



WHOLESALE ELECTRICITY MARKET

PROCEDURE CHANGE PROPOSAL: AEPC_2017_11

MARKET PROCEDURE: NOTICES AND COMMUNICATIONS

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EXECUTIVE SUMMARY

The publication of this Procedure Change Proposal and accompanying call for submissions commences the Procedure Change Process conducted by AEMO to consider a proposed revised Market Procedure: Notices and Communications under the Wholesale Electricity Market Rules (WEM Rules).

The proposed revised Market Procedure is required by clause 1.6.2 of the WEM Rules, which commenced on 30 November 2015 and which requires AEMO to document the method by which notices and communications required under, contemplated by or relating to, the WEM Rules are to be given to or by AEMO.

Amendments are proposed to the Market Procedure to update to the current format, increase clarity, and reflect amendments due to the physical relocation of AEMO's Perth office.

This Procedure Change Proposal includes this document, which outlines the reason for the proposed amendments to the Market Procedure, and the proposed Market Procedure itself, which is available at: http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_11.

AEMO invites stakeholders to suggest alternative options or drafting where they consider that these would improve the Procedure or better meet the Wholesale Market Objectives in section 122(2) of the *Electricity Industry Act 2004* (Electricity Industry Act) (and clause 1.2.1 of the WEM Rules).

Stakeholders are invited to submit written responses on the proposed Market Procedure by 5.00 pm Australian Western Standard Time (AWST) on 18 August 2017, in accordance with the call for submissions published with this Procedure Change Proposal.



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1. PROCEDURE CHANGE PROCESS

Section 2.10 of the WEM Rules outlines the Procedure Change Process.

AEMO may initiate the Procedure Change Process in respect of Market Procedures (including Power System Operation Procedures and the Monitoring and Reporting Protocol) for which it is responsible, by developing a Procedure Change Proposal. Rule Participants may notify AEMO where they consider an amendment or replacement of an AEMO Market Procedure would be appropriate (Clauses 2.10.1 and 2.10.2).

If an Amending Rule requires AEMO to develop new Market Procedures or amend or replace existing Market Procedures, then AEMO is responsible for the development, amendment or replacement of Market Procedures to comply with the Amending Rule (Clause 2.10.3).

Under clause 2.9.3 of the WEM Rules, Market Procedures:

- (a) must:
 - i. be developed, amended or replaced in accordance with the process in the WEM Rules;
 - ii. be consistent with the Wholesale Market Objectives; and
 - iii. be consistent with the WEM Rules, the Electricity Industry Act and the WEM Regulations; and
- (b) may be amended or replaced in accordance with section 2.10 of the WEM Rules and must be amended or replaced in accordance with section 2.10 of the WEM Rules, where a change is required to maintain consistency with Amending Rules.

The Wholesale Market Objectives 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.

AEMO has published this Procedure Change Proposal in accordance with the Procedure Change Process in clause 2.10 of the WEM Rules.

AEMO’s indicative timeline for this consultation is outlined below. Dates may be adjusted depending on the number and complexity of issues raised in submissions and any meetings with stakeholders.

Process Stage	Indicative date
Procedure Change Proposal published	21 July 2017
Submissions due on Procedure Change Proposal	18 August 2017
Procedure Change Report published	18 September 2017
Proposed commencement of revised Market Procedure	19 September 2017

Prior to the submissions due date, stakeholders may request a meeting with AEMO to discuss the issues and proposed changes raised in this Procedure Change Proposal.



2. BACKGROUND

2.1 Regulatory requirements

Clause 1.6.2 of the WEM Rules, which commenced on 30 November 2015¹, provides that:

1.6.2. AEMO must develop a Market Procedure which sets out the method by which notices and communications required under, contemplated by or relating to, these Market Rules are to be given to or by AEMO.

The proposed Market Procedure would be the sixth version of this Procedure. AEMO proposes to commence the revised procedure on 19 September 2017, as close as possible to the physical relocation date of AEMO's Perth office.

2.2 Context for this consultation

AEMO has commenced a general review of Market Procedures following gazetted amendments to the WEM Rules related to the Reserve Capacity Mechanism on 31 May 2016 by the Minister for Energy.²

In addition, AEMO's Perth office will be relocated during August 2017, resulting in necessary amendments to contact details within the Procedure.

¹ Note that previous versions of the Procedure were created by the Independent Market Operator under the then clause 1.6.1 of the WEM Rules.

² See Government Gazette No.89 dated 31 May 2016, *Electricity Industry (Commencement of Electricity Industry (Wholesale Electricity Market) Amendment Regulations) Order 2016*.

3. PROPOSED PROCEDURE CHANGE

3.1 Detail of the proposed procedure change

AEMO proposes to update the Procedure to:

- Increase clarity and update to the current format.
- Reflect amendments due to the physical relocation of AEMO's Perth office.

In addition, AEMO has reviewed the requirement in step 2.2.1(c) for verification of email communications. This step states that, unless otherwise provided for in the WEM Rules and Market Procedures, a notice sent by email will be considered to have been provided (subject to certain provisos relating to Business Hours) “on the date and at the time when notification is recorded by the sender’s electronic communication system as having been first received at the electronic mail destination”. However, while most email systems log the time an email is sent out, they do not always record the time that that email is received at its final destination. Although it is possible for the sender of an email to request a delivery receipt, not all email servers support the provision of these receipts, and so this does not provide a failsafe method of ensuring that an email has been successfully delivered. As an email sent to a valid email address is now considered a reliable method of communication, similar to sending a letter through the post, AEMO has proposed to relax the active monitoring requirements.

3.2 Proposed drafting

AEMO has published a draft of the proposed Market Procedure: Notices and Communications for consultation, which is available at: http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_11. AEMO has also provided a marked-up version of the revised Procedure.

3.3 Consultation to date

A draft version of the Market Procedure was presented at the WEM AEMO Procedure Change Working Group (WEM APCWG) meeting held on 18 July 2017. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>.

Minor changes to improve clarity were recommended by stakeholders. These have been incorporated into the proposed Market Procedure that forms part of this Procedure Change Proposal.

3.4 Consistency with WEM Rules, Electricity Industry Act and WEM Regulations

The proposed revised WEM Market Procedure has been reviewed as a whole by AEMO to ensure compliance with the relevant provisions in the:

- Electricity Industry Act;
- WEM Regulations; and
- WEM Rules.

3.5 Consistency with Wholesale Market Objectives

The steps outlined in this revised Market Procedure describe document the method by which notices and communications required under, contemplated by or relating to, the WEM Rules are to be given to or by AEMO.



AEMO considers that the steps are drafted in a way that does not change the objectives of the WEM Rules. As a result, AEMO considers that the revised Procedure, as a whole, is consistent with the Wholesale Market Objectives.



4. CONSULTATION PROCESS

AEMO invites stakeholders to suggest alternative options or drafting where they consider that these would improve the procedure or better meet the Wholesale Market Objectives in section 122(2) of the Electricity Industry Act (and clause 1.2.1 of the WEM Rules).

Stakeholders are invited to submit written responses on the proposed Market Procedure by 5.00 pm (AWST) on 18 August 2017, in accordance with the call for submissions published with this paper.

Stakeholders with questions in relation to the proposed Market Procedure or this Procedure Change Proposal can contact AEMO via email to wa@aemo.com.au.

All correspondence in relation to this Procedure Change Proposal must be entitled "AEPC_2017_11 Notices and Communications - [Name of the submitting company or individual]".