

# WHOLESALE ELECTRICITY MARKET

## PROCEDURE CHANGE PROPOSAL: AEPC\_2019\_10

POWER SYSTEM OPERATION PROCEDURE: FACILITY  
OUTAGES

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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 Power System Operation Procedure: Facility Outages under the Wholesale Electricity Market Rules (WEM Rules).

The proposed revised Power System Operation Procedure is required by clauses 3.18.21, 3.19.14, 3.21.12 and 4.11.1(h) of the WEM Rules which require AEMO to detail the processes to be followed by:

- a) AEMO, Market Participants and Network Operators when conducting outage planning for a Facility [WEM Rule 3.18.21];
- b) AEMO, Market Participants and Network Operators when conducting final approval of outages [WEM Rule 3.19.14];
- c) AEMO, Market Participants and Network Operators when determining and reporting Forced Outages and Consequential Outages [WEM Rule 3.21.12]; and
- d) AEMO when calculating Planned Outage and Forced Outage rates for the purposes of assigning no Certified Reserve Capacity or a lesser quantity of Certified Reserve Capacity [WEM Rule 4.11.1(h)].

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\\_2019\\_10](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_10).

A draft version of the Market Procedure was presented at the WEM AEMO Procedure Change Working Group (WEM APCWG) meeting held on 12 December 2019. Details of these forums are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>.

Minor changes to improve clarity and process were recommended by stakeholders and incorporated into the proposed Market Procedure that forms part of this Procedure Change Proposal.

AEMO invites stakeholders to suggest alternative options or drafting where they consider that these would improve the Market 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 Power System Operation Procedure by 5.00 pm Australian Western Standard Time (AWST) on 21 January 2020, in accordance with the call for submissions published with this Procedure Change Proposal.



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## 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	19 December 2019
Submissions due on Procedure Change Proposal	21 January 2020
Procedure Change Report published	31 January 2020
Proposed commencement of revised Market Procedure	1 February 2020

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

Clauses 3.18.21, 3.19.14, 3.21.12 and 4.11.1(h) of the WEM Rules provide that:

- 3.18.21. *System Management must document the procedure it follows in conducting outage planning in the Power System Operation Procedure and System Management, Market Participants and Network Operators must follow that documented Market Procedure when planning outages.*
- 3.19.14. *System Management must document the procedure it follows in conducting final approval of outages in the Power System Operation Procedure and System Management, Market Participants and Network Operators must follow that documented Market Procedure when conducting final approval of outages.*
- 3.21.12 *System Management must document the procedure to be followed in determining and reporting Forced Outages and Consequential Outages in the Power System Operation Procedure and System Management, Market Participants and Network Operators must follow that documented Market Procedure.*
- 4.11.1(h) *... The Planned Outage rate and the Forced Outage rate for a Facility for a period are calculated in accordance with the Power System Operation Procedure specified in clause 3.21.12.*

The proposed Power System Operation Procedure would be the seventh version of this Procedure. AEMO proposes to commence the revised procedure on 1 February 2020.

### 2.2 Context for this consultation

In general, AEMO revises Market Procedures to:

- (a) meet current AEMO standards;
- (b) ensure compliance with the WEM Rules; and
- (c) ensure content in Market Procedures is required because:
  - i. a WEM Rule requirement exists to include detail or process; or
  - ii. AEMO requires an obligation on itself or Participants.



### 3. PROPOSED PROCEDURE CHANGE

#### 3.1 Detail of the proposed procedure change

AEMO is proposing to reflect changes to the WEM Rules as a result of Rule Change RC\_2013\_15<sup>1</sup>. In general, AEMO intends to revise the Market Procedure in relation to:

- Opportunistic Maintenance requests.
- latest time to request a proposed Planned Outage.
- latest time to approve a proposed Planned Outage or Opportunistic Maintenance request.
- Facilities on the Equipment List.
- definition of an outage, and sequential outages.
- new category of Planned Outage (Mandatory Routine Maintenance).
- other editorials and defined terms.

A summary of the relevant changes appears in Appendix A, and further details concerning the rationale for these changes are available in the consultation documentation (see section 3.3).

#### 3.2 Proposed drafting

AEMO has published a draft of the proposed Market Procedure: Facility Outages for consultation, which is available at: [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_10](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_10). 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 WEM AEMO Procedure Change Working Group (WEM APCWG) meeting held on 12 December 2019. Details of this forum is available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>.

Minor changes to improve clarity and process were recommended by stakeholders and incorporated into the proposed Market Procedure that forms part of this Procedure Change Proposal.

