

2016/17 Report to the Minister for Energy on the Economic Regulation Authority's compliance

Wholesale Electricity Market Rules

Economic Regulation Authority

WESTERN AUSTRALIA

Economic Regulation Authority

4th Floor Albert Facey House
469 Wellington Street, Perth

Mail to:

Perth BC, PO Box 8469
PERTH WA 6849

T: 08 6557 7900

F: 08 6557 7999

E: records@erawa.com.au

W: www.erawa.com.au

National Relay Service TTY: 13 36 77
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for those with a vision impairment.

© 2017 Economic Regulation Authority. All rights reserved. This material may be reproduced in whole or in part provided the source is acknowledged.

Contents

1	Introduction	1
2	Audit Scope	1
3	Audit findings and recommendations	2
4	Action plan in response to recommendations	3
	Appendix 1 – Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures	4

1 Introduction

Since 1 July 2016 the Economic Regulation Authority (**ERA**) has been responsible for the compliance and enforcement functions in the Wholesale Electricity Market Rules (**Market Rules**).

As part of its new responsibilities, clause 2.14.5A of the Market Rules requires the ERA to annually provide a report to the Minister for Energy on its compliance with the Market Rules and Market Procedures.

To assess its compliance, the ERA engaged 2020 Global to independently audit its compliance with the Market Rules and Market Procedures for the period 1 July 2016 to 30 June 2017.

This report summarises the audit findings and confirms the ERA's compliance with the Market Rules and Market Procedures.

2 Audit Scope

The ERA's functions under the Market Rules include:

- **Market effectiveness:** to monitor the effectiveness of the market in meeting the Wholesale Market Objectives;
- **Market compliance:** to monitor Rule Participants' compliance with the Market Rules, to investigate alleged breaches of the Market Rules and where appropriate, take enforcement action;
- **Market reviews and approvals:** to perform a range of review and approval functions, including:
 - approving the Australian Energy Market Operator's Allowable Revenue and Forecast Capital Expenditure;
 - approving System Management's ancillary services requirements and costs for certain ancillary services¹;
 - approving the Energy Price Limits and Benchmark Reserve Capacity Price (including reviewing the methodology and the Market Procedure);
 - reviewing ancillary service standards, the outage planning process, the planning criterion and peak demand forecasting.

The audit has assessed the ERA's compliance with the above functions.

¹ The ERA is required to determine values for [Cost_LR](#) and [Margin_Peak and Margin_Off-Peak](#) and approve costs for [Dispatch Support Services](#).

The ERA is also required to provide support services to the Rule Change Panel. These services are not within the scope of the audit report.

3 Audit findings and recommendations

The auditor's "Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures" is provided at **Appendix 1**.

The auditor concluded that²:

"In our opinion, the ERA has complied in all material respects with the WEM Market Rules and Market Procedures as evaluated against its demonstrated compliance with rule obligations, throughout the period 1 July 2016 to 30 June 2017".

The report noted the following findings and recommendations:

- **Market compliance functions**

The auditor identified two matters that were inaccurately recorded in the ERA's compliance register. The auditor recommended the ERA adopt a review process to ensure the compliance register accurately captures investigation information (**Recommendation 1**³).

The auditor made two further findings concerning steps in the ERA's public Monitoring Protocol Market Procedure⁴.

The Monitoring Protocol sets out a number of monitoring methods that the ERA will use to monitor compliance. One of these methods is the analysis of market data for compliance purposes.

The auditor found that compliance monitoring methods using market data are currently ad hoc and not systematic. The auditor noted that the ERA has access to compliance data monitoring systems and is currently evaluating these tools prior to their use. The auditor recommended that the ERA complete its assessment of the monitoring tools with the view to implementing structured processes for analysing market compliance data (**Recommendation 3**⁵).

The Monitoring Protocol also states that the ERA may carry out targeted compliance activities. The auditor noted that a program for these activities had not been implemented. The auditor recommended a plan be developed for these activities (**Recommendation 4**⁵).

- **Market effectiveness functions**

The auditor noted that processes for monitoring the effectiveness of the market and carrying out market effectiveness investigations were not documented. The auditor recommended

² Refer to page 3 of the Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures in appendix 1.

