

Wholesale Electricity Market

Procedure Change Report:

20 December 2024

WEM Procedure: Real-Time Market Suspension





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1 Background

1.1 Regulatory requirements

The publication of this Procedure Change Report and the accompanying Wholesale Electricity Market Procedure (**WEM Procedure**) completes the Procedure Change Process conducted by AEMO to consider proposed amendments to the WEM Procedure: Real-Time Market Suspension (**Procedure**) under the Wholesale Electricity Market Rules (**WEM Rules**).

AEMO has published this Procedure Change Report in accordance with the Procedure Change Process outlined in section 2.10 of the WEM Rules.

1.2 Context

AEMO commenced the Procedure Change Process to implement the new Procedure as a result of the Wholesale Electricity Market Amendment (Market Suspension) Rules 2023 (Amending Rules), gazetted on 19 September 2023.

When the Amending Rules were published for consultation, the stated intent was summarised as “enabling settlement in the event AEMO suspends the Real-Time Market or fails to use the Dispatch Algorithm for the Central Dispatch Process.” The Amending Rules also introduced an obligation on AEMO to document the processes that AEMO and Market Participants must follow during a Real-Time Market suspension.

1.3 Procedure change process and timetable


On 30 October 2024, AEMO published the Procedure Change Proposal (AEPC_2024_12) and issued a call for submissions. The proposal was progressed using the Procedure Change Process outlined in section 2.10 of the WEM Rules with submissions required by 28 November 2024.

2 Proposed procedure change

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

2.1 Detail of the proposed procedure change

This WEM Procedure provides information on the reasons why AEMO would suspend the Real-Time Market. The Procedure also describes AEMO’s process for how it determines to suspend the Real-Time Market and the process it undertakes during the Real-Time Market Suspension.



AEMO's Procedure also describes the Market Participant obligations and the process it will undertake to resume the operation of the Real-Time Market.

2.2 Proposed drafting

AEMO published a draft of the proposed Procedure for consultation. This is available on AEMO's website at https://aemo.com.au/consultations/current-and-closed-consultations/aepec_2024_12.

3 Consultation process

3.1 Market Advisory Committee and Working Group

3.1.1 Market Advisory Committee

In accordance with the Coordinator's WEM Procedure: Procedure Administration, AEMO notified all members of the Market Advisory Committee (MAC) of the publication of the Procedure Change Proposal on 31 October 2024, which was within one Business Day of publishing the Procedure Change Proposal on 30 October 2024.

AEMO advised the MAC that it did not consider that the MAC should be convened in relation to the Procedure Change Proposal, for the following reasons:

- The Procedure Change Proposal explained the reason for changes to the existing procedure, and contained comprehensive detail on the proposed amendments.
- The Procedure Change Proposal was on the agenda for discussion at the AEMO Procedure Change Working Group meeting on 13 November 2024.

A response was not received from the MAC and a MAC Meeting was not convened.

3.1.2 AEMO Procedure Change Working Group

An overview of the proposed amended Procedure was presented at the AEMO Procedure Change Working Group (APCWG) meeting held on 13 November 2024.

No questions or concerns were raised by stakeholders on the proposed changes during the APCWG meeting.

The papers and minutes from the APCWG meeting can be found on the WEM Website at <https://aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/wem-aemo-procedure-change-working-group>.

3.2 Submissions received during consultation period

AEMO published the Procedure Change Proposal AEPC_2024_12 and issued a call for submissions on 30 October 2024. The submission period closed on 28 November 2024.



AEMO received one submission from Alinta during the consultation period.

The feedback has been incorporated into the Procedure. A summary of the stakeholder feedback and AEMO’s responses are shown below.

