

# WHOLESALE ELECTRICITY MARKET

## PROCEDURE CHANGE REPORT: AEPC\_2019\_10

POWER SYSTEM OPERATION PROCEDURE: FACILITY  
OUTAGES

Published: **February 2020**





© 2020 Australian Energy Market Operator Limited. The material in this publication may be used in accordance with the copyright permissions on AEMO's website.



## EXECUTIVE SUMMARY

### Purpose

Under clause 2.10.3 of the Wholesale Electricity Market Rules (WEM Rules), if an Amending Rule requires AEMO to develop new Market Procedures or to amend or replace existing Market Procedures, then AEMO is responsible for the development, amendment, or replacement of Market Procedures so as to comply with the Amending Rule.

On 19 December 2019, AEMO published the Procedure Change Proposal: AEPC\_2019\_10 Power System Operation Procedure: Facility Outages to align with amendments to the WEM Rules contained within the Final Rule Change Report: Outage Planning Phase 2 – Outage Process Refinements (RC\_2013\_15).

The publication of this Procedure Change Report and accompanying Power System Operation Procedure completes the Procedure Change Process conducted by AEMO to consider a proposed revised Power System Operation Procedure: Facility Outages (Procedure) under section 2.10 of the WEM Rules.

### Proposed amendments

The revised Power System Operation Procedure is required by clauses 3.18.21, 3.19.14, 3.21.12 and 4.11.1(h) of the WEM Rules, which require AEMO to detail the processes to be followed by:

- a) AEMO, Market Participants and Network Operators when conducting outage planning for a Facility [**WEM Rule 3.18.21**];
- b) AEMO, Market Participants and Network Operators when approving for rejecting requests for Scheduled Outages and Opportunistic Maintenance [**WEM Rule 3.19.14**];
- c) AEMO, Market Participants and Network Operators when determining the existence of and reporting Forced Outages and Consequential Outages [**WEM Rule 3.21.12**]; and
- d) AEMO when calculating Planned Outage and Forced Outage rates for the purposes of determining to assign no Certified Reserve Capacity, or a lesser quantity of Certified Reserve Capacity, to a Facility in accordance with clause 4.11.1(h) of the WEM Rules.

AEMO also proposed minor administrative and formatting amendments to the Procedure.

### Consultation

A draft version of the Market Procedure was presented at the WEM AEMO Procedure Change Working Group (WEM APCWG) meeting held on 12 December 2019. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>.

No public workshops were held in relation to this Procedure Change Proposal.

AEMO published the Procedure Change Proposal (AEPC\_2019\_10) on the Market Web Site and issued a notice calling for submissions from stakeholders on 19 December 2019.

The submission period closed on 19 December 2019, with one submission received from Synergy. Synergy generally supported the revised Procedure, with some specific issues raised by Synergy. AEMO has responded to all matters identified in this Procedure Change Report.

### AEMO's decision

AEMO's decision is to accept the Procedure, as amended, following the consultation period. AEMO considers that the revised Procedure is consistent with the Wholesale Market Objectives, the *Electricity Industry Act*, the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*, and the WEM Rules.



## Next steps

The revised Power System Operation Procedure: Facility Outages will commence at 8:00 AM on 1 February 2020.



## CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>3</b>
Purpose	3
Proposed amendments	3
Consultation	3
AEMO's decision	3
Next steps	4
<b>1. BACKGROUND</b>	<b>6</b>
1.1. Regulatory requirements	6
1.1.1. REQUIREMENTS FOR THE PROCEDURE CHANGE PROPOSAL	6
1.1.2. REQUIREMENTS FOR PROPOSED AMENDED MARKET PROCEDURES	6
1.2. Context for this consultation	6
1.3. Procedure Change Process and timetable	7
<b>2. PROCEDURE CHANGE PROPOSAL</b>	<b>8</b>
2.1. Detail of the proposed procedure change	8
2.2. Proposed drafting	8
<b>3. CONSULTATION PROCESS</b>	<b>9</b>
3.1. Market Advisory Committee or Working Group	9
3.2. Public workshop	9
3.3. Submissions received during consultation period	9
3.3.1. SPECIFIC COMMENTS AND AEMO'S RESPONSES	9
<b>4. AEMO'S ASSESSMENT</b>	<b>11</b>
4.1. Further changes to the Procedure	11
4.2. Consistency with Electricity Industry Act, WEM Regulations, and WEM Rules	11
4.3. Consistency with Wholesale Market Objectives	11
4.4. Implementation of the Procedure	11
4.5. AEMO's decision and commencement	11
<b>APPENDIX A. HIGH-LEVEL SUMMARY OF KEY CHANGE IMPACTS ON PARTICIPANTS</b>	<b>12</b>



