

# MARKET PROCEDURE: PROCEDURE ADMINISTRATION

**PREPARED BY:** [Development and Capacity \(WA\)](#)

**DOCUMENT REF:**

**VERSION:** [5.06.0](#)

**EFFECTIVE DATE:** [30 November 2015](#) [3 April 2017](#)

**STATUS:** [FINAL](#)

**Approved for distribution and use by:**

**APPROVED BY:** [Erin Stone](#)

**TITLE:** [Group Manager, Development and Capacity \(WA\)](#)

## VERSION RELEASE HISTORY

Version	Effective Date	Summary of Changes
1.0	21 September 2006	Market Procedure for Procedure Administration
2.0	1 October 2009	Amendments to Market Procedure resulting from PC_2009_02
3.0	8 November 2010	Amendments to Market Procedure resulting from PC_2010_01
4.0	1 January 2012	Amendments to Market Procedure resulting from PC_2011_07
5.0	30 November 2015	Changes resulting from the transfer of functions from the IMO to AEMO
<a href="#">6.0</a>	<a href="#">3 April 2017</a>	<a href="#">Transitional and consequential amendments made under clauses 1.18.2(c) and 1.19.1 of the Wholesale Electricity Market Rules to reflect the transfer of certain functions from AEMO to the Rule Change Panel</a>

## CONTENTS

CHAPTER 1. PROCEDURE OVERVIEW	4
1.1. Relationship with the Market Rules	4
1.2. Purpose of this Procedure	4
1.3. Application of this Procedure	4
1.4. Conventions Used	4
1.5. Terminologies and Definitions	4
CHAPTER 2. THE PROCEDURE CHANGE PROCESS	5
2.1. Initiating the Procedure Change Process	5
2.2. Consideration by a Market Advisory Committee Working Group	6
2.3. Publication of Procedure Change Proposals	6
2.4. Extensions to timeframes for processing Procedure Change Proposals	7
2.5. Notification to Market Advisory Committee	7
2.6. Submissions on Procedure Change Proposals	7
2.7. Procedure Change Report	7
2.8. Commencement of Market Procedures	8

## CHAPTER 1. PROCEDURE OVERVIEW

### 1.1. Relationship with the Market Rules

- 1.1.1. This Procedure Administration Market Procedure (**Procedure**) should be read in conjunction with clause 2.9.5 of the Wholesale Electricity Market (**WEM**) Rules (**Market Rules**).
- 1.1.2. Reference to particular Market Rules within the Procedure in bold and square brackets **[MR XX]** are current as of 10 December 2016~~December 2014~~. These references are included for convenience only, and are not part of this Procedure.

### 1.2. Purpose of this Procedure

- 1.2.1. The Procedure outlines the process by which Market Procedures (including Power System Operation Procedures) are to be developed and amended.
- 1.2.2. This Procedure provides the processes to be followed by:
- (a) the Independent Market Operator (IMO), the Australian Energy Market Operator (AEMO) (including in its capacity as System Management), the Economic Regulation Authority (ERA) and the Rule Change Panel in developing ~~and approving~~ Procedure Change Proposals; and
  - ~~(b)~~ AEMO in developing Procedure Change Proposals;
  - ~~(c)~~ System Management in developing Procedure Change Proposals; and
  - ~~(d)~~(b) Rule Participants participating in the Procedure Change Process.

### 1.3. Application of this Procedure

- 1.3.1. This Procedure applies to the IMO, AEMO, (including in its capacity as System Management), the ERA, the Rule Change Panel and Rule Participants.

### 1.4. Associated Market Procedures

- 1.4.1. The following Market Procedures are associated with this Procedure:
- ~~(a)~~ Notices and Communications (AEMO) and
  - ~~(e)~~(b) Notices and Communications (Rule Change Panel).

