WEM Reform update

Presented to WA Electricity Consultative Forum

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4 May 2022

WEM Reform Program Status Update | March 2022

Overall Status

AEMO remains on track to achieve the October 2023 go-live date, however the program status is currently '**amber**' as a result of challenges acquiring and retaining required resources in the current tight labour market. This is being actively managed and corrective actions are underway.

Key Activities This Period

- After consultation, the 2022 Reserve Capacity (RC) Cycle has been deferred by 6 months - this is the first cycle that requires use of the NAQ framework to determine the Capacity Credits
- The new Real Time Market Submission system has been deployed for Market Participant testing
- The user interface (UI) for outage submissions was demonstrated to Market Participants at the WRIG IT forum
- Results of the second Market Participant Readiness Survey were published, showing a growing level of preparation activity across the respondents
- 10 WEM Procedures have been completed, with consultation completed on a further 5, of a total of 51 under the new rules
- The new dispatch engine has been showcased internally and certification of the dispatch algorithm has been initiated

Focus For Next Period

- Implement sourcing strategy to enable the program to scale up to reach full momentum, including accelerating recruitment and making greater use of external service providers
- Continue software development and testing activities, with a focus on critical path projects including the WEM dispatch engine, outages market participant UI and settlements system
- Complete RCM Phase 1 production release 1.4 (Trade Declaration, RC security)
- Brief stakeholders on NAQ consultation approach for WEM Procedure (WRIG) and provide project overview (WRIG-IT)
- Review and respond to AR6 Draft Determination
- Support EPWA's Tranche 6 Exposure draft package 1 – to be published in March and progress next revision of the WEM Design Summary

Stakeholder Engagement

WRIG	Next WRIG IT	Market Readiness Survey & Report #3
24 March	31 March	April-May

WEM Reform Program Status Update | April 2022

Overall Status

AEMO continues to expect to achieve the October 2023 go-live date. The program status remains **amber** as schedule pressure continues resulting from delays in acquiring necessary resources. These challenges continue to be actively managed and corrective actions are underway as planned.

Key Activities This Period

- Completed RCM (v1.4) production release, which includes changes for the Year 1 processes including Trade Declaration and RC security (Phase 1)
- Discussed AEMO's approach to RCM Network Access Quantities (NAQ) in WEM Procedure and system project implementation plan at WRIG-IT.
- Released technical documents including:
  - WEMDE Settlement and Monitoring Data interface specification v0.1
  - Draft Settlements Formulation Document
  - Preliminary constraints library interactive Power BI report (available on the Reformer) including demonstration at WRIG-IT
- Progressed internal controller training for new Security Constrained Economic Dispatch (SCED) processes.
- Published WEM Procedures for WEM Metering Settlement and Production Calculations, RCM Limit Advice Transition, Capacity Credit Allocation
- Provided progress report to the Minister and EPWA.
- Review and respond to ERA's AR6 Draft Determination (submissions due 28 April)

Focus For Next Period

- Execute contracts with external suppliers to enable the program to scale up and accelerate delivery
- Continue software development and testing activities including
  - Progress RCM NAQ execution – Initial focus includes NAQ engine and Facility Dispatch Scenario Builder development and RCM Constraint Management System – Limit Advice User Interface.
  - Finalise AEMO controller User Interface planning for WEMDE, including the resourcing and delivery approach
- Progress software certification and assurance activities:
  - Progress certification of WEMDE formulation against WEM Rules.
  - Engage vendor to undertake software certification and testing for Settlements Formulation and system.
- Showcase additional outage management functionality User Interface at WRIG-IT and continue collaboration sessions with Western Power on technical and procedure elements.

Stakeholder Engagement

WRIG	WA ECF	WRIG IT	WRIG	Market Readiness Survey & Report #3
28 April	4 May	12 May	26 May	April-May

Questions and Feedback

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