



WHOLESALE ELECTRICITY MARKET

PROCEDURE CHANGE PROPOSAL: AEPC_2018_05

MARKET PROCEDURE: IMS INTERFACE

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EXECUTIVE SUMMARY

The publication of this Procedure Change Proposal and accompanying call for submissions commences the Procedure Change Process conducted by AEMO to consider a proposed revised Market Procedure: IMS Interface under the Wholesale Electricity Market Rules (WEM Rules).

The proposed revised Market Procedure is required by clause 2.36A.1 of the WEM Rules which requires AEMO to develop a new IMS Interface Market Procedure prescribing the reasonable arrangement by which Network Operators and AEMO must provide each other with information under WEM Rules.

The variations to this Procedure are consequential arising from the amendment to the PSOP: Communications and Control.

This Procedure Change Proposal includes this document, which outlines the reason for the proposed amendments to the Market Procedure, and the proposed Market Procedure itself, which is available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2018_05.

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 2004* (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 Australian Western Standard Time (AWST) on 21 May 2018, in accordance with the call for submissions published with this Procedure Change Proposal.



CONTENTS

EXECUTIVE SUMMARY	1
1. PROCEDURE CHANGE PROCESS	3
2. BACKGROUND	4
2.1 Regulatory requirements	4
2.2 Context for this consultation	4
3. PROPOSED PROCEDURE CHANGE	5
3.1 Detail of the proposed procedure change	5
3.2 Proposed drafting	5
3.3 Consultation to date	5
3.4 Consistency with WEM Rules, Electricity Industry Act and WEM Regulations	5
3.5 Consistency with Wholesale Market Objectives	5
4. CONSULTATION PROCESS	6



1. PROCEDURE CHANGE PROCESS

Section 2.10 of the WEM Rules outlines the Procedure Change Process.

AEMO may initiate the Procedure Change Process in respect of Market Procedures (including Power System Operation Procedures and the Monitoring and Reporting Protocol) for which it is responsible, by developing a Procedure Change Proposal. Rule Participants may notify AEMO where they consider an amendment or replacement of an AEMO Market Procedure would be appropriate (Clauses 2.10.1 and 2.10.2).

If an Amending Rule requires AEMO to develop new Market Procedures or amend or replace existing Market Procedures, then AEMO is responsible for the development, amendment or replacement of Market Procedures to comply with the Amending Rule (Clause 2.10.3).

Under clause 2.9.3 of the WEM Rules, Market Procedures:

- (a) must:
 - i. be developed, amended or replaced in accordance with the process in the WEM Rules;
 - ii. be consistent with the Wholesale Market Objectives; and
 - iii. be consistent with the WEM Rules, the Electricity Industry Act and the WEM Regulations; and
- (b) may be amended or replaced in accordance with section 2.10 of the WEM Rules and must be amended or replaced in accordance with section 2.10 of the WEM Rules, where a change is required to maintain consistency with Amending Rules.

The Wholesale Market Objectives are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

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

AEMO’s indicative timeline for this consultation is outlined below. Dates 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	20 April 2018
Submissions due on Procedure Change Proposal	21 May 2018
Procedure Change Report published	13 July 2018
Proposed commencement of revised Market Procedure	14 July 2018

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.



2. BACKGROUND

2.1 Regulatory requirements

Clause 2.36A.1 of the WEM Rules provides that:

2.36A.1. System Management must develop an IMS Interface Market Procedure prescribing the reasonable arrangement by which Network Operators and AEMO must, subject to clause 2.36A.2, provide each other with information under these Market Rules, including:

- (a) the format, form and manner in which that information must be provided; and*
- (b) where the Market Rules do not provide a timeframe for the provision of the information, the time by which such information must be provided.*

The proposed Market Procedure would be the second version of this Procedure. AEMO proposes to commence the revised procedure on 14 July 2018 in line with the changes to the PSOP: Communications and Control.

2.2 Context for this consultation

As part of the amalgamation of System Management and AEMO, the Power System Operation Procedures (PSOP) are being revised and updated. In general, AEMO is revising the Market Procedures to:

- (a) Remove any Power System Operation Procedures (PSOP) not required by WEM Rules.
- (b) Update all PSOPs to current AEMO standards.
- (c) Ensure PSOPs comply with obligations.
- (d) Ensure content in Procedures required because a WEM Rule requirement exists to include detail or process or AEMO requires obligation on itself or Participants.

3. PROPOSED PROCEDURE CHANGE

3.1 Detail of the proposed procedure change

The variations to this Procedure arise from:

- Removed sections which have been transferred to the PSOP: Communications and Control.
- Minor editorials.

3.2 Proposed drafting

AEMO has published a draft of the proposed Market Procedure: IMS Interface for consultation, which is available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2018_05.

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

3.3 Consultation to date

A draft version of the Market Procedure was presented at the AEMO WEM Procedure Change workshop held on 19 February 2018. Details of this forum are available at:

<http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums>.

No comments were made by stakeholders.

3.4 Consistency with WEM Rules, Electricity Industry Act and WEM Regulations

The proposed revised WEM 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.

3.5 Consistency with Wholesale Market Objectives

The steps outlined in this revised Market Procedure describe the reasonable arrangement by which Network Operators and AEMO must, subject to clause 2.36A.2 of the WEM Rules, provide each other with information, including the format, form and manner in which that information must be provided, and where the WEM Rules do not provide a timeframe for the provision of the information, the time by which such information must be provided.

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 21 May 2018, in accordance with the call for submissions published with this paper.

Stakeholders with questions in relation to the proposed Market Procedure or this Procedure Change Proposal can contact AEMO via email to wa@aemo.com.au.

All correspondence in relation to this Procedure Change Proposal must be entitled “AEPC_2018_05 IMS Interface - [Name of the submitting company or individual]”.