

WHOLESALE ELECTRICITY MARKET

PROCEDURE CHANGE PROPOSAL NO: AEPC_2020_03

MARKET PROCEDURE: FACILITY REGISTRATION, DE-
REGISTRATION AND TRANSFER

Published: **January 2021**





EXECUTIVE SUMMARY

Change requested by:	AEMO
Date submitted:	21 January 2021
Type of Procedure Change Proposal:	Amendment
Market Procedures affected:	Market Procedure: Facility Registration, De-registration and Transfer

The publication of this Procedure Change Proposal and the accompanying call for submissions, commences the Procedure Change Process conducted by AEMO to consider proposed amendments to the Market Procedure: Facility Registration, De-registration and Transfer (Procedure) under the Wholesale Electricity Market Rules (**WEM Rules**).

AEMO is proposing minor revisions to the Procedure to improve alignment with the WEM Rules. Minor referencing errors in the Procedure have been corrected as well as the inclusion of a number of administrative updates. The Procedure has been aligned with AEMO's latest Market Procedure template.

The Procedure Change Proposal was first consulted on at the AEMO Procedure Change Working Group (APCWG) meeting on 7 April 2020. Stakeholders did not request any changes at the meeting. Due to COVID-19 circumstances the proposal was not immediately progressed following the APCWG as the proposed amendments concerned minor matters. AEMO considers that the proposal should now be progressed to ensure that participants have the correct procedural information to follow.

Stakeholders are invited to submit written responses on the proposed amended Procedure by 5.00 pm (Australian Western Standard Time) on 19 February 2021, in accordance with the call for submissions published with this paper.



CONTENTS

EXECUTIVE SUMMARY	2
1. PROCEDURE CHANGE PROCESS	4
2. BACKGROUND	5
2.1. Regulatory requirements	5
2.2. Context for this consultation	5
2.3. Consultation to date	5
3. PROPOSED PROCEDURE CHANGE	5
3.1. Detail of the proposed procedure change	5
3.2. Proposed drafting	6
3.3. Wholesale Market Objective assessment	6
4. SUMMARY OF MATTERS FOR CONSULTATION	6



1. PROCEDURE CHANGE PROCESS

Clause 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.

If an Amending Rule requires AEMO to develop new Market Procedures or to amend or replace existing Market Procedures, then AEMO is responsible for the development, amendment, or replacement of Market Procedures so as to comply with the Amending Rule.

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	21 January 2021
Submissions due on Procedure Change Proposal	19 February 2021
Procedure Change Report published	4 March 2021
Proposed commencement of amended Market Procedure	5 March 2021



Prior to the submission's 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

This Procedure is made in accordance with clause 2.31.23 of the Market Rules. Clause 2.31.23 states:

AEMO must document the registration, de-registration and transfer process in a Market Procedure and:

- (a) applicants to register or de-register as a Rule Participant in a particular class must follow the documented Market Procedure applicable to that class; and*
- (b) applicants to register, de-register, or transfer a Facility in a particular Facility Class must follow the documented Market Procedure applicable to that class.*

The current version of the Market Procedure commenced on 18 April 2017.

2.2. Context for this consultation

As part of its internal review processes, AEMO identified some minor referencing errors in the Procedure. AEMO considers it appropriate to correct these errors to ensure that the procedural steps for Market Participants are accurate.

As part of this change, AEMO is proposing minor revisions to the Procedure to improve alignment with the WEM Rules, together with administrative updates to align the Procedure with AEMO's current Market Procedure template.

The proposed amendments were presented to the APCWG meeting on 7 April 2020 as discussed in section 2.3. However, due to COVID-19 circumstances the Procedure Change Proposal was not immediately progressed following the meeting as it concerned minor matters. AEMO considers that the proposal should now be progressed to ensure that participants have the correct procedural information to follow.

2.3. Consultation to date

A draft version of the proposed amended Procedure was presented at the APCWG meeting on 7 April 2020. Stakeholders did not request any changes at the meeting. However, AEMO has made minor revisions to the procedure following the meeting, including corrections of formatting and grammatical errors. The minutes and papers from the meeting are available at: <https://aemo.com.au/en/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/wem-aemo-procedure-change-working-group>.

3. PROPOSED PROCEDURE CHANGE

3.1. Detail of the proposed procedure change

The proposed changes to the Procedure are:

- Revisions to section 1 of the Procedure to align this section with AEMO's latest Market Procedure template.
- Step 3.1.4 has been updated to clarify the requirements of this step so that it now reads "*Applicants must indicate in the Request for Facility Creation form which type of facility they wish to create. This can either be:....*"



- Updates to steps 3.1.4 (b), 3.2.15, 4.1.5 and 4.1.10 to reflect the correct cross references in those steps.
- Several updates to align the wording in the Procedure to the Market Rules including replacing the word “Approve” with “Accept” (and variations thereof) in the flowcharts in section 2 as well as steps 3.1.9, 3.1.10, 3.2.16, 4.1.10, 4.1.11, 4.1.12, 5.1.13, 5.1.14, 5.1.16, 5.1.16, 6.1.5, 6.1.7, 6.2.4, 6.2.5, 6.2.7, 7.1.7, 8.1.5, 8.1.6.
- Various typographical, grammatical and formatting updates throughout the Procedure.

3.2. Proposed drafting

AEMO has published a draft of the Market Procedure: Facility Registration, De-registration and Transfer incorporating the changes AEMO proposes for consultation. Clean and change-marked versions are available at: https://aemo.com.au/en/consultations/current-and-closed-consultations/aepec_2020_03.

3.3. Wholesale Market Objective assessment

The proposed minor updates to the Procedure are intended to correct referencing errors, improve alignment with the WEM Rules and ensure consistency with AEMO’s latest template for Market Procedures. The proposed updates will remove minor administrative inefficiencies that may occur from the application of the current procedure and are therefore consistent with Wholesale Market Objectives to:

- promote economic efficiency consistent with Wholesale Market Objective (a); and
- minimises the long-term cost of electricity consistent with Wholesale Market Objective (d).

4. SUMMARY OF MATTERS FOR CONSULTATION

AEMO invites stakeholders to suggest alternative options for drafting, where they consider these would improve the proposed Procedure or better meet the Wholesale Market Objectives. Stakeholders are invited to submit written responses on the proposed amended Procedures by 5:00 PM (Australian Western Standard Time) on 19 February 2021 in accordance with the call for submissions published with this Procedure Change Proposal.

Stakeholders with questions in relation to the proposed amended Procedures or this Procedure Change Proposal can contact AEMO via email at wa@aemo.com.au. All correspondence in relation to this Procedure Change Proposal must be entitled “AEPC_2020_03: Market Procedure – Facility Registration, De-Registration and Transfer [Name of the submitting company or individual]”.