### 1.5. Conventions Used

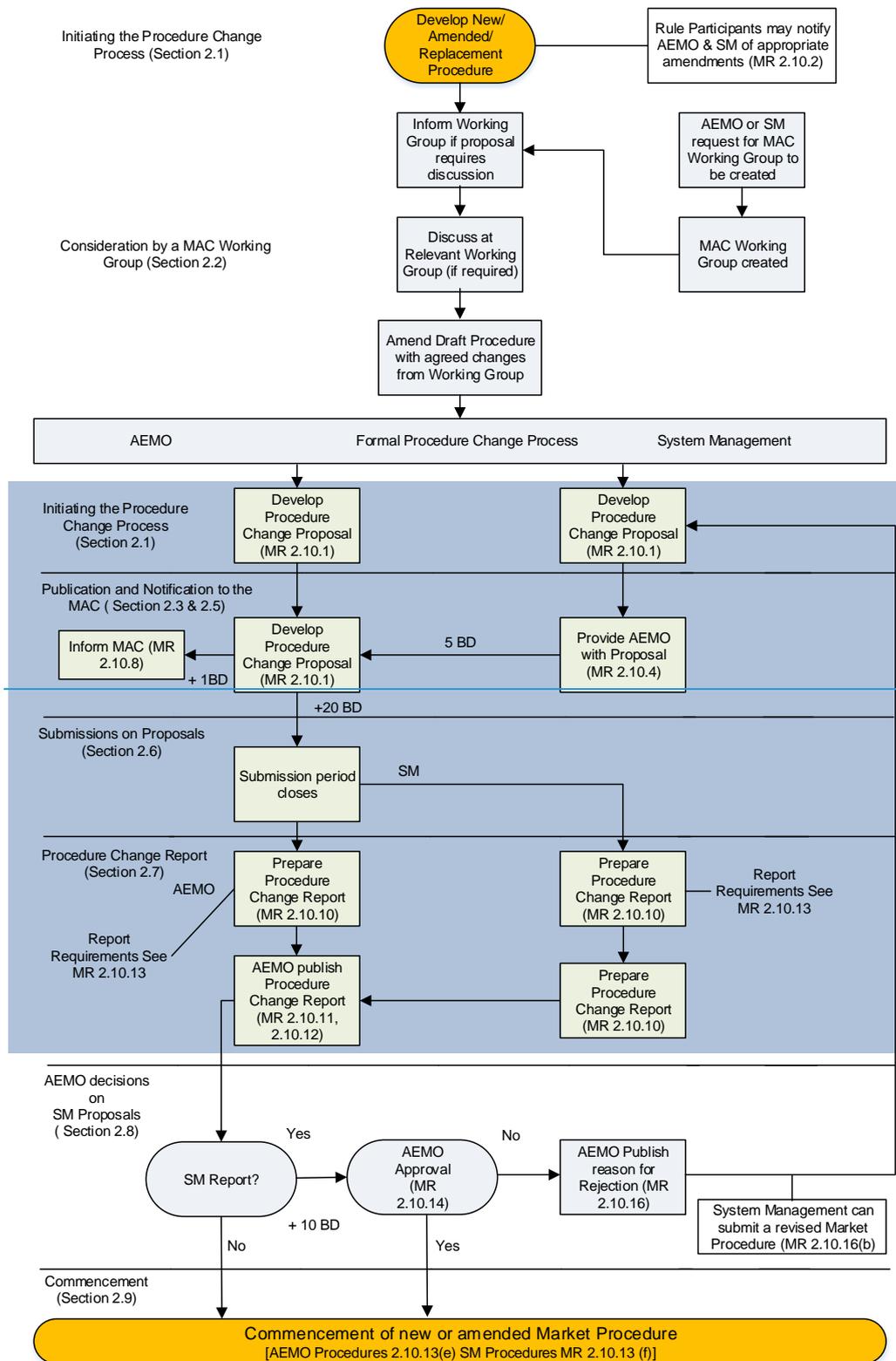
- 1.5.1. In this Procedure the conventions specified in clauses 1.3 ~~to~~ 1.5 of the Market Rules apply.

### 1.6. Terminologies and Definitions

- 1.6.1. A word or phrase defined in the Market Rules, the Electricity Industry Act or the Regulations has the same meaning when used in this Procedure.

## CHAPTER 2. THE PROCEDURE CHANGE PROCESS

This section outlines the procedure steps associated with the Procedure Change Process. ~~The diagram on the next~~[this page gives an overview of the process.](#) ~~Details of the associated sections of this Procedure are also indicated.~~



## 2.1. Initiating the Procedure Change Process

2.1.1. The Procedure Change Process is initiated by one of either the IMO, AEMO or (including in its capacity as System Management), the ERA or the Rule Change Panel drafting a Procedure Change Proposal ~~(proposal)~~ **[MR 2.10.1]**. AEMO in its capacity as System Management is responsible for changes to ~~its the~~ Power System Operation Procedures. The IMO, ~~and~~ AEMO, the ERA and the Rule Change Panel are responsible for changes to their applicable Market Procedures.

