

## 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: Individual Reserve Capacity Requirements (Procedure) under the Wholesale Electricity Market Rules (WEM Rules).

The proposed Procedure is required by clause 4.28.12 of the WEM Rules, which requires AEMO to document the process to be followed in initially calculating, and subsequently revising, Individual Reserve Capacity Requirements.

The Procedure Change Proposal aimed to:

- Increase clarity and update to the current format.
- Reflect the amendments to the WEM Rules that were gazetted by the Minister for Energy on 31 May 2016, the last of which will commence on 1 October 2017.<sup>1</sup>
- Indicate the method for providing evidence of changes in data.

AEMO has identified further minor amendments to the Procedure that it considers will improve the clarity of the Procedure.

AEMO considered recommending the Procedure Change Process, but decided against this approach because the scale of the additional minor amendments is small compared to the amendments to the Procedure originally proposed in this Procedure Change Proposal.

However, AEMO has decided a further period of consultation is warranted to allow stakeholder submissions on the clarifying amendments.

## 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
- (b) further public consultation on an issue associated with the Procedure Change Proposal is required; or
- (c) 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.

<sup>1</sup> Until such time as the Minister publishes a notice in the Gazette indicating the commencement time of the amending rules set out in Schedule B, Part 4.

## 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 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	6 July 2017
Initial close of submissions on Procedure Change Proposal	3 August 2017
<b>Submissions due on Procedure Change Proposal following this extension</b>	<b>17 October 2017</b>
Procedure Change Report published	27 October 2017
Proposed commencement of revised Market Procedure	30 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\\_05](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_05).

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

At the Market Advisory Committee (MAC) meeting on 13 September 2017, AEMO advised that further consultation regarding this Procedure Change Proposal was being considered. MAC members did not object to a further period of consultation.

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

The proposed 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 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 Market Procedure by 5.00 pm (AWST) on 17 October 2017, in accordance with the call for submissions published with this Notice of Extension.

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

All correspondence in relation to this Procedure Change Proposal must be entitled "AEPC\_2017\_05 Individual Reserve Capacity Requirements - [Name of the submitting company or individual]".