³ Refer to page 4 of the Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures in appendix 1.

⁴ The Monitoring Protocol is available on the ERA's [website](#).

⁵ For recommendations 2, 3 and 4 refer to page 5 of the Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures in appendix 1.

the ERA develop internal process documentation to govern its market effectiveness monitoring and investigation obligations (**Recommendation 2**⁵).

4 Action plan in response to recommendations

The ERA accepts all the auditor's findings. The ERA's responses to the audit recommendations are:

- **Recommendation 1 - Review compliance breach register:** Following the audit, processes have been updated to add a verification step for information entered into the ERA's electronic compliance register. This verification step uses a checklist to ensure that information entered into the register is accurate.
- **Recommendation 2 - Implement market effectiveness policies and procedures:** Over the remainder of 2017/18, internal process documentation will be developed for the ERA's market effectiveness functions to document these activities.
- **Recommendation 3 - Improve internal practices followed under the Monitoring Protocol for compliance data monitoring tools:** The ERA has access to compliance data monitoring tools and is currently evaluating these tools prior to their use. The ERA is also assessing its future monitoring system requirements. The development of future tools will be a long-term project.

In 2017/18, the ERA will complete its evaluation of the existing compliance data monitoring tools with the view to implementing these as interim tools, pending development of future monitoring systems. The development and implementation of compliance monitoring tools is recognised as a priority for 2017/18 in the ERA's recently published Compliance Framework and Strategy⁶.

- **Recommendation 4 - Plan for targeted compliance activities:** The ERA's published Compliance Framework and Strategy states that targeted activities for 2017/18 will focus on compliance with Forced Outages and Balancing Submission rule requirements. Targets will be identified through the ERA's quarterly dispatch instruction non-compliance process. The ERA will update its internal processes to reflect this plan. The ERA plans to communicate to stakeholders the general criteria and indicators that will be considered in identifying targets as part of its quarterly dispatch instruction non-compliance process.

⁶ The Compliance Framework and Strategy is available on the ERA's [website](#).

Appendix 1 – Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures



BUSINESS
CONSULTANTS

A REPORT PREPARED FOR

ECONOMIC REGULATION AUTHORITY

Final

Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures.

7 September 2017

CERTIFIED PRACTISING
ACCOUNTANTS
2020 Global Pty Ltd
ABN: 71 096 008 132

Suite C1 118 Railway Parade
West Perth WA 6005
PO Box 1345
West Perth WA 6872

T 08 9485 2020
F 08 9485 2030
E mail@2020global.com.au
www.2020global.com.au

DIRECTOR
JON PETELCZYC
BBus(Hons), Reg Tax Agent,
CFE, CIA, FIIA, FTIA, FFin, FCPA

DIRECTOR
BRUCE DONALD
BBus, Reg Tax Agent, P Grad Dip App Fin,
Grad Dip Acc, CA, CIA, FFin, FCPA

Table of Contents

1	Executive Summary	1
1.1	Introduction	1
1.2	Regulatory Context and Scope	1
1.3	ERA's Responsibilities	1
1.4	Assurance Practitioner's Responsibilities	1
1.5	Applicable Criteria	2
1.6	Use of the Report	3
1.7	Inherent Limitations	3
1.8	Conclusion	3
1.9	Factual Findings and Recommendations	3
1.10	Report Sign-off	5
2	Findings per Chapter	6
2.1	MARKET Rules Compliance – Chapter 1 – Introduction	6
2.2	MARKET Rules Compliance – Chapter 2 - Administration	7
2.3	MARKET Rules Compliance – Chapter 3 – Power System Security and Reliability	9
2.4	MARKET Rules Compliance – Chapter 4 – Reserve Capacity Rules	10
2.5	MARKET Rules Compliance – Chapter 7 – Dispatch	11
3	Summary of Compliance	12

1 EXECUTIVE SUMMARY

1.1 INTRODUCTION

In accordance with Market Rule 2.14.5A, the Economic Regulation Authority (ERA) must annually provide to the Minister for Energy a report on its compliance with the Market Rules and Market Procedures applicable to the Wholesale Electricity Market (WEM).

