

## CALL FOR SUBMISSIONS ON PROCEDURE CHANGE PROPOSAL

Wholesale Electricity Market Rules – Section 2.10.7

### AEPC\_2019\_11: PRUDENTIAL REQUIREMENTS – CREDIT LIMIT CALCULATION

Date of notice: 4 November 2019

This notice informs all Rule Participants and interested parties (**Consulted Persons**) that AEMO has published a Procedure Change Proposal in respect of the Market Procedure: Prudential Requirements (**Procedure**).

Under clause 2.10.3 of the WEM Rules, if an Amending Rule requires AEMO to develop new Market Procedures or to amend or replace existing Market Procedures, AEMO is responsible for the development, amendment, or replacement of Market Procedures so as to comply with the Amending Rule.

This consultation is being conducted in accordance with the Procedure Change Process detailed in section 2.10 of the Wholesale Electricity Market (**WEM**) Rules.

#### Matter under consultation

The proposed amendments to the Market Procedure: Prudential Requirements corrects the formula in step 2.2.2 for calculating a Market Participant’s anticipated maximum 70-day exposure for which at least three full months of Non-STEM settlement data is available.

AEMO proposes to amend the calculation to use the actual daily exposure in the Balancing Market, rather than a monthly average. This is consistent with the implementation in AEMO’s systems and processes.

AEMO also proposes minor administrative and formatting changes in section 1 of the Procedure.

Further details are provided in the Procedure Change Proposal published with this notice. The proposed amended Procedure is published with this notice and the Procedure Change Proposal.

#### The consultation process

The consultation process is outlined below. Dates are indicative only and subject to change.

PROCESS STAGE	INDICATIVE DATE
Closing date for submissions in response to the Procedure Change Proposal	2 December 2019
Publication of Procedure Change Report	30 December 2019
Proposed commencement of Market Procedure	31 December 2019

#### Invitation to make submissions

AEMO invites written submissions on this Procedure Change Proposal, including any alternative or additional proposals you consider may 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).

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so.

### Meetings

In your submission, you may request a meeting with AEMO to discuss the Procedure Change Proposal, stating why you consider a meeting is necessary or desirable.

If appropriate, meetings may be held jointly with other Consulted Persons. Subject to confidentiality restrictions, AEMO will generally make details of matters discussed at a meeting available to other Consulted Persons, and may publish them.

### Closing date and time

Submissions in response to this Procedure Change Proposal should be sent by email to [wa.marketdevelopment@aemo.com.au](mailto:wa.marketdevelopment@aemo.com.au), and received by 5:00 PM (Australian Western Standard Time) on **2 December 2019**. All submissions must be forwarded in electronic format. Please send any queries about this consultation to the same email address.

All correspondence in relation to this Procedure Change Proposal must be entitled "AEPC\_2019\_11: Prudential Requirements – Credit Limit Calculation – [Name of the submitting company or individual]".

Submissions should use the Procedure Change Submission form available at:

<http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Procedures/Procedure-changes>.

AEMO is not obliged to consider submissions received after the closing date and time. Any late submissions should explain the reason for lateness and the detriment to you if AEMO does not consider your submission.

### Publication

All submissions will be published on AEMO's website, other than confidential content.