



# NOTICE OF EXTENSION: CONSULTATION FOR PROCEDURE CHANGE PROPOSAL AEPC\_2017\_04

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## 1 BACKGROUND

The publication of this notice of extension and accompanying updated call for submissions extends the consultation for the Procedure Change Process conducted by AEMO to consider a proposed revised Market Procedure: Certification of Reserve Capacity under the Wholesale Electricity Market Rules (WEM Rules).

The proposed revised Market Procedure is required by clauses 4.9.10 and 4.28C.15 of the WEM Rules which documents the process:

- Market Participants must follow in applying for Certified Reserve Capacity or Early Certified Reserve Capacity.
- AEMO must follow in processing those applications, including assigning Certified Reserve Capacity, setting Reserve Capacity Obligation Quantities, and approving Early Certified Reserve Capacity.

The consultation has been extended because on 23 June 2017, following the publication of the Procedure Change Proposal, the Minister for Energy gazetted amendments to the WEM Rules detailing the certification processes for new generation facilities entering under the Generator Interim Access (GIA) solution.

Following the gazetted amendments, the proposed revised Market Procedure published as part of the Procedure Change Proposal is now inconsistent with the WEM Rules and could not be approved without additional amendments. Consequently, AEMO has decided to extend the consultation period to allow stakeholders additional time to consider the new proposed amendments. On 6 July 2017, Alinta Energy made a submission indicating its support for such an extension.

AEMO considered recommending the Procedure Change Process but has decided against this approach because:

- The scale of the additional minor amendments is small when compared to the amendments to the Market Procedure originally proposed as part of this Procedure Change Proposal.
- AEMO will undertake certification during the second half of 2017 in accordance with the newly-amended WEM Rules, and considers that the delay associated with restarting the Procedure Change Process would be detrimental due to the reduced certainty for Market Participants.

Accordingly, AEMO has revised the proposed amended Market Procedure to meet the new requirements of the WEM Rules.

## 2 PROCEDURE CHANGE PROCESS

### 2.1 Extension of consultation

In accordance with clause 2.10.17 of the WEM Rules, AEMO may modify the period for consultation on a Procedure Change Proposal as published in a call for submissions under clause 2.10.7, because:

- (a) issues of sufficient complexity or difficulty have been identified relating to the Procedure Change Proposal; or



- (a) further public consultation on an issue associated with the Procedure Change Proposal is required; or
- (b) the Procedure Change Proposal cannot be dealt with adequately without an extension because of any other special circumstance.

To extend the consultation period, clause 2.10.18 of the WEM Rules requires that AEMO publish a notice of an extension and update any information already published in a call for submissions under clause 2.10.7. Clause 2.10.19 requires that the notice of extension include:

- (a) the reasons for the proposed extension, which are detailed in section 1;
- (b) the views of any Rule Participant consulted on the extension, which are detailed in section 3.2;
- (c) the proposed length of any extension, which is detailed in section 2.2; and
- (d) the proposed work program, which is detailed in section 2.2.

## 2.2 Details of extension

AEMO has extended the original consultation period by 10 Business Days. The indicative timeline and proposed work program for this extended consultation is outlined in the table below. Dates for publication of the Procedure Change Report and commencement of the revised Market Procedure may be adjusted depending on the number and complexity of issues raised in submissions and any meetings with stakeholders.

Process Stage	Indicative date
Procedure Change Proposal published	27 June 2017
Initial close of submissions on Procedure Change Proposal	25 July 2017
<b>Submissions due on Procedure Change Proposal following this extension</b>	<b>8 August 2017</b>
Procedure Change Report published	19 September 2017
Proposed commencement of revised Market Procedure	1 October 2017

Prior to the submissions due date, stakeholders may request a meeting with AEMO to discuss the issues and proposed changes raised in this Procedure Change Proposal.

## 3 PROPOSED PROCEDURE CHANGE

### 3.1 Proposed drafting

This notice of extension, the original Procedure Change Proposal and the proposed Market Procedure itself, are available at: [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2017\\_04](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_04).

AEMO has provided a marked-up version of the Procedure that shows changes from the version published with the Procedure Change Proposal. In addition, AEMO has also provided a marked-up version of the revised Procedure compared to the existing version.

### 3.2 Consultation concerning the extension

On 6 July 2017, Alinta Energy made a submission indicating its support for an extension to the consultation period.

On 18 July 2017, AEMO discussed the revised Procedure at the AEMO Procedure Change Working Group. Details are available at <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>. Stakeholders supported the extension, and suggested



minor changes to improve clarity. These minor changes have been incorporated into the revised proposed Market Procedure published with this notice of extension.

### **3.3 Consistency with WEM Rules, Electricity Industry Act and WEM Regulations**

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

- Electricity Industry Act.
- WEM Regulations.
- WEM Rules.

### **3.4 Consistency with Wholesale Market Objectives**

AEMO considers that the steps outlined in the revised Market Procedure are drafted in a way that does not change 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 CONSULTATION PROCESS**

AEMO invites stakeholders to suggest alternative options or drafting where they consider that these would improve the procedure or better meet the Wholesale Market Objectives in section 122(2) of the Electricity Industry Act (and clause 1.2.1 of the WEM Rules).

Stakeholders are invited to submit written responses on the proposed Procedure by 5.00 pm (AWST) on 8 August 2017, in accordance with the call for submissions published with this notice of extension.

Stakeholders with questions in relation to the proposed Market Procedure or this Procedure Change Proposal can contact AEMO via email at [wa@aemo.com.au](mailto:wa@aemo.com.au).

All correspondence in relation to this Procedure Change Proposal must be entitled "AEPC\_2017\_04 Certification of Reserve Capacity - [Name of the submitting company or individual]".