



# Wholesale Electricity Market

Procedure Change Proposal No:  
AEPC\_2024\_15

WEM Procedure: Determination of Market Schedules

**Published: October 2024**

[aemo.com.au](https://aemo.com.au)

New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia

Australian Energy Market Operator Ltd ABN 94 072 010 327

# Notice of call for submissions on Procedure Change Proposal

## Clause 2.10.7 of the Wholesale Electricity Market Rules (WEM Rules)

Closing date for submissions on Procedure Change Proposal

28 November 2024

This notice informs all Rule Participants and interested parties that AEMO has published a Procedure Change Proposal in respect of the WEM Procedure: Determination of Market Schedules. AEMO invites submissions on this Procedure Change Proposal, including any alternative options or drafting you consider may improve the proposed WEM Procedure or better meet the Wholesale Market Objectives set out in section 122(2) of the *Electricity Industry Act 2004 (WA)* (and clause 1.2.1 of the WEM Rules).

A Procedure Change Submission may be made using the Procedure Change Submission form maintained on the Coordinator’s Website in accordance with clause 2.9.4 of the WEM Rules and also the WEM Website. All submissions must be provided in PDF or Microsoft Word format by email to [WA.MarketDevelopment@aemo.com.au](mailto:WA.MarketDevelopment@aemo.com.au). Please send any queries about this consultation to the same email address.

AEMO is not obliged to consider submissions received after the closing date and time. Any late submissions should explain the reason for lateness and the detriment to person making the submission if AEMO does not consider their submission.

All submissions will be published on the WEM Website, with the exception of any content that is identified as confidential. A person making a submission must identify any parts of the submission that they believe should remain confidential, and explain why that content cannot be published. AEMO may still publish the information if it does not consider it to be confidential, but will consult with the relevant parties before doing so.

## Procedure change summary

<p><b>Procedure Name:</b></p>	<p>AEPC_2024_15</p>
<p><b>What is proposed to be changed?</b></p>	<p>The following amendments are proposed to the WEM Procedure in response to the Frequency Co-optimised Essential System Services (FCESS) Cost Review Amending Rules:</p> <ul style="list-style-type: none"> <li>• Amendments to paragraph 2.1.1 to include reference to clauses 7.8.4 and 7.8.6A of the WEM Rules to clarify that AEMO will produce Scenarios in accordance with these requirements.</li> <li>• Deletion of paragraph 2.1.2 in response to the removal of clause 7.8.6(a) of the WEM Rules.</li> <li>• Amendments to paragraphs 3.1.1 and 3.9.3 to include reference to “Available Capacity Scenario”.</li> <li>• Amendments to paragraphs 3.1.2, 3.1.3, 3.9.3 and 3.9.4 to replace “Market Schedules” with “Pre-Dispatch Schedules” and “Week-Ahead Schedules”, in response to amendments to clauses 7.8.6 and 7.8.6A of the WEM rules.</li> </ul> <p>Other Amendments are also being proposed, including:</p> <ul style="list-style-type: none"> <li>• A new definition for Underlying System Load has been added to the Procedure to replace the use of Operational Demand and Forecast Unscheduled Operational Demand in Paragraphs 3.9.2 and 3.9.</li> <li>• A new paragraph 1.1.4(d) to include reference to a requirement of the WEM Rules that is captured under paragraph 3.3.2, but was inadvertently not listed in previous revisions.</li> </ul>
<p><b>Why are the changes being made?</b></p>	<p>Changes are being made to align the WEM Procedure with the WEM Rules and AEMO’s other WEM Procedures.</p>

© 2024 Australian Energy Market Operator Limited. The material in this publication may be used in accordance with the [copyright permissions on AEMO’s website](#).

<b>What are the anticipated outcomes and impact?</b>	Amendments are to ensure alignment with amendments to the WEM Rules and AEMO’s other WEM Procedures. Impact to Rule Participants is low.
<b>How do the changes achieve the WEM Objectives?</b>	Amendments achieve the Wholesale Market Objective 1.2.1(a) by improving economic efficiency of electricity and electricity related services in the South West interconnected system.

## Contents

<b>Notice of call for submissions on Procedure Change Proposal</b>	<b>2</b>
<b>Procedure change summary</b>	<b>3</b>
<b>1. Procedure Change Process</b>	<b>6</b>
1.1. Initiating the Procedure Change Process	6
1.2. WEM Procedure Development	6
1.3. Procedure Change Proposal timeline	6
<b>2. Background</b>	<b>7</b>
2.1. Regulatory requirements	7
2.2. Context for this consultation	7
<b>3. Proposed procedure change</b>	<b>7</b>
3.1. Detail of the proposed procedure change	7
<b>4. Procedure Change Submissions deadline</b>	<b>8</b>

# 1. Procedure Change Process

## 1.1. Initiating the Procedure Change Process

In accordance with clause 2.10.1 of the WEM Rules, AEMO may initiate the Procedure Change Process by developing a Procedure Change Proposal.

AEMO has published this Procedure Change Proposal in accordance with clause 2.10.5A.

