

CALL FOR SUBMISSIONS ON PROCEDURE CHANGE PROPOSAL

Wholesale Electricity Market Rules – Clause 2.10

AEPC_2021_04: Prudential Requirements

Date of Notice: 17 December 2021

This notice informs all Rule Participants and interested parties (Consulted Persons) that AEMO has published a Procedure Change Proposal in respect of the revised WEM Procedure: Prudential Requirements (Procedure) and is conducting a consultation process on this proposal.

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

Matter under Consultation

AEMO has initiated this Procedure Change Proposal to propose amendments to:

- reduce the period used to determine Credit Limits from 24 months to 12, and
- correlate a Market Participant's exposure in the STEM and Non-STEM markets.

The proposed amendments are summarised in section 3.1 of this Procedure Change Proposal. The proposed revised WEM Procedure is published with this notice and the Procedure Change Proposal.

AEMO seeks comment and feedback on:

- whether Market Participants consider the proposed changes reflect an appropriate balance between the cost of maintaining Credit Support and the level of market risk;
- whether the draft proposed changes to the Procedure effectively implement AEMO's intended changes; and
- any other issues that AEMO needs to address in this Procedure, given the parameters set out in the WEM Rules.

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	28 January 2022
Publication of Procedure Change Report	21 February 2022
Proposed commencement of revised WEM Procedure	28 February 2022

Invitation to Make Submissions

AEMO invites written submissions on this Procedure Change Proposal, including any alternatives or additional proposals you consider that may improve the Procedure or better meet the Wholesale Market Objectives in section 122(2) of the Electricity Industry Act 2004 (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 must be emailed to wa@aemo.com.au, by 5.00 pm (AWST) on 28 January 2022.

All submissions must be forwarded in electronic format (both pdf and Word). Further, all emails relating to this Procedure Change Proposal must be entitled "AEPC_2021_04 Prudential Requirements - [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 delay 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.