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30 May 2024

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Dear Ryan

REVIEW OF THE WEM PROCEDURE CHANGE PROCESS

Synergy appreciates the opportunity to give feedback on ACIL Allen's (**ACIL**) *Independent Review of WEM Procedure Change Process – Consultation Paper (Procedure Change Paper)*. Synergy commends ACIL for the thorough review of the Procedure Change Process.

As a regular participant in the Procedure Change Process, Synergy is keenly interested in its effective governance. Synergy's feedback to the observations and reform proposals contained in the Procedure Change Paper are provided **below**.

1 OBSERVATION 1 – INTERIM OVERALL FINDING

1.1 Do you agree with this interim overall finding? Why or why not?

Synergy agrees with ACIL's interim overall finding that no fundamental changes to the WEM Procedure Change Process are required as it is fit for purpose under the current WEM Rules. However, Synergy considers that minor changes could be implemented with respect to the AEMO Procedure Change Working Group (**APCWG**) activities, particularly regarding the structure and content of meetings. The presentation of Procedure Change Proposals, as contained in the APCWG Meeting Papers, often consists of concise slide packs that summarise proposed changes at a high level. The opportunity for delving deeper into the form and rationale of proposed changes are limited at APCWG meetings.

For instance, the duration of the APCWG Meeting on 9 May 2024 was only 15 minutes, during which the Procedure Change Proposals for *WEM Procedure: LT PASA* and *WEM Procedure: Formulation of RCM Constraint Formulation* were presented.¹ In relation to the proposed changes to *WEM Procedure: LT PASA*, these were relatively significant and the accompanying Procedure Change Proposal was extremely brief.² Synergy perceives that there was a missed opportunity for presenters at the APCWG meeting to provide additional commentary about the potential impact of proposed changes and clarity on practical implementation by AEMO.

¹ See APCWG Meeting Minutes dated 9 May 2024.

² See [Procedure Change Proposal No: AEPC_2024_03 dated 1 May 2024](#).

1.2 If you do not agree, what evidence are you able to provide of adverse market outcomes in relation to the Procedure Change Process?

See above.

2 OBSERVATION 2 – THE CASE FOR GREATER FORMAL OVERSIGHT

2.1 Do you agree with this observation? Why or why not?

Synergy agrees that the delegation of the Market Advisory Committee's (**MAC**) role in the Procedure Change Process to the APCWG has led to this Working Group operating with less oversight than what is contemplated for under the relevant WEM Rules. Given the nature of the new market and the high workload of the MAC, the flexibility and adaptability of the current Procedure Change Process should be preserved as much as possible. The two proposals considered by ACIL in the Procedure Change Paper may potentially stifle the flexibility of the current process, albeit to varying degrees.

Despite the importance of retaining flexibility in the process, Synergy accepts that there are key benefits of greater oversight from the MAC and a balanced approach is required to ensure the trade-off between flexibility and oversight is optimal for all participants. Currently, the MAC retains formal oversight over Procedure Change Proposals initiated by the ERA. Without increasing the demands on the MAC to a significant degree, there may be some scope for escalating Procedure Change Proposals to the MAC, mirroring the process in rule A2.10.6A of Appendix 2 of the *Pilbara Network Rules*. To retain flexibility in the process, only Procedure Change Proposals that are more operational in nature and present significant impacts and/or risks to the market should be escalated to the MAC. An example of a Procedure Change Proposal that could meet these parameters was the recent Procedure Change Proposal for *WEM Procedure: Certification of Reserve Capacity*.³

3 OBSERVATION 3 – ADOPTING A JUSTIFICATION TEMPLATE FOR PROCEDURE CHANGE PROPOSALS

3.1 Do you agree with this observation? Why or why not?

Synergy views that the adoption of a justification template for Procedure Change Proposals would increase oversight and therefore, raises similar issues for flexibility and adaptability in the current process as outlined above. Further, it is unlikely that adopting a justification template is necessary given that Procedure Administrators are currently required to justify their decision making and are subject to scrutiny under the relevant governance mechanisms in the WEM (e.g., APCWG and the MAC).

3.2 If you do believe specific criteria should be introduced, what should they be? What role would these criteria play compared to other governance mechanisms, both existing and proposed in this Consultation Paper?

See above.

