

# MEETING OUTCOMES – AEMO PROCEDURE CHANGE WORKING GROUP (WEM)

MEETING: AEMO Procedure Change Working Group (WEM) Meeting 2  
 DATE: Monday, 4 September 2017  
 TIME: 10.30 am – 11.30 am (AWST)  
 LOCATION: AEMO Perth Ningaloo Room

## ATTENDEES:

NAME	COMPANY
Matthew Fairclough	AEMO
Greg Ruthven	AEMO
Martin Maticka	AEMO
Rebecca Petchey	AEMO
Jacinda Papps	Alinta Energy
Patrick Peake	Perth Energy
Wendy Ng	ERM Power
Mark Riley	AGL (phone)
Oscar Carlberg	Synergy
Laura Koziol	ERA/Rule Change Panel
Jenny Laidlaw	ERA/Rule Change Panel

## 1. Discussion of action items

AEMO advised that:

- Item 1 (status of ‘directions’) is still being investigated.
- Item 2 (status of ‘footnotes’) has been resolved. AEMO’s view is that footnotes form part of the Procedure.

## 2. Procedure Change Proposal for Market Procedure: Reserve Capacity Security

- Question – Table 1: Can the definition of ‘Adjusted Required Level’ be clarified and an alternative term be considered?

Answer – AEMO will review this term and its use in the Procedure.

- Question – What happens if the Deed does not arrive?

Answer – AEMO has the authority to draw upon monies supplied as a Security Deposit without the existence of the Deed.

- Question – Step 3.1.4: Why has this been changed to a Facility ‘seeking a higher level of Certified Reserve Capacity’?

Answer – AEMO determines whether an increase in Certified Reserve Capacity is due to an upgrade at the time a Market Participant applies for Certified Reserve Capacity. This process occurs before Certified Reserve Capacity is assigned, and the Procedure has been amended accordingly.

- Question – Step 3.1.4: Is a Reserve Capacity Test included?

Answer – Yes. AEMO will specify this in step 3.1.4.

- Question – Step 3.1.4: When does the determination of an upgrade or significant maintenance occur?

Answer – This is covered in the Market Procedure for Certification of Reserve Capacity, which has interactions with this Procedure.

- Question – Step 3.1.3: How does AEMO determine whether maintenance is “significant maintenance” and can further information be provided?

Answer – “Significant maintenance” is over and above normal scheduled maintenance activities, such as refurbishment works to return a generating unit to service after a period of idleness. AEMO will consider providing examples in step 3.1.3.

- Question – Step 3.1.4: Following an issue with a Facility, when is new security required?

Answer – Security is only required in connection with an application for Certified Reserve Capacity and subsequent assignment of Capacity Credits, and could only be requested for the next Reserve Capacity Cycle.

- Question – Step 3.5.4: Why has timing information been removed?

Answer – To increase clarity.

- Question – Step 5.2: What is the ‘Adjusted Required Level’?

Answer – This is used where the quantity of Capacity Credits assigned to a Facility is lower than the level of Certified Reserve Capacity.

- Question – Step 5.2: When are network constraints taken into account?

Answer – At the time of assigning Certified Reserve Capacity.

- Question – Step 5.2: Proposed that step would be clearer if other situations were included (specifically non-Intermittent Generators assigned Certified Reserve Capacity under clause 4.11.2(b) of the WEM Rules and Demand Side Programmes), the term ‘Adjusted Required Level’ was renamed, and an appropriate clause reference determined.

Answer – AEMO will revise the step to increase clarity.

- Question – Step 5.4.1: Do AEMO’s costs need to be subtracted?

Answer – Yes. The step will be revised.

- Question – Step 5.4.1: Are AEMO fees included for bank guarantees?

Answer – AEMO does not change administration fees on bank guarantees.

- Question – Step 6.1.2: When is ‘during the Trading Month’ in relation to Supplementary Reserve Capacity?

Answer – This is a matter for clarification in the WEM Rules.

- Question – Step 6.1.4: Can a partial refund be made?

Answer – No. Reserve Capacity Security Deposits are all or nothing.

- Question – Step 6.1.4: Do multiple guarantees need to be considered, where the Market Participant forfeits the rights to all relevant guarantees?

Answer – AEMO will consider revising the step.

- Question – Step 6.1.4: The WEM Rule reference only refers to cash deposits. Are bank guarantees covered?

Answer – The Procedure has been amended to clarify.

### **3. Next meeting**

Stakeholders will be advised of the date for the next Working Group meeting.

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**Action items raised at meeting – AEMO Procedure Change Working Group**

<b>Item</b>	<b>Topic</b>	<b>Action required</b>	<b>Responsible</b>	<b>By</b>	<b>Status</b>
<b>1</b>	Directions	AEMO to advise Working Group on the status and storage of 'directions' issued in PSOP: Dispatch.	AEMO	Sep 2017	Open
<b>2</b>	Footnotes	AEMO to advise the Working Group on the status of footnotes in Procedures, and whether such text can be revised (e.g. following new web-site link) without requiring the formal Procedure Change Process	AEMO	Sep 2017	Closed 4 September 2017