



WHOLESALE ELECTRICITY MARKET

PROCEDURE CHANGE REPORT: AEPC_2017_10

POWER SYSTEM OPERATION PROCEDURE: DISPATCH

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EXECUTIVE SUMMARY

Purpose

The publication of this Procedure Change Report, and the accompanying Power System Operation Procedure, completes the Procedure Change Process conducted by AEMO to consider a revised Power System Operation Procedure: Dispatch (Procedure) under the Wholesale Electricity Market (WEM) Rules.

Proposed amendments

The proposed revised Procedure has been developed in accordance with clauses 7.6.10A and 7.13.5 of the WEM Rules, which commence on 1 October 2017. Clause 7.6.10A requires AEMO to document the process for Market Participants who have been assigned Demand Side Management (DSM) Capacity Credits to provide AEMO with their consumption information. Clause 7.13.5 requires AEMO to document the process for calculating Demand Side Programme consumption decrease amounts.

Consultation

A draft version of the Procedure was presented to the AEMO WEM Procedure Change Working Group meeting held on 18 July 2017. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums>. Minor changes to improve clarity were recommended by stakeholders.

The Market Advisory Committee (MAC) did not meet regarding this proposal.

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

AEMO published the Procedure Change Proposal (AEPC_2017_10) and issued a notice calling for submissions on 21 July 2017. The submission period closed on 18 August 2017 with a submission received from Synergy. Synergy requested clarification on several matters and suggested amendments to improve clarity. AEMO has responded to matters identified, and has revised the Procedure in line with many of Synergy's comments.

Following the consultation period, on 22 August 2017, AEMO held a workshop with interested Market Participants regarding the impacts on the Procedure from recent amendments to the WEM Rules concerning Market Participant modelling data. Market Participants agreed that the Procedure should not be amended because of the rules in question.

Details of the workshop are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>.

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 WEM Regulations and the WEM Rules.

Next steps

The revised Power System Operation Procedure: Dispatch will commence at 8:00 AM on 1 October 2017.



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1. BACKGROUND

1.1 Regulatory requirements

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

1.2 Context

On 31 May 2016, the Minister for Energy gazetted amendments to the WEM Rules related to the Reserve Capacity Mechanism.¹

Clause 7.6.10A of the WEM Rules requires AEMO to document the process for Market Participants who have been assigned DSM Capacity Credits to provide AEMO with their consumption information. Clause 7.13.5 of the WEM Rules requires AEMO to document the process for calculating Demand Side Programme consumption decrease amounts. These clauses, which commence on 1 October 2017, provide that:

7.6.10A. System Management must develop a Power System Operation Procedure documenting the manner and time in which the obligation in clause 7.6.10 is to be complied with, including how consumption is to be measured or estimated.

7.13.5. System Management must—

(a) for the purposes of clause 7.13.1(eG) calculate, for each Demand Side Programme for each Trading Interval, the amount, in MWh, by which the Facility was requested by the applicable Dispatch Instruction to decrease its consumption for the Trading Interval, which amount—

i. must be measured as a requested decrease from the Facility's Relevant Demand (and so must not include any amount above the Relevant Demand);

ii. must not assume a ramp rate faster than was requested in the Dispatch Instruction;

iii. must not include any Further DSM Consumption Decrease; and

iv. must not take account of the Facility's actual performance in response to the Dispatch Instruction; and

(b) develop a Power System Operating Procedure that details how it will calculate the amount in clause 7.13.5(a).

The proposed Procedure would be the eighth version. AEMO proposes to commence the revised Procedure on 1 October 2017 in line with the commencement of the relevant WEM Rules.

1.3 Procedure Change Process and Timetable

On 21 July 2017, AEMO published a Procedure Change Proposal (AEPC_2017_10) for the Power System Operation Procedure: Dispatch and issued a call for submissions, which are available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_10.

The proposal was progressed using the Procedure Change Process specified in clause 2.10 of the WEM Rules with submissions required by 18 August 2017.

¹ See Government Gazette No.89 dated 31 May 2016, *Wholesale Electricity Market Amending Rules 2016*.



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

AEMO proposed to update the Procedure 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 2017.²

2.2 Proposed drafting

AEMO published a draft of the proposed Procedure for consultation. The Procedure as drafted is available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_10.

AEMO also provided a marked-up version of the revised Procedure.

² 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.

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) and accordingly the MAC did not review the Procedure Change Proposal.