In particular, stakeholders requested clarity regarding the requirement to contact AEMO by phone when submitting a request for Opportunistic Maintenance (proposed step 6.1.1 of the Procedure). Currently, the requirement to contact AEMO by phone only applies to On-the-Day Opportunistic Maintenance. On-the-Day Opportunistic Maintenance will be removed from the WEM Rules by Rule Change RC\_2013\_15. AEMO has clarified these requirements by specifying timeframes in the Procedure.

#### 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.

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<sup>1</sup> Rule Change: RC\_2013\_15, *Outage Planning Phase 2 - Outage Process Refinements*. Available from: [https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc\\_2013\\_15](https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2013_15).



### **3.5 Consistency with Wholesale Market Objectives**

The steps outlined in this revised Power System Operation Procedure describe the processes to be followed by:

- a) AEMO, Market Participants and Network Operators when conducting outage planning for a Facility [WEM Rule 3.18.21];
- b) AEMO, Market Participants and Network Operators when conducting final approval of outages [WEM Rule 3.19.14];
- c) AEMO, Market Participants and Network Operators when determining and reporting Forced Outages and Consequential Outages [WEM Rule 3.21.12]; and
- d) AEMO when calculating Planned Outage and Forced Outage rates for the purposes of assigning no Certified Reserve Capacity or a lesser quantity of Certified Reserve Capacity [WEM Rule 4.11.1(h)].

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 Market 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 Power System Operation Procedure by 5.00 pm (AWST) on 21 January 2020, in accordance with the call for submissions published with this paper.

Stakeholders with questions in relation to the proposed Power System Operation Procedure or this Procedure Change Proposal can contact AEMO via email to [wa@aemo.com.au](mailto:wa@aemo.com.au).

All correspondence in relation to this Procedure Change Proposal must be entitled "AEPC\_2019\_10 Facility Outages - [Name of the submitting company or individual]".



## APPENDIX A: SUMMARY OF IMPACTS AS A RESULT OF RULE CHANGE RC\_2013\_15

Following is a high-level summary of the changes to this Procedure, and the corresponding impacts on Participants:

Change	Current state	Future state	Change impacts	System solution (interim <sup>2</sup> and post-SMST <sup>3</sup> )	Procedure variations
1. Opportunistic Maintenance requests	Participants can request Day Ahead Opportunistic Maintenance (DAOM) & On the Day Opportunistic Maintenance (ODOM)	<ul style="list-style-type: none"> <li>DAOM no longer exists</li> <li>Opportunistic Maintenance request timeframe:                             <ul style="list-style-type: none"> <li>maximum of 24 hours</li> <li>from 10:00 AM on the day prior to the Scheduling Day</li> <li>by 30 minutes before Balancing Gate Closure</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>AEMO reject any requests for DAOM</li> <li>AEMO reject outage requests for ODOM outside new timeframes</li> <li>Remove DAOM in system</li> </ul>	Interim <ul style="list-style-type: none"> <li>Full IT solution</li> </ul> Post-SMST <ul style="list-style-type: none"> <li>Full IT solution</li> </ul>	Changes to section 6. <ul style="list-style-type: none"> <li>Consolidated sections on DAOM and ODOM</li> <li>Process of request</li> <li>Criteria AEMO uses to determine whether a request is valid</li> <li>Information needed from WEM Rule 3.19.2H</li> </ul>
2. Latest time to request a proposed Planned Outage	Participants must notify AEMO of a proposed Planned Outage or Opportunistic Maintenance not less than 2 Business Days prior to their commencement	Participants must notify AEMO of a Planned Outage: <ul style="list-style-type: none"> <li>for an outage exceeding 24 hours in duration, by 10:00 AM on the day prior to the Scheduling Day; or</li> <li>for an outage of up to 24 hours in duration, by 30 minutes before Balancing Gate Closure</li> </ul>	<ul style="list-style-type: none"> <li>AEMO reject outage requests outside new timeframes</li> <li>Opportunistic Maintenance approval must be done in system</li> <li>New timing restrictions in system</li> </ul>	Interim <ul style="list-style-type: none"> <li>No change required as system already meets requirements</li> <li>Opportunistic Maintenance covered by item 1</li> </ul> Post-SMST <ul style="list-style-type: none"> <li>No change required</li> </ul>	<ul style="list-style-type: none"> <li>No changes required as timeframes clearly specified in the WEM Rules</li> </ul>

<sup>2</sup> Prior to implementation of System Management Systems Transition (SMST).

<sup>3</sup> Following implementation of SMST.



