

MONITORING AND REPORTING PROTOCOL

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Approved for distribution and use by:

APPROVED BY: Brett Hausler
TITLE: Executive General Manager – Regulation and Governance

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Version	Effective Date	Summary of Changes
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1. PROCEDURE OVERVIEW

1.1. Relationship with the WEM Rules

- 1.1.1. This Monitoring and Reporting Protocol (Procedure) is developed in accordance with clauses 2.15.6A, 2.15.6B and 2.15.6C of the Wholesale Electricity Market Rules (WEM Rules).
- 1.1.2. References to particular WEM Rules within the Procedure in bold and square brackets **[Clause XX]** are current as of 13 October 2017. These references are included for convenience only, and are not part of this Procedure.

1.2. Interpretation

- 1.2.1. In this Procedure:
- (a) terms that are capitalised but not defined in this Procedure have the meaning given in the WEM Rules;
 - (b) to the extent that this Procedure is inconsistent with the WEM Rules, the WEM Rules prevail to the extent of the inconsistency;
 - (c) references to AEMO include AEMO in its System Management capacity;
 - (d) a reference to the WEM Rules or Market Procedures includes any associated forms required or contemplated by the WEM Rules or Market Procedures; and
 - (e) words expressed in the singular include the plural or vice versa.

1.3. Purpose and application of this Procedure

- 1.3.1. This Procedure describes how AEMO will implement its obligations under the WEM Rules to support the Economic Regulation Authority (ERA) in monitoring Rule Participants' behaviour for compliance with **[Clause 2.15.6B]**:
- (a) the WEM Rules in accordance with clauses 2.13.6 and 2.13.9A of the WEM Rules; and
 - (b) the Market Procedures (including the Power System Operation Procedures) developed by AEMO.
- 1.3.2. This Procedure specifies **[Clause 2.15.6C]**:
- (a) In step 2, AEMO's processes for assisting the ERA in monitoring and assessing Market Participants' compliance with the WEM Rules and the Market Procedures developed by AEMO; and
 - (b) In step 3, AEMO's process for providing the ERA with information about alleged breaches or other information requested by the ERA.

2. MONITORING

2.1. REQUIREMENTS

- 2.1.1. AEMO must support the ERA's function of monitoring Rule Participants' behaviour for compliance with **[Clause 2.13.9A]**:

- (a) the provisions of the WEM Rules (other than a provision of the WEM Rules referred to in clause 2.13.9); and
- (b) the Market Procedures.

2.1.2. AEMO must monitor Rule Participants' behaviour for compliance with **[Clause 2.13.6]**:

- (a) the provisions of the WEM Rules referred to in clause 2.13.9¹; and
- (b) the Power System Operation Procedures.

2.2. Monitoring processes and systems

2.2.1. AEMO has monitoring processes and systems in place that enable it to support the ERA's function of monitoring Rule Participants' behaviour for compliance with the WEM Rules and the Market Procedures **[Clause 2.13.9B]**.

2.2.2. The WEM Rules require this Procedure to specify AEMO's processes for assisting the ERA in monitoring and assessing compliance with the Market Rules and Market Procedures **[Clause 2.15.6C(a)]**. These processes include 'direct monitoring' by AEMO and 'support for monitoring' by the ERA as described below.

2.2.3. 'Direct monitoring' by AEMO:

- (a) AEMO gathers information required to be provided by Rule Participants' under the WEM Rules when performing its functions.
- (b) AEMO uses that information and a variety of other information sources and tools² to:
 - (i) monitor Rule Participants' behaviour; and
 - (ii) form views on whether there is information to substantiate allegations of non-compliance with the provisions of the WEM Rules, including those referred to in clause 2.13.9 and clause 7.10.4³, and the Market Procedures, including the Power System Operation Procedures.
- (c) If AEMO forms the view that there is information to allege a breach of the WEM Rules or a Market Procedure, then it must refer the alleged breach to the ERA in accordance with the reporting processes described in step 3.
- (d) In referring an alleged breach to the ERA under step 2.2.3(c), AEMO will only provide the ERA with information or data that is relevant to the specific breach.