³ See [Procedure Change Proposal No: AEPC_2024_02 dated 28 February 2024](#).

4 REFORM PROPOSAL 1 – INTRODUCING A STANDARD PRESENTATION OF PROCEDURE CHANGE PROPOSALS

4.1 Do you agree with this proposal? Why or why not?

Synergy accepts that improvements could be made to the presentation of Procedure Change Proposals. However, requiring Procedure Administrators to provide a cover sheet as proposed does not appear to be materially different to the structure of current Procedure Change Proposals published by AEMO and the ERA. Synergy does not agree that the requirement of a cover sheet would ameliorate the issues with the presentation of Procedure Change Proposals as canvassed above.

5 REFORM PROPOSAL 2 – DEVELOPMENT OF A MINOR AMENDMENTS PATHWAY FOR PROCEDURE CHANGE PROPOSAL

5.1 Do you agree with this proposal? Why or why not?

Synergy takes no issue with the proposal provided that the scope of what constitutes a 'Minor Amendment' is explicitly defined and limited.

Synergy also notes that AEMO's current Submission to Procedure Change Proposal Form does not contain a specific heading for identifying minor errors, such as, typographical errors.⁴ It may be beneficial to include, for example, a table on the form to clearly identify paragraphs with errors of this nature.

5.2 Where do you suggest “the line” should be drawn on what is considered to be a Minor Amendment to a procedure?

Synergy submits that a Minor Amendment to a Procedure would be limited to changes that are purely administrative. For example, changes that would be within this scope include, adjustments to formatting, aligning terms and definitions with WEM Rule changes, typographical errors, and omissions.

6 REFORM PROPOSAL 3 – UPLIFTING PROCEDURE CHANGE PROPOSALS IN THE MAC AGENDA

6.1 Do you agree with this proposal? Why or why not?

Synergy is of the view that, given the MAC's delegation to the APCWG and issues for efficiency with increased oversight (as mentioned above), it is unclear whether this proposal should be adopted. For instance, it is unclear whether this proposal would lead to a material difference in the discussion generated in the MAC.

7 REFORM PROPOSAL 4 – CHANGING WHO CAN INITIATE PROCEDURE CHANGE PROPOSALS

7.1 Do you agree with this proposal? Why or why not?

Synergy agrees with this proposal because it ameliorates the asymmetry between the Procedure Change Process and Rule Change Process and empowers customers.

⁴ See [AEMO WEM Procedure Change Submission Form](#).

8 REFORM PROPOSAL 5 – CHANGING WHO CAN INITIATE PROCEDURE CHANGE PROPOSALS

8.1 Do you agree with this proposal? Why or why not?

Synergy agrees with this proposal. The WEM Rules should require Procedure Administrators to act upon its findings in relation to Procedure Change Proposals initiated by non-Procedure Administrators.

8.2 If you are a Procedure Administrator, what do you believe to be an appropriate time limit to act upon a third-party Procedure Change Proposal which is supported for adoption?

Synergy submits it is unclear as to what time limit would be appropriate. In relation to Procedure Change Proposals initiated by Procedure Administrators, there is no similar prescribed time limit in Chapter 2 of the WEM Rules. To this point, it may be unnecessary to include a time limit.

9 REFORM PROPOSAL 6 – STANDARDISING PUBLISHING OF PROCEDURES –

9.1 Do you agree with this proposal? Why or why not?

Synergy agrees with the proposal. Extending the Procedure publishing requirements imposed on AEMO, under clause 2.9.2D of the WEM Rules, to all Procedure Administrators is beneficial for the purposes of consistency and visibility for all market participants.

10 CRITERIA FOR PROCEDURE CONTENT

10.1 Do you agree with the criteria? Are there other items which should be added to this list?

Synergy agrees with the criteria proposed.

10.2 Are there any examples of content within WEM Procedures which you believe would be more appropriately addressed in the WEM Rules or vice versa? Please share these, and your reasons why.

Synergy cannot provide any examples of content within WEM Procedures which would be more appropriately addressed in the WEM Rules.

11 CONCLUSION

Synergy appreciates the chance to comment on ACIL's Procedure Change Paper and looks forward to continuing to work with ACIL and EPWA as the Procedure Change Process review progresses to Stage 2.

Yours sincerely

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