2.1.2. A Procedure Change pProposal can be initiated only by the party that is responsible under the Market Rules for the development and maintenance of the relevant Market Procedure (Responsible Procedure Administrator) IMO, AEMO or System Management, as applicable, and will be in response to:

- (a) ~~the IMO, AEMO or System Management, as applicable,~~ Responsible Procedure Administrator determining that an existing Market Procedure requires amending or replacing; or
- (b) ~~the IMO, AEMO or System Management, as applicable,~~ Responsible Procedure Administrator developing new Market Procedures, or amending or replacing existing Market Procedures following an amendment to the Market Rules **[MR 2.10.3]**; or
- (c) A notification from a Rule Participant, where they consider an amendment or replacement of a Market Procedure would be appropriate [MR 2.10.2]. Any such notification must be ~~sent in writing, by email, to the email address indicated on the Responsible Procedure Administrator's website to the following:~~
  - (i) ~~the IMO and AEMO: as outlined in the Notices and Communications Procedure and~~
  - (ii) ~~System Management by email to: [market.development@westernpower.com.au](mailto:market.development@westernpower.com.au).~~

2.1.3. Within 20 Business Days of receipt of a Rule Participant's notification under clause 2.10.2 the Responsible Procedure Administrator must: ~~The IMO, AEMO and System Management have the discretion whether to initiate any Procedure Change Process arising from a Rule Participant's notification.~~

- (a) determine whether an amendment to or replacement of a Market Procedure is appropriate; and
- (b) publish on the Market Web Site details of whether a Procedure Change Proposal will be progressed and the reasons for that decision [MR 2.10.2A].

~~2.1.3.2.1.4.~~ The Procedure Change pProposal must include the details outlined in clause 2.10.6 of the Market Rules. Amendments to the Market Procedure or Power System Operation Procedure should be clearly identified using tracked changes, where possible **[MR 2.10.6]**.

~~2.1.4.2.1.5.~~ The IMO, AEMO or System Management, as applicable, Responsible Procedure Administrator may commence the Procedure Change Process at any time ~~the relevant party~~ it considers appropriate, including before the commencement of the Amending Rule, or a proposed Amending Rule, to which that Procedure Change Proposal relates. However, a Procedure Change Process in respect to an Amending Rule that has not yet commenced, or in respect to a proposed Amending Rule, must be conditional upon the Amending Rule commencing.

## 2.2. Consideration by a Market Advisory Committee Working Group

- 2.2.1. The Market Advisory Committee (**MAC**) is an advisory body ~~to the IMO, AEMO and System Management~~ comprised of industry representatives ~~and convened by the Rule Change Panel~~. The MAC is established pursuant to clause 2.3.1 of the Market Rules and one of its roles is to advise the IMO, AEMO ~~and (including in its capacity as System Management), the ERA and the Rule Change Panel~~ regarding Procedure Change Proposals.
- 2.2.2. The MAC may establish Working Groups comprising ~~ing~~ representatives of Rule Participants and interested stakeholders, to assist it in providing advice to the ~~IMO, AEMO or System Management~~ Responsible Procedure Administrators on Procedure Change Proposals **[MR 2.3.17]**.
- 2.2.3. The MAC has established the following Working Groups to consider proposed amendments to Market Procedures before a proposal is submitted into the formal Procedure Change Process:
- (a) The IMO Procedure Change and Development Working Group; and
  - (b) The System Management Procedure Change and Development Working Group.