## 1. BACKGROUND

### 1.1. Regulatory requirements

#### 1.1.1. Requirements for the Procedure Change Proposal

Under clause 2.10.3 of the Wholesale Electricity Market Rules (WEM Rules), if an Amending Rule requires AEMO to develop new Market Procedures or to amend or replace existing Market Procedures, then AEMO is responsible for the development, amendment, or replacement of Market Procedures so as to comply with the Amending Rule.

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.

AEMO has published this Procedure Change Report in accordance with the Procedure Change Process specified in section 2.10 of the WEM Rules.

#### 1.1.2. Requirements for proposed amended Market Procedures

Clauses 3.18.21, 3.19.14, 3.21.12 and 4.11.1(h) of the WEM Rules provide that:

- 3.18.21. *System Management must document the procedure it follows in conducting outage planning in a Power System Operation Procedure.*
- 3.19.14. *System Management must document the procedure it follows in conducting final approval of outages in a Power System Operation Procedure.*
- 3.21.12 *System Management must document the procedure to be followed in determining and reporting Forced Outages and Consequential Outages in the Power System Operation Procedure.*
- 4.11.1(h) *... the Planned Outage rate and the Forced Outage rate for a Facility for a period are calculated in accordance with the Power System Operation Procedure specified in clause 3.21.12.*

## 1.2. Context for this consultation

In general, AEMO revises Market Procedures to:

- (a) meet current AEMO standards;
- (b) ensure compliance with the WEM Rules; and
- (c) ensure content in Market Procedures is required because:
  - i. a WEM Rule requirement exists to include detail or process; or
  - ii. AEMO requires an obligation on itself or Participants.

The Procedure Change Proposal proposed amendments to the Power System Operation Procedure: Facility Outages (Procedure) as a result of amendments to the WEM Rules contained within the Final Rule Change Report: Outage Planning Phase 2 – Outage Process Refinements (RC\_2013\_15).



AEMO also proposed minor administrative and formatting amendments to the Procedure.

This is the seventh version of this Procedure. AEMO proposes to commence the revised procedure on 1 February 2020.

### **1.3. Procedure Change Process and timetable**

On 19 December 2019, AEMO published a Procedure Change Proposal (AEPC\_2019\_10) for the Power System Operation Procedure: Facility Outages and issued a call for submissions, which are available at [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_10](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_10).

The proposal was progressed using the Procedure Change Process specified in section 2.10 of the WEM Rules, with submissions required by 21 January 2020.



## 2. PROCEDURE CHANGE PROPOSAL

This section details the changes that AEMO proposed in the call for submissions published on 19 December 2019.

### 2.1. Detail of the proposed procedure change

AEMO is proposing to amend the Procedure to reflect changes to the WEM Rules as a result of Rule Change RC\_2013\_15<sup>1</sup>. In general, AEMO intends to revise the Market Procedure in relation to processes for:

- Opportunistic Maintenance requests.
- Latest time to request a proposed Planned Outage.
- Latest time to approve a proposed Planned Outage or Opportunistic Maintenance request.
- Including Facilities on the Equipment List.
- Definition of an Outage.
- New category of Planned Outage (Mandatory Routine Maintenance).
- Other editorials and defined terms.

A high-level summary of the relevant key changes and impacts is contained in Appendix A, and further details concerning the rationale for these changes are available in the consultation documentation (see section 3.3).

### 2.2. Proposed drafting

On 19 December 2019, AEMO published a draft of the proposed amended Procedure for consultation with stakeholders, which is available at: [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_10](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_10). AEMO has also published a marked-up version of the revised Procedure.

---

<sup>1</sup> Rule Change: RC\_2013\_15, *Outage Planning Phase 2 - Outage Process Refinements*. Available from: [https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc\\_2013\\_15](https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2013_15).



### 3. CONSULTATION PROCESS

#### 3.1. Market Advisory Committee or Working Group

The Market Advisory Committee (MAC) has delegated its advisory role with respect to AEMO Procedure Change Proposals to the AEMO Procedure Change Working Group (APCWG), in accordance with clause 2.3.17(a) of the WEM Rules. Accordingly, the MAC did not review the Procedure Change Proposal.

