



# WHOLESALE ELECTRICITY MARKET

## PROCEDURE CHANGE PROPOSAL: AEPC\_2017\_07

IMS INTERFACE MARKET PROCEDURE – NETWORK  
OPERATORS AND AEMO

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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<sup>1</sup> to consider a proposed new IMS Interface Market Procedure – Network Operators and AEMO under the Wholesale Electricity Market Rules (WEM Rules).

The proposed new Market Procedure is required by clause 2.36A.1 of the WEM Rules, which commenced on 1 July 2016 and which requires System Management to develop a new IMS Interface Market Procedure prescribing the reasonable arrangement by which Network Operators and AEMO must provide each other with information under WEM Rules.

The Procedure Change Proposal includes this document, which outlines the reason for the proposed Market Procedure, and the proposed Market Procedure itself, which is available at:

[http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2017\\_07](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_07).

AEMO invites stakeholders to suggest alternative options or drafting where they consider that these would improve the 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 Market Procedure by 5.00 pm Australian Western Standard Time (AWST) on 16 August 2017, in accordance with the call for submissions published with this Procedure Change Proposal.

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<sup>1</sup>In this Procedure Change Proposal, unless the context requires otherwise, references to AEMO include AEMO in its System Management capacity.



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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 July 2017
Submissions due on Procedure Change Proposal	16 August 2017
Procedure Change Report published	12 October 2017
Proposed commencement of new Market Procedure	13 October 2017

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

Clause 2.36A.1 of the WEM Rules, which commenced on 1 July 2016, provides that:

*2.36A.1. System Management must develop an IMS Interface Market Procedure prescribing the reasonable arrangement by which Network Operators and AEMO must, subject to clause 2.36A.2, provide each other with information under these Market Rules, including:*

- (a) the format, form and manner in which that information must be provided; and*
- (b) where the Market Rules do not provide a timeframe for the provision of the information, the time by which such information must be provided.*

The proposed Market Procedure would be the first version of this Procedure. AEMO, in its capacity as System Management, proposes to commence the new procedure on 13 October 2017 as part of the transition of System Management from Western Power to AEMO.

### 2.2 Context for this consultation

On 31 May 2016, the Minister for Energy gazetted in the Western Australian Government Gazette No. 89 in Schedule A, Section 21(1), amending the WEM Rules prescribing the reasonable arrangement by which Network Operators and AEMO must provide each other with information under the WEM Rules. The amending rules commenced on 1 July 2016.

## 3. PROPOSED PROCEDURE CHANGE

### 3.1 Detail of the proposed procedure change

The proposed procedure change outlines a new Market Procedure that AEMO must develop under clause 2.36A.1 of the WEM Rules.

The new Market Procedure describes requirements for:

- (a) The arrangement by which Network Operators and AEMO must (subject to a limited exception) provide each other with information under the WEM Rules.
- (b) The communications and control system requirements necessary to enable AEMO to remotely monitor the performance of a Network.

This Procedure applies to:

- (a) AEMO in providing information needed by Network Operators.
- (b) Network Operators in providing information needed by AEMO.
- (c) AEMO and Network Operators in remotely monitoring the performance of Networks.
- (d) All Networks forming part of the power system called the South West Interconnected System (SWIS).
- (e) Where relevant, Scheduled Generators, Non-Scheduled Generators, Demand Side Programmes, Dispatchable Loads and Interruptible Loads connected to those Networks.

The Procedure addresses data-related information transfers for which specific arrangements are not prescribed in other Market Procedures (including Power System Operation Procedures) or in the WEM Rules. It also identifies other information transfer requirements prescribed in other Market Procedures (including Power System Operation Procedures).

### 3.2 Proposed drafting

AEMO has published a draft of the proposed Market Procedure: IMS Interface for consultation, which is available at: [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2017\\_07](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2017_07). AEMO has not provided a marked-up version of the Procedure as it is new.

### 3.3 Consultation to date

A draft version of the Market Procedure was presented at the AEMO WEM Procedure Change workshop held on 26 June 2017. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums>.

Minor changes to improve clarity were recommended by stakeholders. Stakeholders were advised of document format and numbering changes to match Market Procedure standards. These minor changes have been incorporated into the proposed Market Procedure that forms part of this Procedure Change Proposal.

### 3.4 Consistency with WEM Rules, Electricity Industry Act and WEM Regulations

The proposed new 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.

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

The steps outlined in this new Market Procedure describe the reasonable arrangement by which Network Operators and AEMO must, subject to clause 2.36A.2 of the WEM Rules, provide each other with information, including the format, form and manner in which that information must be provided, and where the WEM Rules do not provide a timeframe for the provision of the information, the time by which such information must be provided.

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 new 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 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 Market Procedure by 5.00 pm (AWST) on 16 August 2017, in accordance with the call for submissions published with this paper.

Stakeholders with questions in relation to the proposed Market 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\_2017\_07 IMS Interface - [Name of the submitting company or individual]”.