- 2.2.4. In addition to the general Working Groups referred to in step 2.2.3 of this Procedure, the MAC can initiate Working Groups to consider amendments to a specific Market Procedure, for example the Maximum Reserve Capacity Price Working Group. Further details of the current existing active Working Groups, including those associated with advising the ~~IMO and System Management~~ Responsible Procedure Administrators on potential Procedure Change Proposals are available on the Rule Change Panel's website: <http://wa.aemo.com.au/MACworkinggroups>.
- 2.2.5. The ~~Responsible Procedure Administrator~~ IMO, AEMO or System Management, as applicable, may convene an existing active Working Group established by the MAC to discuss a Procedure Change Proposal either before submitting it into the formal Procedure Change Process or during the formal Procedure Change Process.
- 2.2.6. Prior to formal submission of a Procedure Change Proposal, the ~~IMO, AEMO or System Management, as applicable~~ Responsible Procedure Administrator, must notify members of the appropriate existing active Working Group (noted in either step 2.2.3 or 2.2.4 of this Market Procedure) as to whether any proposed amendments to the Market Procedure require discussion by the Working Group and the reasons why.

### 2.3. Publication of Procedure Change Proposals

- 2.3.1. Once a Procedure Change pProposal has been formally submitted into the Procedure Change Process, ~~AEMO the Responsible Procedure Administrator~~ will publish that Procedure Change pProposal on its website. ~~AEMO The Responsible Procedure Administrator~~ must publish all its Procedure Change Proposals that are open for public comment on its website.
- ~~2.3.2. Where System Management develops a Procedure Change Proposal and provides it to AEMO for publication, AEMO must publish the proposal within 5 Business Days [MR2.10.4].~~
- ~~2.3.3. AEMO The Responsible Procedure Administrator~~ must call for submissions on the Procedure Change pProposal by publishing the Procedure Change pProposal on its website and provide a due date for the submissions, being 20 Business Days following the publication of the call for submissions **[MR 2.10.7]**.
- ~~2.3.2. Before providing the Procedure Change Proposal to AEMO, System Management~~ The Responsible Procedure Administrator will assign the proposal a reference number to be quoted on submissions related to its Procedure Change Proposal. This will be in the following format:
- (a) \_\_\_ for AEMO including in its function as System Management: AEPC YYYY ID;
  - (b) \_\_\_ for the IMO: IEPC YYYY ID;
  - (c) \_\_\_ for the ERA: EEPC YYYY ID; and
  - (d) \_\_\_ for the Rule Change Panel: REPC YYYY ID.
- PPCLxxxx.

~~2.3.4. For Procedure Change Proposals developed by AEMO, AEMO will assign a reference number to be quoted on submissions related to its Procedure Change Proposal. This will be in the format of PC\_YYYY\_ID.~~

## 2.4. Extensions to timeframes for processing Procedure Change Proposals

2.4.1. At any time after publishing a Procedure Change Proposal ~~submitted by the IMO, AEMO or System Management~~, if the ~~IMO or AEMO~~ Responsible Procedure Administrator considers that it is necessary to extend the normal timeframes for processing the Procedure Change Proposal because of any of the reasons specified in clause 2.10.17 of the Market Rules, then the ~~IMO or AEMO~~ Responsible Procedure Administrator may modify the times and time periods under clauses 2.10.7 of the Market Rules ~~or 2.10.14~~ in respect of the Procedure Change Proposal **[MR 2.10.17]**.

2.4.2. Where under step 2.4.1 the ~~IMO or AEMO~~ Responsible Procedure Administrator has extended the time and time periods associated with a Procedure Change Proposal it must publish a notice of extension which includes the information outlined in clause 2.10.19 of the Market Rules and must update any information already published under clause 2.10.7 of the Market Rules ~~or 2.10.15~~ **[MR 2.10.18 & MR 2.10.19]**.

## 2.5. Notification to Market Advisory Committee

2.5.1. Once it has published a Procedure Change Proposal under step 2.3, the ~~IMO or AEMO~~ Responsible Procedure Administrator must notify all members of the MAC and advise them whether it considers that the MAC should be convened in relation to the Procedure Change Proposal, giving reasons why. This notification must be in writing and made within one Business Day of publishing the Procedure Change Proposal.

2.5.2. The ~~IMO~~ Rule Change Panel must convene a meeting of the MAC, prior to the close of submissions, in relation to the Procedure Change Proposal if:

- (a) the ~~IMO or AEMO~~ Responsible Procedure Administrator considers that advice on the Procedure Change Proposal is required from the MAC; or
- (b) two or more members of the MAC have written to the ~~IMO~~ Rule Change Panel indicating they consider that advice on the Procedure Change Proposal is required from the MAC **[MR 2.10.9]**.