A draft version of the Market Procedure was presented at the APCWG meeting held on 12 December 2019. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>.

AEMO notified the MAC once the Procedure Change Proposal was published and noted that the Rule Change Panel would convene a meeting of the MAC in accordance with clause 2.10.9 of the WEM Rules should the Rule Change Panel, AEMO, or the Economic Regulation Authority consider that advice on the Procedure Change Report is required from the MAC, or two or more members of the MAC have informed the Rule Change Panel in writing that they consider advice on the Procedure Change Proposal is required from the MAC. The Rule Change Panel did not convene a meeting of the MAC in relation to this Procedure Change Proposal.

#### 3.2. Public workshop

No public workshops were held in relation to this Procedure Change Proposal.

#### 3.3. Submissions received during consultation period

AEMO published the Procedure Change Proposal (AEPC\_2019\_10) and issued a notice calling for submissions on 19 December 2019.

The submission period closed on 21 January 2020, with a submission received from Synergy. Synergy generally supported the revised Procedure with qualifications relating to issues that they deem need resolution. AEMO has responded to matters identified.

A copy of the submission received during the submission period is available at: [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_10](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_10).

##### 3.3.1. Specific comments and AEMO's responses

###### Verbal requests for Opportunistic Maintenance

Synergy considers that under step 6.1.1 of the Procedure, if a request for Opportunistic Maintenance was submitted at exactly 10:00 AM, it is unclear whether the Market Participant or Network Operator is required to submit the request via AEMO's IT system only, or whether they also need to contact AEMO by phone.

###### *AEMO's response*

Following further consideration and requests made at the APCWG, AEMO has amended the Procedure to require that, for all Opportunistic Maintenance requests, the Market Participant or Network Operator must at all times:

- contact AEMO by phone; and
- submit the request via AEMO's IT system.



### **Notification of changes to the Equipment List**

Synergy considers that Market Participants and Network Operators who will be impacted by changes to the Equipment List should be reasonably informed in advance of these changes.

#### *AEMO's response*

AEMO concurs with Synergy's position that Market Participants and Network Operators who will be impacted by changes to the Equipment List should be informed in advance of these changes. AEMO considers that best practice is to inform all Market Participants and Network Operators of changes to the Equipment List and has amended the Procedure accordingly.

### **Compliance with the Outage Rules**

Synergy sought clarification as to whether a Facility or item of equipment is expected to comply with the relevant WEM Rules during the period in which the Market Participant or Network Operator requests that the Economic Regulation Authority (ERA) reassess the inclusion of this Facility or item of equipment on the Equipment List.

#### *AEMO's response*

AEMO considers that, following a request made by a Market Participant or Network Operator under clause 3.18.3(a) of the WEM Rules to reassess the inclusion of the Facility or item of equipment on the Equipment List, it will only remove the relevant Facility or item of equipment from the Equipment List if the ERA gives a direction to AEMO under clause 3.18.3(c) of the WEM Rules. Accordingly, prior to this direction, the Facility or item of equipment is expected to comply with the relevant WEM Rules. As such, AEMO does not propose to amend the Procedure.

### **Notification of outage approval**

Synergy noted that, should AEMO's IT system be unavailable, its position is there is no defined process in section 3.1 of the Procedure that details how Market Participants and Network Operators will obtain notification of AEMO's approval of an Outage.

#### *AEMO's response*

Step 3.1.3 of the Procedure specifies that when AEMO's IT system is unavailable, Rule Participants must provide any requests and notifications by an alternative communication method described in the PSOP: Communications and Control Systems, or as otherwise advised by AEMO's IT Systems. As such, AEMO does not propose to amend the Procedure.

### **Changes to Synergy's IT systems**

Synergy indicated that the proposed changes will have both IT and business process implications for Synergy and considers that interim solutions will be initially deployed, with full IT solutions to be implemented within six months.

#### *AEMO's response*

In further discussions with Synergy, Synergy confirmed that system changes to Synergy's bidding system, and not the outage submission system, will be required to accommodate RC\_2013\_15. As such, there are no IT implications as a result of this Procedure Change that will prevent Synergy from submitting outage requests. Based on these discussions, Synergy stated that the proposed commencement date for the Procedure of 1 February 2020 is acceptable to them. As such, no amendments to the Procedure are required.