Change	Current state	Future state	Change impacts	System solution (interim <sup>2</sup> and post-SMST <sup>3</sup> )	Procedure variations
3. Latest time to approve a proposed Planned Outage or Opportunistic Maintenance request	No final time defined	Scheduled Outages and Opportunistic Maintenance deemed to be rejected if not approved by 2:00 PM on the day prior to the Scheduling Day or 30 minutes before Balancing Gate Closure for the Trading Interval, respectively	<ul style="list-style-type: none"> <li>AEMO reject outage requests by the final time</li> <li>Opportunistic Maintenance approval must be done in MPI</li> </ul>	<p>Interim</p> <ul style="list-style-type: none"> <li>No system changes</li> <li>Scheduled Outages: AEMO to manually reject all unapproved outages at the deadline</li> <li>Opportunistic Maintenance: unapproved requests will lapse at the deadline</li> </ul> <p>Post-SMST</p> <ul style="list-style-type: none"> <li>Full IT solution</li> </ul>	<p>Changes to section 7.</p> <ul style="list-style-type: none"> <li>Timeframes</li> <li>Process of approval</li> </ul>
4. Facilities on the Equipment List	Participants with Facilities less than 10 MW have requests for an outage automatically approved	All Facilities with Capacity Credits must be included on the Equipment List	<ul style="list-style-type: none"> <li>Equipment List is updated</li> <li>New constraints reflected in MPI</li> </ul>	<p>Interim</p> <ul style="list-style-type: none"> <li>No system changes. AEMO accepts risk that Facilities smaller than 10 MW that have been assigned Capacity Credits are automatically approved</li> </ul> <p>Post-SMST</p> <ul style="list-style-type: none"> <li>Full IT solution</li> </ul>	<p>Changes to section 2.</p> <ul style="list-style-type: none"> <li>Facilities or items of equipment that are required to be on the Equipment List</li> <li>Timeframes for updating the Equipment List</li> <li>Location of published Equipment List</li> </ul>



Change	Current state	Future state	Change impacts	System solution (interim <sup>2</sup> and post-SMST <sup>3</sup> )	Procedure variations
5. Definition of an outage, and sequential outages	<ul style="list-style-type: none"> <li>If not available from start of approved Planned Outage, then Forced Outage</li> <li>Synchronisation time not included in request</li> <li>Requirement for sequential outages unclear</li> </ul>	<ul style="list-style-type: none"> <li>If not available for the entire duration of the approved Planned Outage, then Forced Outage</li> <li>Synchronisation time included in request</li> <li>Strict rules for sequential outages (including "availability challenged")</li> </ul>	<ul style="list-style-type: none"> <li>New assumptions in outage assessment</li> <li>Remove synchronisation time in PASA methodology</li> <li>Revise internal process for approval of sequential outages</li> <li>System to require declaration</li> </ul>	<p>Interim</p> <ul style="list-style-type: none"> <li>No system changes</li> </ul> <p>Post-SMST</p> <ul style="list-style-type: none"> <li>System change to include declaration</li> </ul>	<p>Changes to Section 4 and section 5.</p> <ul style="list-style-type: none"> <li>availability requirement for rescheduling Outage Plans and Scheduled Outages</li> </ul>
6. New category of Planned Outage	-	<p>Mandatory Routine Maintenance is Outage Facility Maintenance that is routine and must be undertaken:</p> <ul style="list-style-type: none"> <li>by a specific point in time; or</li> <li>by the time that a specific measure of usage is reached, as required by applicable legislation or in accordance with the relevant Facility's asset management plan</li> </ul>	<ul style="list-style-type: none"> <li>Participants required to notify AEMO of this type of outage</li> </ul>	<p>Interim</p> <ul style="list-style-type: none"> <li>No system changes. AEMO will indicate communication requirements</li> </ul> <p>Post-SMST</p> <ul style="list-style-type: none"> <li>No system changes. AEMO will indicate communication requirements</li> </ul>	<ul style="list-style-type: none"> <li>No changes as Mandatory Routine Maintenance (MRM) is a category of Planned Outage</li> </ul>



Change	Current state	Future state	Change impacts	System solution (interim <sup>2</sup> and post-SMST <sup>3</sup> )	Procedure variations
7. Other (administrative changes)	-	<ul style="list-style-type: none"> <li>Varied Rule terminology and drafting</li> </ul>	<ul style="list-style-type: none"> <li>Removal of superseded defined terms</li> <li>Added new defined terms</li> <li>Editorials</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<p>Editorials and changes throughout Procedure.</p> <p>Removed superseded defined terms:</p> <ul style="list-style-type: none"> <li>DAOM</li> <li>Equipment List (now defined in the WEM Rules)</li> <li>ODOM</li> </ul> <p>Added new defined terms:</p> <ul style="list-style-type: none"> <li>“Facility or item of equipment” changed to “Outage Facility” or “Equipment List Facility”</li> </ul>