Table 1 Summary of Stakeholder Feedback

Paragraph	Summary of feedback	AEMO Response
1.2.2 Definitions	For clarity, we suggest that the term ‘Manual Dispatch Period’ should be defined for the purposes of this WEM Procedure.	AEMO has included this definition in the Procedure.
2.1.2(b)	In accordance with paragraph 2.1.2(b) AEMO may suspend the Real-Time Market (RTM) in circumstances where it is unable to receive RTM Submissions from ‘a market participant’. We suggest that further detail is provided to clarify the circumstances that would give rise to a RTM suspension where AEMO is unable to receive RTM Submissions from a single Market Participant as we would expect that a suspension is not necessary in many of these instances.	AEMO notes that the paragraph already specifies the circumstances where this may lead to a suspension: namely where it results in actions to maintain Power System Security and Reliability resulting in significant impacts to market settlement. AEMO considers this to be an appropriate level of detail. However, AEMO has updated the wording to instead specify “one or more” Market Participants.
2.2 AEMO’s process for determining to suspend	<p>Paragraph 3.1.2 of the Procedure Change Proposal Report states that AEMO’s processes differ depending on the reason for the RTM suspension. The Report further provides that these processes are captured in Figure 1 on page 11 of the Procedure however, the proposed Procedure does not contain any figures.</p> <p>A figure setting out AEMO’s processes for each of the circumstances listed in section 2 would assist in clarifying the processes by which AEMO will determine to suspend the RTM in accordance with the intended purpose of the Procedure and would be consistent with the requirement of clause 7.11D.1(a).</p>	AEMO has included Figure 1 Suspending the Real-Time Market in the Procedure.
2.2 AEMO’s process for determining to suspend	Paragraph 2.2.4 appears to set out that AEMO will suspend the RTM within 2 hours of identifying an event that may require suspension of the RTM, if the root cause cannot be determined or AEMO does not consider the issue can be resolved within a reasonable timeframe. It is not clear what ‘identifying	AEMO notes the comments from Alinta. AEMO has amended the words “identifying an event” for clarity. Further, paragraph 2.2.4 provides for a specific scenario, and the 2-hour timeframe does not limit the

Paragraph	Summary of feedback	AEMO Response
	<p>an event' means in the context of the paragraph or why a 2-hour timeframe has been determined. It may not be appropriate to limit AEMO's decision making in circumstances where a suspension event (i.e. one or more of the reasons for market suspension set out in paragraph 2.1) is likely to occur (i.e. been identified) but hasn't yet occurred, to a 2-hour window. We suggest that the intention of paragraph 2.2.4 be clarified so that the circumstances that would give rise to a decision to suspend the RTM and the process that AEMO will use to make that decision are clearly documented.</p>	<p>circumstances in which AEMO may suspend the Real-Time Market under paragraph 2.2.3. In relation to paragraph 2.2.4 specifically, in circumstances where an event has been identified, AEMO has set a 2-hour timeframe to identify the root cause and resolution. If no root cause is identified within this timeframe, AEMO's default position is to suspend the Real-Time Market. If a root cause is identified within 2 hours, AEMO may proceed with or defer suspension depending on specific circumstances. AEMO has included an explanatory note to provide more information on this approach.</p>
<p>3. AEMO's processes during Real-Time Market Suspension</p>	<p>It is not clear when AEMO will set the RTM Suspension Flag for each Dispatch Interval to one (1) when declaring a RTM suspension, as required by clause 7.11D.6. The RTM Suspension Flag is potentially an important indicator to market participants that the RTM has been suspended and the impacted Dispatch Intervals. When and how AEMO sets this flag should be clearly set out in this Procedure.</p>	<p>The WEM Rules prescribe what AEMO must set the RTM Suspension Flag to during a Real-Time Market Suspension, and this is not required in the Procedure. AEMO notes the RTM Suspension Flag is set through UI. It can be done retrospectively to set precise interval boundaries for settlement purposes. As mandated by the WEM Rules, AEMO will communicate information through Market Advisories during an event, and Market Participants should continue to monitor these.</p>
<p>3. AEMO's processes during Real-Time Market Suspension</p>	<p>Paragraph 3.2 sets out several matters associated with the determination of Manual Dispatch Schedules. The definition of Manual Dispatch Schedule sets out that AEMO may revise the Manual Dispatch Schedule over the course of the Manual Dispatch Period. The Procedure is not clear how AEMO will use 'reasonable endeavours to maximise what it considers would likely be the value of RTM trading if the RTM were not suspended' as required by clause 7.2.2A. While the</p>	<p>AEMO notes Alinta's feedback and considers no further changes are required to this Procedure. The WEM Rules do not require AEMO to demonstrate how it will comply with clause 7.2.2A through a Procedure. In an event, AEMO will manage the real-time operation of the WEM, having regard to Power System Security and</p>

