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| procedure for the exercise of reliability and emergency reserve trader – amendment | | |
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| Draft Report and Determination | | |
| Published: **14 August 2017** |  |  |

NOTICE OF SECOND STAGE CONSULTATION – procedure for the exercise of reliability and emergency reserve trader –­ amendment

National Electricity Rules – Rule 8.9

Date of Notice: 14 August 2017

This notice informs all Registered Participants and interested parties (Consulted Persons) that AEMO is commencing the second stage of its consultation on changes to the **Procedure for the Exercise of Reliability and Emergency Reserve Trader**.

This consultation is being conducted under clauses 3.6.1, 3.6.2, and 3.6.2A of the National Electricity Rules (NER), in accordance with the Rules consultation requirements detailed in rule 8.9 of the NER.

Invitation to make submissions

AEMO invites written submissions on this Draft Report and Determination (Draft Report).

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so.

Consulted Persons should note that material identified as confidential may be given less weight in the decision-making process than material that is published.

Closing date and time

Submissions in response to this Notice of Second Stage of Rules Consultation should be sent by email to [SystemsPerformanceandCommercial@aemo.com.au](mailto:SystemsPerformanceandCommercial@aemo.com.au), to reach AEMO by 5.00 pm (Melbourne time) on 28 August 2017.

All submissions must be forwarded in electronic format (both pdf and Word). Please send any queries about this consultation to the same email address.

Submissions received after the closing date and time will not be valid, and AEMO is not obliged to consider them. Any late submissions should explain the reason for lateness and the detriment to you if AEMO does not consider your submission.

Publication

All submissions will be published on AEMO’s website, other than confidential content.

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Executive Summary

The publication of this Draft Report and Determination (Draft Report) commences the second stage of the Rules consultation process conducted by AEMO to consider proposed changes to the Procedure for the Exercise of Reliability and Emergency Reserve Trader under the National Electricity Rules (NER).

On 13 April 2017, AEMO issued the relevant notice of first stage of consultation, and opened a window until 23 May 2017 to receive written submissions on the matter under consultation.

AEMO did not receive any submissions in regards to the first stage of this consultation; therefore AEMO proposes to amend the Procedure for the Exercise of Reliability and Emergency Reserve Trader in the form published with the first stage of Rules consultation on 13 April 2017.

Stakeholders are invited to submit written responses on the issues and questions identified in this paper by 5.00 pm (Melbourne time) on 28 August 2017, in accordance with the Notice of Second Stage Consultation published with this paper.

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# Stakeholder Consultation Process

As required by the National Electricity Rules (NER), AEMO is consulting on changes to the Procedure for the Exercise of Reliability and Emergency Reserve Trader.

AEMO’s indicative timeline for this review is outlined in Table 1. Dates may be adjusted depending on the number and complexity of issues raised in submissions and any meetings with stakeholders.

1. Review timetable

|  |  |
| --- | --- |
| Stage | Date |
| Notice of first stage of consultation published | 13 April 2017 |
| Submissions due on draft amended procedure | 23 May 2017 |
| Draft Report published | 14 August 2017 |
| Submissions due on Draft Report | 28 August 2017 |
| Final Consultation Report published | 29 September 2017 |
| Amended RERT Procedure published | 29 September 2017 |
| Changes on RERT Rules and Guidelines become effective | 1 November 2017 |

The publication of this Draft Report marks the commencement of the second stage of consultation.

# matter under consultation

The matter for consultation is proposed changes to the Procedure for the Exercise of Reliability and Emergency Reserve Trader.

The Australian Energy Market Commission (AEMC) National Electricity Amendment Rule 2016 No. 5 repealed the expiry of Reliability and Emergency Reserve Trader (RERT), and reduced the maximum period where AEMO can enter into, or renegotiate, a reserve contract from nine months to ten weeks, effectively eliminating the “long notice” reserves.

This Rules change also required AEMO to amend its RERT procedures in accordance with clause 3.20.7(e) by 1 November 2017, to reflect the Amending Rule and the amended RERT guidelines.

# DRAFT DETERMINATION

AEMO did not receive any submissions in regards to the first stage of this consultation; therefore AEMO proposes to amend the Procedure for the Exercise of Reliability and Emergency Reserve Trader in the form published with the first stage of Rules consultation on 13 April 2017.