



PROCEDURE CHANGE REQUEST WA (PCR-WA) – SUMMARY SECTION

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| Procedure Change Number | IN002/18W | | |
| Impacted jurisdiction(s) | Western Australia | | |
| Proponent | Nandu Datar | Company | AEMO |
| Proponent e-mail | Nandu.datar@aemo.com.au | Proponent phone | 03 9609 8851 |
| Date proposal (GMI) sent to AEMO | 13 April 2018 | | |
| Date PCR issued/received | 17 August 2018 | | |
| Short Title | Remove the sub clauses from 323A of the Retail Market Procedures related to the requirement for the Compliance Panel (CP) to meet annually. | | |
| Other key contact information | pccwa@aemo.com.au | | |

PROCEDURE CHANGE REQUEST WA (PCR - WA) – DETAILED REPORT SECTION

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| <p>1. Description of change(s) and reasons for change(s)</p> | <p>Reasons why the proposed changes are needed:</p> <p>Clause 323A of the Retail Market Procedures (RMP) currently places an obligation on the CP to meet annually. At a recent CP meeting in January 2018, CP members agreed that an annual meet was unnecessary. Should circumstances warrant it, either the panel or AEMO could request that a meeting be held at any time.</p> <p>The CP members agreed that an amendment to the RMP should be sought to remove this requirement. AEMO supported this proposal.</p> <p>Description of the proposed changes:</p> <p>The proposed change involves deleting the sub clause in clause 323A of the RMP that requires the CP to meet annually. Please refer to Attachment A for the marked-up version of clause 323A.</p> <p>Confirmation of acceptance by the CP members:</p> <p>While analysing this proposed change, AEMO identified that the ‘Delegation to AEMO’ recommended at the last CP meeting was subject to review of the Delegation at the next CP annual meeting. This delegation to AEMO was made under clause 343(3) of the RMP and delegates power to AEMO to assess and determine whether a breach is material under clause 329 (Delegation).</p> <p>As the Delegation was recommended ‘subject to review at the next annual CP meeting’, it was unclear if the removal of annual CP meetings would affect the Delegation.</p> <p>In the interest of certainty, AEMO requested each CP member to confirm that the Delegation would continue notwithstanding the removal of annual CP meetings and that the Delegation may be reviewed at the next CP meeting when convened.</p> <p>All CP members have provided their confirmation.</p> |
| <p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Retail Market Procedures (the “Procedures”); ▪ AEMO Business/Information Specification Pack Reference; and/or ▪ Other Reference | <p>Retail Market Procedures (WA) version 4.0</p> |
| <p>3. The high level details of the change to the existing Procedures</p> <p>This includes:</p> <ul style="list-style-type: none"> ▪ A comparison of the existing operation of the | <p>Modify sub clause 323A (1) to indicate that the CP must meet when requested by AEMO or a Scheme participant.</p> <p>Remove sub clauses 323A (1) (a) and 323A (1) (b).</p> |

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| <p>Procedures to the proposed change to the operation of the Procedures.</p> <ul style="list-style-type: none"> ▪ A marked up version of the proposed Procedure change (see Attachment A). | |
| <p>4. Consequences for making or not making the change(s)</p> | <p>Not making this change will mean that the CP must meet annually even when there are no issues to discuss. Convening a meeting of the CP when there are no issues to discuss is an unnecessary cost to participants that can be avoided.</p> |
| <p>5. Explanation regarding the order of magnitude of the change(s) (e.g. material, non-material or non-substantial)</p> | <p>This initiative will require minor RMP changes. AEMO considers the order of magnitude of this change is 'non-material'.</p> |
| <p>6. Likely benefits for industry as a whole</p> | <p>The proposed change will contribute to avoiding unnecessary costs and ultimately keeping AEMO fees down.</p> |
| <p>7. The likely implementation effect of the proposal Procedure change(s) on Industry in general and/or any identified parties (e.g. end-users)</p> | <p>Only AEMO processes are impacted. Not having to convene such a meeting is an opportunity for AEMO to spend time on other WA retail market initiatives.</p> |
| <p>8. Testing requirements</p> | <p>Not applicable</p> |
| <p>9. Supporting documentation (attach if necessary)</p> | <p>A marked-up version of clause 323A is included in Attachment A.</p> |
| <p>10. If applicable, a proposed effective date for the proposed Procedure change(s) to take effect and justification for that timeline.</p> | <p>Subject to all necessary approval's AEMO is targeting to implement this initiative in late January 2019. To achieve this AEMO proposes the following timeline.</p> <ul style="list-style-type: none"> • Issue PCR 20 August 2018. • Submission on PCR close 21 September 2018. • Issue IIR 5 October 2018. • Submission on IIR 26 October 2018. • AEMO decision on whether to submit the change to ERA mid November 2018. • Target effective date late January 2019. |

ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)

All amendments to the Procedure are change marked, where underlining (blue) represents an addition, and ~~strike (red)~~ through represents a deletion.

Part 6.2 – Functions and powers of compliance panel

322. Independence of compliance panel

- (1) Except as provided in clause 322(2), the *compliance panel* is independent of direction or control by *AEMO* or any *participant*, *pipeline operator* or *prescribed person* in the performance of its functions.
- (2) *AEMO* may give written directions to the *compliance panel* chairperson to the extent allowed by clause 322(3), and the *compliance panel* chairperson must give effect to any such direction.
- (3) Directions under clause 322(2) —
 - (a) may relate only to general policies to be followed by the *compliance panel* in matters of administration, including financial administration; and
 - (b) cannot constrain the *compliance panel* with respect to the performance of any function referred to in clause 323.
- (4) If a direction is given under clause 322(2), then *AEMO* must give a copy of the direction to each *participant*, *pipeline operator* or *prescribed person*, and to any other *interested person* who requests a copy.

323. Functions of the compliance panel

The functions of the *compliance panel* are to hear and make determinations on matters referred to it by *AEMO* or a *participant* regarding:

- (a) alleged breaches of the *procedures*; or
- (b) the interpretation of the *procedures*; or
- (c) any other matter that can be referred to the *compliance panel* under these *procedures*.

323A. ~~Annual Meetings~~

- (1) The *compliance panel* must meet if *AEMO* or a *Scheme participant* informs the Chair of the *compliance panel* in writing that they wish to bring a matter before the *compliance panel* for discussion.
 - ~~(a) at least once in each calendar year; and~~
 - ~~(b) more frequently if *AEMO* or a *Scheme participant* informs the Chair of the *compliance panel* in writing that they wish to bring a matter before the *compliance panel* for discussion.~~
- (2) The meetings of the compliance panel are to:
 - (a) be informed by *AEMO* of any *high-impact procedure changes*;