Paragraph	Summary of feedback	AEMO Response
	<p>Procedure sets out that AEMO may determine a Manual Dispatch Schedule using RTM Submissions the Procedure also sets out that AEMO may deviate from RTM Submissions. In addition, paragraph 3.3 provides that if AEMO suspends the market it must determine Market Clearing Prices. Further clarification should be provided in the Procedure as to how AEMO will maximise what it considers to be the value of real-time trading in circumstances where the RTM is suspended. This will demonstrate how AEMO will comply with clause 7.2.2A.</p>	<p>Power System Reliability considerations.</p>
<p>3. AEMO’s processes during Real-Time Market Suspension</p>	<p>The importance of having an effective communication plan in which all participants understand their role is recognised as a critical success factor in the effective management of disaster and emergency situations. We recommend that this Procedure provide further and more specific detail about the processes AEMO will follow and the processes which Market Participants are expected to follow during a RTM suspension. The WEM Procedure: Communications and Control Systems, paragraph 3, provides that where a major loss of communications occurs, the Market Participant and AEMO must revert to voice communications and, where available, AEMO may use the Network Operator’s operational voice communications system. To avoid confusion in circumstances where usual communication channels are unavailable, we recommend that clear and direct procedures and processes are documented in the most appropriate WEM Procedure with relevant cross referencing. This will ensure that all effected parties understand what is required so that they can comply with the documented RTM suspension communication protocols. This will assist to limit the disruption to electricity supply and positively contribute to the maintenance of ‘stable operations’, especially in circumstances where a loss of communications, with or by AEMO, is unexpected, immediate and widespread across the market.</p>	<p>As noted in paragraph 3.2.8 of the Procedure, AEMO will communicate with Market Participants during an event either verbally or electronically as required. The related Procedure “Communications and Control Systems” describes the processes where there is a loss of communication systems. To reduce confusion for Market Participants, AEMO does not replicate obligations across multiple Procedures. AEMO considers no further changes are required to this Procedure.</p>



Paragraph	Summary of feedback	AEMO Response
4. Market Participant obligations during Real-Time Market Suspension	<p>The Procedure does not appear to contemplate circumstances where AEMO may be unable to issue a Market Advisory. Consideration should be given to the scenario where AEMO suddenly and unexpectedly loses the ability to communicate with Market Participants in the RTM.</p> <p>As much guidance and clarity as possible should be provided in this Procedure to assist Market Participants in understanding their obligations. This section needs to be clear:</p> <ul style="list-style-type: none">• As to how a Market Participant will know to remain at the most recently issued Dispatch Instruction – what will trigger this in circumstances where a Market Advisory is unable to be distributed or is delayed in unforeseen circumstances (4.1.2(a)).• What validation is required to be undertaken and specifically when, it is unclear what is being validated and what ‘ahead of time’ means (4.1.2(b)).• How RTM Submissions are to continue to be made when relevant communications and control systems are not working (4.2.2(c)).• How and what information is to be submitted to AEMO if the Market Participant is unable to provide RTM Submissions (4.1.2(d)). <p>We suggest that AEMO consider potential options for scenario planning with Market Participants to ensure all potential contingencies and risks associated with the actions required by Market Participants are effectively mitigated and the processes and required actions set out in this Procedure are sufficiently comprehensive and broadly understood.</p>	<p>During an event, AEMO will take into consideration the event factors and situation in regards to Market Participant and AEMO obligations. If AEMO suspends the Real-Time Market, Market Participants will remain at the most recently issued Dispatch Instructions unless notified verbally or electronically by AEMO. Validation of a Facility is confirmed at Commissioning. In an event, Market Participants should continue to make submissions until AEMO’s systems can receive. Market Participants and AEMO should communicate verbally if a Market Participant is unable to make Real-Time Market Submissions. AEMO notes Alinta’s feedback on scenario planning and will work with industry on the best approach for this.</p>



4 AEMO's assessment

4.1 Consistency with *Electricity Industry Act 2004*, WEM Regulations, WEM Rules and Wholesale Market Objectives

AEMO considers that the revised Procedure is consistent with the:

- *Electricity Industry Act 2004* (WA);
- WEM Regulations;
- WEM Rules; and
- Wholesale Market Objectives.

4.2 Implementation of the Procedure

The Procedure will commence at 8.00am (AWST) on 20 December 2024.

The WEM Procedure can be found on the WEM Website at https://aemo.com.au/consultations/current-and-closed-consultations/aepc_2024_12.