2.2.4. AEMO will maintain records of alleged breaches that it becomes aware of, including breaches of the WEM Rules referred to in clause 2.13.9 **[Clause 2.13.8(a)]**.

¹ Generally relating to directions issued by System Management to participants, PASA information, Outages, Commissioning Tests, synchronisation, forecasts and dispatch

² Other information sources and tools include information that AEMO is required to prepare under the WEM Rules (e.g. Dispatch Instructions), records of telephone and email communications with Rule Participants and alarms and other notifications from AEMO's market systems.

³ WEM Rule 7.10.4 refers to monitoring Dispatch Instruction non-compliance under WEM Rule 7.10.1. The PSOP: Dispatch provides information on AEMO's process for Dispatch Instruction non-compliance (refer to steps 5.6 and 6.1).

2.2.5. AEMO's 'support for monitoring' by the ERA:

- (a) AEMO maintains market data for the purposes of the WEM Rules that the ERA may access via an online data warehouse or via other tools.
- (b) AEMO (in response to a request from the ERA under the WEM Rules⁴, the Economic Regulation Authority Act 2003 (WA)⁵ or as otherwise permitted by law) may provide the ERA with information or documents that enable the ERA to monitor Rule Participants' behaviour. This information may include data from AEMO's market systems.

3. REPORTING PROCESSES

3.1. AEMO's reporting processes

3.1.1. AEMO must notify the ERA if it becomes aware of an alleged breach of [Clauses 2.13.8 and 2.13.9C]:

- (a) the WEM Rules; or
- (b) a Market Procedure (including a Power System Operation Procedure) developed by AEMO.

3.1.2. The notification may relate to an alleged breach by AEMO or another Rule Participant.

3.1.3. AEMO must provide an alleged breach report that includes the following information:

- (a) the name of the Rule Participant that is alleged to have breached the WEM Rules or the Market Procedures;
- (b) the provisions of the WEM Rules or the Market Procedures that are alleged to have been breached;
- (c) (to the extent known by AEMO) the dates and times when the alleged breach occurred;
- (d) (to the extent known by AEMO) details of the alleged breach including any relevant evidence;
- (e) (to the extent known by AEMO) the impact of the alleged breach on Rule Participants or the Wholesale Electricity Market generally; and
- (f) any other information that AEMO considers relevant.

3.1.4. The format of the reports referred to in step 3.1.3 will be agreed between AEMO and the ERA from time to time.

3.1.5. AEMO must email alleged breach reports to the ERA at market.compliance@erawa.com.au (or as otherwise specified by the ERA).

3.1.6. AEMO (when preparing alleged breach reports) will prioritise alleged breaches that it considers may have had a significant impact on Rule Participants or the Wholesale Electricity Market generally.

⁴ See, for example, WEM Rule 2.13.13.

⁵ *Economic Regulation Authority Act 2003 (WA)*, section 51.

- 3.1.7. AEMO will cooperate with an investigation by the ERA in respect of an alleged breach of the WEM Rules or a Market Procedure by AEMO [Clause 2.13.9D].
- 3.1.8. AEMO (in response to a request from the ERA) will provide information and records in a timely manner for the purposes of the ERA's investigation into an alleged breach of the WEM Rules or a Market Procedure by AEMO or another Rule Participant [Clause 2.13.13].

3.2. Compliance reports

- 3.2.1. AEMO may agree with the ERA to provide periodic batch non-compliance reports for any of the provisions of the WEM Rules that it is required to monitor under clause 2.13.9. The timing and format of these reports will be agreed with the ERA from time to time.
- 3.2.2. Reports in step 3.2.1 must include for each alleged breach the information detailed in step 3.1.3.
- 3.2.3. Reports in step 3.2.1 will prioritise alleged breaches that AEMO considers may have had a significant impact on Rule Participants or the Wholesale Electricity Market generally.