## 4. AEMO'S ASSESSMENT

### 4.1. Further changes to the Procedure

AEMO has amended the Procedure as indicated in Section 3.3.1 of this report and has made various editorial amendments to improve the Procedure.

A version of the Procedure, with the relevant amendments marked up, is available at: [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_10](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_10).

### 4.2. Consistency with Electricity Industry Act, WEM Regulations, and WEM Rules

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

- *Electricity Industry Act 2004*.
- *Electricity Industry (Wholesale Electricity Market) Regulations 2004* (WEM Regulations).
- WEM Rules.

### 4.3. Consistency with Wholesale Market Objectives

AEMO considers that the steps are drafted in a way that is consistent with 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.

### 4.4. Implementation of the Procedure

The Procedure was developed in accordance with clauses 3.18.21, 3.19.14, 3.21.12 and 4.11.1(h) of the WEM Rules.

This Procedure does not require system changes by AEMO.

The Procedure will not require Rule Participants to implement any procedural or system amendments prior to commencement.

Consequently, AEMO considers that commencement at 8:00 AM on 1 February 2020 will allow Rule Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance.

### 4.5. AEMO's decision and commencement

AEMO's decision is to accept the Procedure, as amended, following the consultation period. The new Power System Operation Procedure: Facility Outages will commence at 8:00 AM on 1 February 2020.

AEMO has made this decision on the basis that the new Procedure:

- Is consistent with the Wholesale Market Objectives.
- Is consistent with the Electricity Industry Act, WEM Regulations, and WEM Rules.
- Has the general support of submissions received during the consultation period.

The new Power System Operation Procedure: Facility Outages is available at:

[http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_10](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_10).



## APPENDIX A. HIGH-LEVEL SUMMARY OF KEY CHANGE IMPACTS ON PARTICIPANTS

Change	Current state	Future state	Change impacts	System solution (interim and post-SMST)	Procedure variations
<b>1. Opportunistic Maintenance requests</b>	Participants can request Day Ahead Opportunistic Maintenance (DAOM) & On the Day Opportunistic Maintenance (ODOM)	<ul style="list-style-type: none"> <li>DAOM no longer exists</li> <li>Opportunistic Maintenance request timeframe: <ul style="list-style-type: none"> <li>maximum of 24 hours and, if more than one outage, each outage must be separated by a period of 24 hours</li> <li>from 10:00 AM on the day prior to the Scheduling Day</li> <li>by 30 minutes before Balancing Gate Closure</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>AEMO must reject any requests for DAOM</li> <li>AEMO reject outage requests for ODOM outside new timeframes</li> <li>Remove DAOM in system</li> </ul>	Interim <ul style="list-style-type: none"> <li>Full IT solution</li> </ul> Post-SMST <ul style="list-style-type: none"> <li>Full IT solution</li> </ul>	Changes to section 6 of the Procedure <ul style="list-style-type: none"> <li>Consolidated sections on DAOM and ODOM</li> <li>Process of request</li> <li>Criteria AEMO uses to determine whether a request is valid</li> <li>Information needed from clause 3.19.2H of the WEM Rules</li> </ul>
<b>2. Latest time to request a proposed Planned Outage</b>	Participants must notify AEMO of a proposed Planned Outage or Opportunistic Maintenance not less than 2 Business Days prior to their commencement	Participants must notify AEMO of a Planned Outage: <ul style="list-style-type: none"> <li>for an outage exceeding 24 hours in duration, by 10:00 AM on the day prior to the Scheduling Day; or</li> <li>for an outage of up to 24 hours in duration, by 30 minutes before Balancing Gate Closure</li> </ul>	<ul style="list-style-type: none"> <li>AEMO must reject outage requests outside new timeframes</li> <li>Opportunistic Maintenance approval must be done in system</li> <li>New timing restrictions in system</li> </ul>	Interim <ul style="list-style-type: none"> <li>No change required as system already meets requirements</li> <li>Opportunistic Maintenance covered by item 1 of this summary</li> </ul> Post-SMST <ul style="list-style-type: none"> <li>No change required</li> </ul>	No changes required, as timeframes clearly specified in the WEM Rules
<b>3. Latest time to approve a proposed Planned Outage or Opportunistic Maintenance request</b>	No final deadline defined	Scheduled Outages and Opportunistic Maintenance deemed to be rejected if not approved by 2:00 PM on the day prior to the Scheduling Day or 30 minutes before Balancing Gate Closure for the Trading Interval, respectively	<ul style="list-style-type: none"> <li>AEMO must reject outage requests by the final deadline</li> <li>Opportunistic Maintenance approval must be done in MPI (AEMO's IT Systems)</li> </ul>	Interim <ul style="list-style-type: none"> <li>No system changes</li> <li>Scheduled Outages: AEMO to manually reject all unapproved outages at the deadline</li> <li>Opportunistic Maintenance: unapproved requests will lapse at the deadline</li> </ul> Post-SMST <ul style="list-style-type: none"> <li>Full IT solution</li> </ul>	Changes to section 7 of the Procedure. <ul style="list-style-type: none"> <li>Timeframes</li> <li>Process of approval</li> </ul>