A draft version of the Procedure was presented to APCWG meeting held on 18 July 2017. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums>. Minor changes to improve clarity were recommended by stakeholders.

In accordance with clause 2.10.9, 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 should two or more members request it. The Rule Change Panel did not convene a meeting of the MAC in regard to this Procedure Change Process.

3.2 Public Workshop

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

3.3 Submissions received during consultation period

AEMO commenced the Procedure Change Proposal (AEPC_2017_10) and issued a notice calling for submissions on 21 July 2017. The submission period closed on 18 August 2017 with a submission received from Synergy.

Synergy requested clarification on several matters and suggested amendments to improve clarity. AEMO has provided responses to individual matters identified, and has revised the Procedure in line with many of Synergy's comments.

Synergy's submission is available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_10.

3.3.1 Specific comments

Method of contact

Synergy commented on step 5.1.4.

Synergy requested clarity on the method of communication and proposed alternative drafting options.

AEMO's response

AEMO notes that unless a formal agreement exists, all communication to AEMO's Control Centre is by phone.

Compliance with LFAS

Synergy commented on step 6.2.3.

Synergy requested further definition as to what constitutes "not adequately complying" with Load Following Ancillary Services (LFAS) performance requirements.

**AEMO's response**

The performance requirements are provided in the PSOP: Ancillary Services. AEMO will update step 6.2.3 to indicate where the requirements can be accessed.

Dispatch Instruction ramp rates

Synergy commented on step 7.6.

Synergy requested clarity on whether the ramp rate in a Dispatch Instruction for a Non-Balancing Facility must match the ramp rate in the Standing Data. Synergy suggested that if the ramp rate requested in a Dispatch Instruction can vary from the rate in Standing Data, then step 7.6.1(a) and 7.6.1(b) of the Procedure need to be amended to use the ramp rate in the Dispatch Instruction, rather than the ramp rate in the Standing Data.

AEMO's response

AEMO agrees that the ramp rate requested in the Dispatch Instruction should be used. This should take into account the Ramp Rate Limit included in the Standing Data. Steps 7.6.1(a) and (b) will be amended to reflect this.

General

Synergy commented on various steps.

Synergy provided general comments indicating that:

- a) The Procedure will need to be revised to incorporate Generator Interim Access scheme (GIA) provisions once the operation of the scheme is fully determined.
- b) Consistency in the formatting of footnote references and in text explanation notes would assist clarity.
- c) Minor rephrasing of steps 2.2.1, 3.1.6, 4.6.1 and 4.8.1 would assist clarity.

AEMO's response

AEMO agrees that the Procedure will need to be revised for the GIA and has scheduled another revision to accommodate this. AEMO has amended the Procedure in line with Synergy's suggestion and reviewed the formatting of footnotes and text boxes. AEMO has also amended steps 2.2.1 and 3.1.6, as the steps should relate to the relevant WEM Rules, but not steps 4.6.1 and 4.8.1, which should not.

3.4 Further consultation after the consultation period

Following the consultation period, AEMO held a workshop with interested Market Participants regarding the impacts on the Procedure from recent amendments to the WEM Rules concerning Market Participant modelling data. Market Participants agreed that the Procedure should not be amended because of the rules in question.

Details of the workshop are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>.



4. AEMO'S ASSESSMENT

4.1 Further changes to the Procedure

AEMO amended the Procedure to improve clarity in line with comments received. A tracked-changes version indicating these amendments is available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_10.

4.2 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.

4.3 Consistency with Wholesale Market Objectives

The steps outlined in this revised Procedure describe the process for Market Participants who have been assigned DSM Capacity Credits to provide AEMO with their consumption information. They also describe the process by which AEMO calculates Demand Side Programme consumption decrease amounts.

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 7.6.10A and 7.13.5 of the WEM Rules which commence on 1 October 2017.

This Procedure does not require system changes by AEMO.

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

Consequently, AEMO considers that the commencement at 8:00 AM on 1 October 2017 will allow Rule Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance with the amended Procedure.

4.5 AEMO's decision and commencement

AEMO's decision is to accept the Procedure as amended following the consultation period. The revised Power System Operation Procedure: Dispatch will commence at 8:00 AM on 1 October 2017.

AEMO has made this decision on the basis that the revised 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.

Additional detail outlining the analysis behind AEMO's decision is outlined in section 3 of this Procedure Change Report.



The revised Power System Operation Procedure: Dispatch is available at:
http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_10.