## 1.2. WEM Procedure Development

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

Clause 2.9.3 of the WEM Rules states that WEM 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 (WA)* 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 outlined in section 122(2) of the *Electricity Industry Act 2004 (WA)* and are repeated in clause 1.2.1 of the WEM Rules.

## 1.3. Procedure Change Proposal timeline

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
Publication of Procedure Change Proposal	31 October 2024
Closing date for submissions on Procedure Change Proposal	28 November 2024
Publication of Procedure Change Report	5 December 2024
Proposed commencement of WEM Procedure	5 December 2024

Before the closing date for submissions, 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

The WEM Procedure: Determination of Market Schedules (Procedure) is required to be developed by AEMO in accordance with clause 7.8.9 of the WEM Rules.

Clause 7.8.9 requires AEMO document in a WEM Procedure, the processes for determining Market Schedules, including:

- (a) the number and types of Scenarios;
- (b) the principles, methodologies and calculations used to determine:
  - (i) input data for each Market Schedule;
  - (ii) input data for each Scenario; and
- (c) how AEMO will apply clause 7.5.9 to each Market Schedule, including:
  - (i) for each type of Market Schedule; and
  - (ii) Dispatch Intervals or Pre-Dispatch Intervals within each Market Schedule.
- (d) any methodology for replacement of erroneous input data or substitution for missing input data **[clause 7.2.5(d)]**.

The current version of the Procedure commenced on 1 April 2024.

### 2.2. Context for this consultation

AEMO has commenced the Procedure Change Process to propose amendments to the Procedure as a result of the FCESS Cost Review Amending Rules<sup>1</sup>.

Energy Policy WA has published the FCESS Cost Review Amending Rules, which seek to reduce costs incurred in the FCESS market. These Amending Rules are intended to reduce FCESS costs that have increased significantly under the Security Constrained Economic Dispatch market, in comparison to similar services in the Balancing Market, prior to 1 October 2023.

AEMO considers that the proposed amendments to the Procedure will ensure consistency with the Amending Rules.

## 3. Proposed procedure change

### 3.1. Detail of the proposed procedure change

Amendments have been made to the Procedure to align with changes to the WEM Rules under the FCESS Cost Review Amending Rules. These updates include:

---

<sup>1</sup> <https://www.wa.gov.au/government/publications/energy-policy-wa-has-released-the-exposure-draft-of-fcess-cost-review-amendments-consultation>

- Amendments to paragraph 2.1.1 to include reference to clauses 7.8.4 and 7.8.6A of the WEM Rules to clarify that AEMO will produce Scenarios in accordance with these requirements. Clause 7.8.4 is a new requirement included under the FCESS Cost Review Amending Rules. Clause 7.8.5 is an existing requirement and was not included in paragraph 2.1.1 in previous revisions in error.
- Deleting paragraph 2.1.2 to remove the requirement for AEMO to produce Dispatch Schedule Scenarios that include In-Service Capacity in Real-Time Market Submissions, and exclude Available Capacity in Real-Time Market Submissions. This change is made in accordance with the removal of clause 7.8.6(a) under the FCESS Cost Review Amending Rules.
- Amendments to paragraphs 3.1.1 and 3.9.3 to include reference to “Available Capacity Scenario”. Available Capacity Scenario is a newly defined term under the FCESS Cost Review Amending Rules and is applicable for the purposes of these respective paragraphs.
- Amendments to paragraphs 3.1.2, 3.1.3, 3.9.3 and 3.9.4 to replace “Market Schedules” with “Week-Ahead Schedules” and “Pre-Dispatch Schedules”. These paragraphs have also been amended to include reference to clause 7.8.6A(a) and 7.8.6A(b) (as applicable). These amendments are made to ensure alignment with amendments to clause 7.8.6 and 7.8.6A under the FCESS Cost Review Amending Rules, whereby the requirements to include Scenarios relevant to Pre-Dispatch Schedules are removed from clause 7.8.6 and added under the new clause 7.8.6A.

While making the above listed amendments as a result of the FCESS Cost Review Amending Rules, AEMO has taken the opportunity to make other amendments to the Procedure as follows:

- Adding a new paragraph 1.1.4(d) to include reference to a requirement of the WEM Rules that is captured under paragraph 3.3.2 but was inadvertently not listed in previous revisions.
- Adding a new definition for Underlying System Load to Table 1. The definition has replaced the use of Operational Demand and Forecast Unscheduled Operational Demand in paragraphs 3.9.2 and 3.9.3. The use of Underlying System Load more accurately reflects the inputs of the Dynamic Frequency Control Model (DFCM), as outlined in WEM Procedure: Essential System Service Quantities.

AEMO has published a draft version of the Procedure incorporating the changes AEMO proposes for consultation. A clean version and a version with changes marked up are available at:

<https://www.aemo.com.au/energy-systems/electricity/wholesale-electricity-market-wem/procedures-policies-and-guides/procedures/ongoing-procedure-change-proposals>.

## 4. Procedure Change Submissions deadline

Submissions relating to this Procedure Change Proposal must be made in accordance with the accompanying notice of call for submissions by 5.00 pm (AWST) on 28 November 2024.