Change	Current state	Future state	Change impacts	System solution (interim and post-SMST)	Procedure variations
<b>4. Facilities on the Equipment List</b>	Participants with Facilities less than 10 MW have requests for Outages automatically approved	All Facilities with Capacity Credits must be included on the Equipment List	<ul style="list-style-type: none"> <li>Equipment List is updated</li> <li>New constraints reflected in MPI (AEMO's IT Systems)</li> </ul>	<p>Interim</p> <ul style="list-style-type: none"> <li>No system changes. Facilities smaller than 10 MW that have been assigned Capacity Credits will continue to be automatically approved</li> </ul> <p>Post-SMST</p> <ul style="list-style-type: none"> <li>Full IT solution</li> </ul>	<p>Changes to section 2 of the Procedure</p> <ul style="list-style-type: none"> <li>Facilities or items of equipment that are required to be on the Equipment List</li> <li>Timeframes for updating the Equipment List</li> <li>Location of published Equipment List</li> </ul>
<b>5. Definition of an outage, and sequential outages</b>	<ul style="list-style-type: none"> <li>If not available from start of approved Planned Outage, then Forced Outage</li> <li>Synchronisation time not included in request</li> <li>Requirement for new outages extending Planned Outages unclear</li> </ul>	<ul style="list-style-type: none"> <li>If not available for the entire duration of the approved Planned Outage, then Forced Outage</li> <li>Synchronisation time included in request</li> <li>Requirement for new outages extending Planned Outages clearer</li> </ul>	<ul style="list-style-type: none"> <li>New assumptions in outage assessment</li> <li>Remove synchronisation time in PASA methodology</li> <li>Revise internal process for assessment of outages</li> <li>Availability declaration required from Participant</li> </ul>	<p>Interim</p> <ul style="list-style-type: none"> <li>No system changes</li> </ul> <p>Post-SMST</p> <ul style="list-style-type: none"> <li>System change to include declaration</li> </ul>	<p>Changes to sections 4 and 5 of the Procedure</p> <ul style="list-style-type: none"> <li>Availability requirement for rescheduling Outage Plans and Scheduled Outages</li> </ul>
<b>6. New category of Planned Outage</b>	-	<p>Mandatory Routine Maintenance is Outage Facility Maintenance that is routine and must be undertaken:</p> <ul style="list-style-type: none"> <li>by a specific point in time; or</li> <li>by the time that a specific measure of usage is reached, as required by applicable legislation or in accordance with the relevant Facility's asset management plan</li> </ul>	Participants required to notify AEMO of this type of outage	<p>Interim</p> <ul style="list-style-type: none"> <li>No system changes. AEMO will indicate communication requirements to Market Participants and Network Operators.</li> </ul> <p>Post-SMST</p> <ul style="list-style-type: none"> <li>No system changes. AEMO will indicate communication requirements to Market Participants and Network Operators.</li> </ul>	No changes as Mandatory Routine Maintenance is a category of Planned Outage



Change	Current state	Future state	Change impacts	System solution (interim and post-SMST)	Procedure variations
7. Other (administrative changes)	-	<ul style="list-style-type: none"><li>Varied Rule terminology and drafting</li></ul>	<ul style="list-style-type: none"><li>Removal of superseded defined terms</li><li>Added new defined terms</li><li>Editorial amendments</li></ul>	N/A	Editorial amendments and changes throughout Procedure. Removed superseded defined terms: <ul style="list-style-type: none"><li>DAOM</li><li>Equipment List (now defined in the WEM Rules)</li><li>ODOM</li></ul> Added new defined terms: <ul style="list-style-type: none"><li>"Facility or item of equipment" changed to "Outage Facility" or "Equipment List Facility"</li></ul>