clause 2.3.9 of the Market Rules, the Panel must annually review the composition of the MAC and may remove and appoint members following the review.

Under clause 2.3.11 of the Market Rules, the Panel may also remove a member of the MAC at any time in the following circumstances:

- (a) the person becomes an undischarged bankrupt;
- (b) the person becomes of unsound mind or his or her estate is liable to be dealt with in any way under law relating to mental health; or
- (c) an event specified for this purpose in the MAC Constitution occurs; or
- (d) in the Rule Change Panel's opinion the person no longer represents the person or class of persons that they were appointed to represent in accordance with clause 2.3.5 of the Market Rules.

The MAC Constitution and the MAC Appointment Guidelines are available on the [Rule Change Panel's website](#).

Under clause 2.3.5 of the Market Rules the MAC must comprise:

| No. of Members | Representation |
|----------------|---|
| 1 | Chair (appointed by the chairperson of the Rule Change Panel) |
| 1 | Synergy |
| 1 | AEMO |
| 1 | System Management |

| No. of Members | Representation |
|----------------|--|
| 1 | Small-use Consumer (nominated by the Minister) |
| 1 – 2 | Network Operators (one of whom must represent Western Power) |
| 3 – 4 | Market Customers |
| 3 – 4 | Market Generators |
| 1 | Contestable Customer |
| 2 | Observers (The Minister and the Authority may appoint a representative to attend MAC meetings as an observer. Observers have full speaking rights at meetings, but it is the MAC who advise on any decisions). |

Members representing Market Generators, Market Customers, Network Operators (apart from Western Power) and Contestable Customers are discretionary class members. Discretionary class members are appointed by the Rule Change Panel as per the MAC Appointment Guidelines.

Members that represent a single entity (System Management, AEMO, Synergy, and Western Power) are compulsory class members. Compulsory class members are appointed by the respective entity.

In accordance with the MAC Constitution, each member is appointed for a set period of time.

Positions can become vacant for the following reasons:

- resignation;
- removal by the Rule Change Panel under clause 2.3.11 of the Market Rules; and
- lapse of tenure.

Under clause 2.3.10 of the Market Rules, the Rule Change Panel must consult with, and take nominations from Rule Participants and industry groups that it considers relevant to the Wholesale Electricity Market, and if practicable, must choose members from persons nominated.

The Rule Change Panel has now finished its annual review of the composition of the MAC and determined the positions that need to be filled. The Rule Change Panel has determined that none of the circumstances outlined under clause 2.3.11 of the Market Rules apply to any of the MAC members.

2. Call for Nominations

The following discretionary class positions are up for renewal because their terms will expire in February 2018:

| Market Generator | Market Customer | Contestable Customer |
|------------------|-----------------|----------------------|
| Andrew Stevens | Steve Gould | |

There is no limit to re-nominations to be on the MAC, so those MAC members whose positions have expired can re-apply.

Compulsory class members are not required to re-apply, but the Panel requires re-confirmation and an updated CV from those members to ensure that there is a balanced representation of skills, knowledge and experience across the MAC. Please note that the Panel confirmed all current compulsory class members in April 2017.

3. Nominations

All nominations must be delivered to the Rule Change Panel by **5:00pm on Friday 29 December 2017**.

Nominations should include a completed membership nomination form (attached to this notice or available in Microsoft Word on the [Rule Change Panel's website](#)).

The Rule Change Panel prefers to receive nominations by email but they may also be sent by post:

Email to: rcp.secretariat@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

To allow nominations to be properly assessed, please ensure **all** the information requested in the nomination form is included.

Please note that if you wish to nominate a person for more than one class of representation, a separate application must be submitted for each class and must address the criteria with specific reference to the class of representation being applied for.

4. Appointment Process Timeline

The appointment process for the 2018 review is:

5. **Thursday 30 November 2017:** Nominations sought from industry groups and Rule Participants. The Panel's call for nominations published on its website and an email notification sent to individuals/entities on the mailing list maintained by the Panel.
6. **Friday 29 December 2017:** Nominations close.
7. **Friday 29 December to Wednesday 28 Feb 2018:** Panel assessment of nominations against the expected skills, knowledge and experience of the MAC (as a body), as outlined in the MAC Appointment Guidelines.
8. **By 28 February 2018:** All nominees advised in writing of the outcomes of the appointment process.
9. **March 2018:** All new and previous members will be invited to attend the March 2018 MAC meeting.

5. Questions

If you have any questions through the process please contact either Richard Cheng on (08) 6557 7947 or Laura Koziol on (08) 6557 7946, or rcp.secretariat@rcpwa.com.au.

Market Advisory Committee: 2018 Membership Nomination Form

I would like to nominate the following person to be on the Market Advisory Committee (MAC):

Nominee Details

Name:

Current Employer:

Postal Address:

Contact Phone Number:

Email Address:

I have discussed this matter with the nominee and they have agreed to be nominated and are prepared to be involved in the work of the MAC.

Person making this nomination

Name:

Current Employer:

Contact Phone Number:

Email Address:

Nomination Details

Nominated Class: Market Customer Market Generator Contestable Customer

See clause 2.3.5 of the Market Rules:

Please provide brief details of nominee's background and relevant qualifications (limited to 5 sentences). Alternatively, a copy of the nominee's CV may be provided to the Rule Change Panel (Panel):

Contact details

Please provide contact details (phone and email) for at least one referee for the nominee. Note that the Panel may contact referees as part of its assessment process:

Name:

Phone Number:

Email Address:

Qualitative Assessment

Responses to the following questions will allow the Panel to ensure that the MAC collectively possesses the required skills, knowledge and experience, as outlined in section 4.2 of the MAC Appointment Guidelines document. The Panel's assessment of all nominees will be against the following criteria:

1. Demonstrated knowledge and experience relating to energy sector issues (20%);
2. Demonstrated broad understanding of the technical, design and commercial aspects of the Wholesale Electricity Market (20%);
3. Demonstrated ability to actively contribute to the MAC, including:
 - ability to work as a member of a small team;
 - ability to assess proposed rule and procedure changes against the Wholesale Market Objectives;
 - ability to understand the subject matter in proposals made to the MAC; and
 - ability to consider market design issues and options for the evolution of the Market Rules (40%).
4. Demonstrated understanding of the governance arrangements under which the Panel and System Management operate (20%).

Demonstrated knowledge and experience relating to energy sector issues

Please provide a brief outline of nominee's knowledge and/or experience of energy sector issues including State, National and international issues (limited to 10 sentences):

Demonstrated broad understanding of the technical, design and commercial aspects of the WEM

Please provide a brief overview of nominee's understanding of the technical, design and commercial aspects of the WEM (limited to 10 sentences):

Demonstrated ability to actively contribute to the MAC

List any previous experience on industry advisory committees (such as the MAC) including any Working Groups constituted under the auspices of the MAC and any State, Federal and International committees:

Please provide evidence of nominee's ability to assess rule and procedure changes against the Wholesale Market Objectives and to consider market design issues and options for the evolution of the Market Rules (limited to 5 sentences):

Demonstrated understanding of the governance arrangements under which the Rule Change Panel and System Management operate

Please provide a brief outline of nominee's understanding of the Market Rules and other relevant legislation including the powers and obligations of the Panel, AEMO and System Management and the frameworks in which they operate (limited to 10 sentences):