



WHOLESALE ELECTRICITY MARKET

PROCEDURE CHANGE REPORT: AEPC_2017_11

MARKET PROCEDURE: NOTICES AND COMMUNICATIONS

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EXECUTIVE SUMMARY

Purpose

The publication of this Procedure Change Report, and the accompanying Market Procedure, completes the Procedure Change Process conducted by AEMO to consider a revised Market Procedure: Notices and Communications (Procedure) under the Wholesale Electricity Market (WEM) Rules.

Proposed amendments

The proposed revised Procedure has been developed in accordance with clause 1.6.2 of the WEM Rules which requires AEMO to document the method by which notices and communications required under, contemplated by or relating to, the WEM Rules are to be given to or by AEMO.

Consultation

A draft version of the Procedure was presented to the AEMO WEM Procedure Change Working Group meeting held on 18 July 2017. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>. Minor changes to improve clarity were recommended by stakeholders.

The Market Advisory Committee (MAC) did not meet regarding this proposal.

No public workshops were held in relation to this Procedure Change Proposal.

AEMO published the Procedure Change Proposal (AEPC_2017_11) and issued a notice calling for submissions on 21 July 2017.

The submission period closed on 18 August 2017 with a submission received from Perth Energy. Perth Energy suggested clarifying the definition of Business Hours. AEMO has amended the Procedure in line with Perth Energy's suggestion.

AEMO's decision

AEMO's decision is to accept the Procedure as amended following the consultation period. AEMO considers that the revised Procedure is consistent with the Wholesale Market Objectives, the WEM Regulations and the WEM Rules.

Next steps

The revised Market Procedure: Notices and Communications will commence at 8:00 AM (AWST) on 1 October 2017.



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1. BACKGROUND

1.1 Regulatory requirements

AEMO has published this Procedure Change Report in accordance with the Procedure Change Process specified in clause 2.10 of the Wholesale Electricity Market (WEM) Rules.

1.2 Context

AEMO commenced a general review of Market Procedures following gazetted amendments to the WEM Rules related to the Reserve Capacity Mechanism on 31 May 2016 by the Minister for Energy.¹

In addition, AEMO's Perth office relocated during August 2017, resulting in necessary amendments to contact details within the Procedure.

Clause 1.6.2 of the WEM Rules requires that:

AEMO must develop a Market Procedure which sets out the method by which notices and communications required under, contemplated by or relating to, these Market Rules are to be given to or by AEMO.

The amended Procedure is the fifth version. AEMO proposes to commence the revised Procedure on 1 October 2017 as close as possible to the relocation of AEMO's Perth office.

1.3 Procedure Change Process and Timetable

On 21 July 2017, AEMO published a Procedure Change Proposal (AEPC_2017_11) for the Market Procedure: Notices and Communications and issued a call for submissions, which are available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_11.

The proposal was progressed using the Procedure Change Process specified in clause 2.10 of the WEM Rules, with submissions required by 18 August 2017.

¹ See Government Gazette No.89 dated 31 May 2016, *Wholesale Electricity Market Amending Rules 2016*.



2. PROPOSED PROCEDURE CHANGE

This section details the changes AEMO proposed when the call for submissions was published.

2.1 Detail of the proposed procedure change

AEMO proposed to update the Procedure to:

- Increase clarity and update to the current format.
- Reflect the relocation of AEMO's Perth office.

In addition, AEMO reviewed the requirement in step 2.2.1(c) to verify email communications. This step states that, unless otherwise provided for in the WEM Rules and Market Procedures, a notice sent by email will be considered to have been provided (subject to certain provisos relating to Business Hours) “on the date and at the time when notification is recorded by the sender’s electronic communication system as having been first received at the electronic mail destination”. However, while most email systems log the time an email is sent out, they do not always record the time that that email is received at its final destination. Although it is possible for the sender of an email to request a delivery receipt, not all email servers support the provision of these receipts so is not a failsafe way of ensuring that an email has been successfully delivered. As an email sent to a valid email address is now considered a reliable method of communication, similar to sending a letter through the post, AEMO proposed to relax the active monitoring requirements.

2.2 Proposed drafting

AEMO published a draft of the proposed Procedure for consultation. The Procedure as drafted is available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_11.

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



3. CONSULTATION PROCESS

3.1 Market Advisory Committee or Working Group

The Market Advisory Committee (MAC) has delegated its advisory role with respect to AEMO's Procedure Change Proposals to the AEMO Procedure Change Working Group (APCWG), in accordance with clause 2.3.17(a) of the WEM Rules, and accordingly the MAC did not review the Procedure Change Proposal.

A draft version of the Procedure was presented to the APCWG meeting held on 18 July 2017. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>. Minor changes to improve clarity were recommended by stakeholders.

In accordance with clause 2.10.9, AEMO notified the MAC once the Procedure Change Proposal was published and noted that the Rule Change Panel would convene a meeting of the MAC should two or more members request it. The Rule Change Panel did not convene a meeting of the MAC with regard to this Procedure Change Proposal.

3.2 Public Workshop

No public workshops were held in relation to this Procedure Change Proposal.

3.3 Submissions received during consultation period

AEMO published the Procedure Change Proposal (AEPC_2017_11) and issued a notice calling for submissions on 21 July 2017. The submission period closed on 18 August 2017 with a submission received from Perth Energy. Copies of submissions received during the submission period are available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_11.

3.3.1 Specific comments

Definition of Business Hours

Perth Energy commented on step 1.2.1.

Perth Energy noted that the current definition refers to "Western Australian public holidays", which differs from the wording used in the definition of Business Days in the WEM Rules which refers to "a public holiday throughout Western Australia". The distinction is important as some Western Australian public holidays only apply to a specific region and do not affect Perth (for example, Kalgoorlie and the Pilbara towns).

AEMO's response

AEMO has amended the Procedure in line with Perth Energy's suggestion.



4. AEMO'S ASSESSMENT

4.1 Further changes to the Procedure

In accordance with the submission received, AEMO amended the definition of Business Hours in line with Perth Energy's suggestion. A tracked-changes version indicating this amendment is available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_11.

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

The proposed 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.

4.3 Consistency with Wholesale Market Objectives

The steps outlined in this revised Procedure document the methods by which notices and communications required under, contemplated by or relating to, the WEM Rules are to be given to or by AEMO.

AEMO considers that the steps are drafted in a way that is consistent with 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.

4.4 Implementation of the Procedure

The Procedure was developed in accordance with clause 1.6.2 of the WEM Rules.

This Procedure does not require system changes by AEMO, and will not require Rule Participants to implement any procedural or system amendments before commencement.

Consequently, AEMO considers that the commencement at 8:00 AM (AWST) on 1 October 2017 will allow Rule Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance.

4.5 AEMO's decision and commencement

AEMO's decision is to accept the Procedure as amended following the consultation period. The revised Market Procedure: Notices and Communications will commence at 8:00 AM (AWST) on 1 October 2017.

AEMO has made this decision on the basis that the revised Procedure:

- Is consistent with the Wholesale Market Objectives.
- Is consistent with the Electricity Industry Act, WEM Regulations and WEM Rules.
- Has the general support of submissions received during the consultation period.

Additional detail outlining the analysis behind AEMO's decision is outlined in section 3 of this Procedure Change Report.

The revised Market Procedure: Notices and Communications is available at:

http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_11.