This must be done with sufficient time to allow the ~~IMO~~ Rule Change Panel to convene a meeting of the MAC prior to the close of submissions, in relation to the Procedure Change Proposal.

## 2.6. Submissions on Procedure Change Proposals

- 2.6.1. Any person may make a submission on a Procedure Change Proposal using the Procedure Change Submission form **[MR 2.10.7]**. A copy of this form is available on the Market Web Site: <http://wa.aemo/procedure-changes>.
- 2.6.2. A submission on a Procedure Change Proposal must be made to the ~~IMO, AEMO or System Management~~ [Responsible Procedure Administrator](#) by email, by the due date published.

## 2.7. Procedure Change Report

- 2.7.1. Following the closing date of submissions, ~~AEMO or System Management, as applicable,~~ [the Responsible Procedure Administrator](#) must prepare a Procedure Change Report **[MR 2.10.10]**.
- 2.7.2. Prior to preparing a Procedure Change Report, ~~AEMO or System Management, as applicable,~~ [the Responsible Procedure Administrator](#) must conduct an assessment of the proposed changes to ensure consistency with:
- (a) the Wholesale Market Objectives; and
  - (b) the Market Rules, Electricity Industry Act and Regulations **[MR 2.9.3]**.

- 2.7.3. ~~AEMO~~ The Responsible Procedure Administrator must publish the Procedure Change Reports ~~it prepared by AEMO [MR 2.10.12, 2.10.12A, 2.10.12B and 2.10.12.C] and by System Management [MR 2.10.14].~~ The Procedure Change Report must contain all of the information outlined in clause 2.10.13 of the Market Rules.
- 2.7.4. In proposing a date and time for procedure changes to commence, the ~~IMO, AEMO or System Management, as applicable,~~ Responsible Procedure Administrator must be of the view that Rule Participants will have sufficient time between publication of the Procedure Change Report and commencement of the Market Procedure to implement any changes required **[MR 2.10.13]**. ~~AEMO may extend the timeframe for commencement under step 2.9.2, if it considers that Rule Participants will not have sufficient time to implement the required changes.~~

## ~~2.8.~~ **AEMO Decisions on System Management Procedure Change Proposals**

- ~~2.8.1.~~ Market Procedures developed by System Management require AEMO approval.
- ~~2.8.2.~~ Within 10 Business Days of publishing a Procedure Change Report prepared by System Management, AEMO must decide whether to approve or reject the proposed Market Procedure or amendment to, or replacement for, the Market Procedure **[MR 2.10.14]**.
- ~~2.8.3.~~ Where AEMO approves the proposed Market Procedure or amendment to, or replacement for, the Market Procedure, it must notify System Management in writing and publish on its website the information specified in clause 2.10.15 of the Market Rules **[MR 2.10.15]**.
- ~~2.8.4.~~ Where AEMO rejects the proposed Market Procedure or amendment to, or replacement for, the Market Procedure, it must notify System Management in writing and publish on its website the information specified in clause 2.10.16(a).
- ~~2.8.5.~~ In the case where AEMO rejects a Procedure Change Proposal submitted by System Management which is required by an Amending Rule, System Management must prepare and submit a new Procedure Change Proposal that complies with the Amending Rule and is acceptable to AEMO. The new Procedure Change Proposal must go through the full Procedure Change Process **[MR 2.10.16(b)]**.
- ~~2.8.6.~~ If AEMO rejects a proposed procedure change not required by an Amending Rule, System Management has the discretion to prepare and submit a new Procedure Change Proposal or to discard the procedure change.

## ~~2.9.2.8.~~ **Commencement of Market Procedures**

- ~~2.9.1.2.8.1.~~ A procedure change will commence on the date set by the ~~IMO or AEMO,~~ Responsible Procedure Administrator in the relevant Procedure Change Report **[MR 2.11.3]**.  
(a) ~~in AEMO's Procedure Change Report, for AEMO initiated procedure changes; or~~

~~2.9.2. on the date published by AEMO with its decision to accept a Procedure Change Proposal, for procedure changes initiated by System Management [MR 2.11.3].~~

~~2.9.3.2.8.2.~~ The ~~IMO or AEMO~~ Responsible Procedure Administrator may extend the time and date for commencement of procedure changes and must publish a notice of extension, including a revised time and date for commencement of the Market Procedure **[MR 2.11.4]**.