

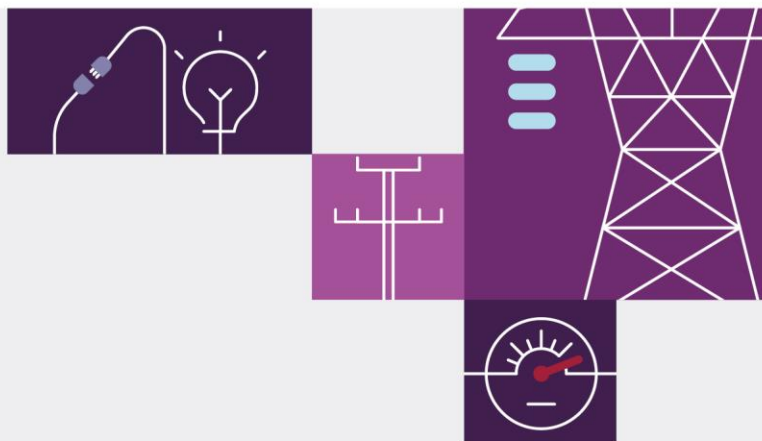
Wholesale Electricity Market

Procedure change report: AEPC_2024_15

January 2025

WEM Procedure: Determination of Market Schedules





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Executive summary

Purpose

The publication of this Procedure Change Report and the accompanying Wholesale Electricity Market Procedure (**WEM Procedure**) completes the Procedure Change Process conducted by AEMO to consider proposed amendments to the WEM Procedure: Determination of Market Schedules (**Procedure**) under the Wholesale Electricity Market Rules (**WEM Rules**).

Proposed amendments

AEMO proposed the following amendments to the WEM Procedure in response to the Frequency Co-optimised Essential System Services (FCESS) Cost Review Amending Rules:

- 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.
- Deletion of paragraph 2.1.2 in response to the removal of clause 7.8.6(a) of the WEM Rules.
- Amendments to paragraphs 3.1.1 and 3.9.3 to include reference to “Available Capacity Scenario”.
- 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.

Other minor amendments were also proposed, including:

- 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.
- 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.

Consultation

AEMO published the Procedure Change Proposal and issued a call for submissions on 31 October 2024.

AEMO held an AEMO Procedure Change Working Group meeting on 13 November 2024. No feedback was received.

The submission period closed on 28 November 2024. No submissions were received.

AEMO's decision

AEMO considers the revised Procedure is consistent with the *Electricity Industry Act 2004 (WA)*, the *Electricity Industry (Wholesale Electricity Market) Regulations 2004 (WA)* (**WEM Regulations**), the WEM Rules and the WEM Objectives.

As such, AEMO's decision is to accept the Procedure, as amended.



Next steps

The revised Procedure will commence at 9:00 am on 6 January 2025.

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1 Background

1.1 Regulatory requirements

The publication of this Procedure Change Report and the accompanying Wholesale Electricity Market Procedure (**WEM Procedure**) completes the Procedure Change Process conducted by AEMO to consider proposed amendments to the WEM Procedure: Determination of Market Schedules (**Procedure**) under the Wholesale Electricity Market Rules (**WEM Rules**).

The purpose of this Procedure is to document 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)]**.

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

1.2 Context

AEMO commenced the Procedure Change Process to propose amendments to the Procedure as a result of the FCESS Cost Review Amending Rules¹.

The FCESS Cost Review Amending Rules published by Energy Policy WA 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.

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

1.3 Procedure change process and timetable

On 31 October 2024, AEMO published the Procedure Change Proposal (PCP) and issued a call for submissions. The proposal was progressed using the Procedure Change Process specified in section 2.10 of the WEM Rules with submissions closing on 28 November 2024. No submissions were received.

2 Proposed procedure change

This section details the changes that AEMO proposed when the call for submissions was published.


2.1 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:

- 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.

2.2 Proposed drafting

AEMO published drafts of the proposed Procedure for consultation. Clean and change-marked versions are available at: https://www.aemo.com.au/consultations/current-and-closed-consultations/aepc_2024_15.

3 Consultation process

3.1 AEMO Procedure Change Working Group

An overview of the proposed amended Procedure was presented at the AEMO Procedure Change Working Group meeting held on 13 November 2024. No feedback was received at the meeting. The papers and minutes from the meeting can be found at: <https://aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/wem-aemo-procedure-change-working-group>.

3.2 Submissions received during the consultation period

AEMO published the Procedure Change Proposal and issued a call for submissions on 31 October 2024. The submission period closed on 28 November 2024. No submissions were received.



4 AEMO's assessment

4.1 Consistency with Electricity Industry Act, WEM Regulations, WEM Rules and Wholesale Electricity Market Objectives

AEMO considers that the revised Procedure is consistent with the:

- *Electricity Industry Act 2004*;
- WEM Regulations 2004;
- WEM Rules; and
- Wholesale Electricity Market Objectives.

4.2 AEMO's decision

AEMO's decision is to accept the amended Procedure.

4.3 Implementation of the Procedure

The amended Procedure will commence at 9:00 am on 6 January 2025.

The revised WEM Procedure: Determination of Market Schedules is available at:

https://www.aemo.com.au/consultations/current-and-closed-consultations/aepc_2024_15.