From 1 July 2016, the ERA inherited functions previously overseen by the Independent Market Operator (IMO).

In order to meet the Market Rule obligation under 2.14.5A and consequently provide reasonable assurance surrounding the ERA's ability to sufficiently adhere to the transferred responsibilities, an audit of the ERA's Market Rule compliance obligations has been conducted.

1.2 REGULATORY CONTEXT AND SCOPE

The objective of the audit is to establish whether the ERA has complied with the Market Rules and Market Procedures and enable it to report to the Minister for Energy in accordance with Market Rule 2.14.5A.

The scope of the engagement encompassed the ERA's compliance with Market Rule and Market Procedure obligations for the period 1 July 2016 to 30 June 2017.

1.3 ERA'S RESPONSIBILITIES

With regard to its compliance with the Market Rules, the ERA has acknowledged that it is responsible for:

- Identification of risks that threaten the ERA's ability to meet Market Rule requirements and the establishment of sufficient controls which mitigate those risks, as well as monitoring ongoing compliance.
- The activities undertaken to meet Market Rule requirements.
- Providing a report annually to the Minister for Energy on the ERA's compliance in accordance with the Market Rules and Procedures.

1.4 ASSURANCE PRACTITIONER'S RESPONSIBILITIES

Our responsibility is to express a conclusion on the ERA's compliance with the Market Rules as measured by the applicable criteria noted in 1.6 below, in all material respects. Our audit has been conducted in accordance with applicable Standards (ASAE 3100 Compliance Engagements) to provide reasonable assurance that the ERA has complied with the Market Rules and Market Procedures during the scope period.

Our procedures consisted primarily of discussion and enquiries of ERA management and staff, as appropriate, observation and walk-throughs and evaluation of the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with the Market Rules and Market Procedures are likely to arise.

In performing the review, the following methodology and procedures were adopted:

- Review of internal policies, procedures, practices and documents current at the time of the audit.
- Review of Market Rules and Market Procedures applicable to the ERA at the time of the audit and during the scope period.
- Visiting the ERA's premises and having discussions with relevant officers.
- Determining compliance with relevant Market Rules and Market Procedures by examination of documents and information supplied by ERA officers.

These procedures were undertaken to form a conclusion as to whether the ERA has complied, in all material respects, with the Market Rules throughout the period 1 July 2016 to 30 June 2017.

1.5 APPLICABLE CRITERIA

The following applicable criteria were applied when determining the ERA's ability to demonstrate material compliance.

- Risk ratings were considered per Market Rule Chapter for each rule based on the overall inherent impact and likelihood of non-compliance per rule. Risk ratings are outlined as follows:

Likelihood		Consequence				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Rare	1	Materially Compliant	Materially Compliant	Materially Compliant	Minor	Minor
Unlikely	2	Materially Compliant	Materially Compliant	Minor	Minor	Moderate
Possible	3	Materially Compliant	Minor	Minor	Moderate	Moderate
Likely	4	Minor	Minor	Moderate	Moderate	Significant
Almost Certain	5	Minor	Moderate	Moderate	Significant	Significant

- Compliance ratings were considered per Market Rule Chapter by assessing the evidence obtained supporting the ERA's demonstrated compliance with each applicable rule. Compliance ratings are outlined as follows:

Compliance Rating	Description
Non-Compliant (NC)	Findings noted which demonstrate that the ERA has not complied with Market Rule and Market Procedure compliance obligations. (Refer Section 3 – Summary of Compliance)
Partially	Findings indicate that the ERA has partially satisfied Market Rule and Market Procedures compliance obligations. (Refer Section 3 – Summary of Compliance)
Materially Compliant (MC)	Findings indicate that the ERA has materially satisfied Market Rule Market Procedures compliance obligations. (Refer Section 3 – Summary of Compliance)
Not Applicable (NA)	It is asserted that although a Rule has a compliance obligation applicable to the ERA, the compliance requirement has not been invoked during the scope period, whether it

Compliance Rating	Description
	is due to a relief provision or dependent on another Rule participant. Nothing has come to our attention that has led us to believe the assertion is different to that purported by management. (Refer Section 3 – Summary of Compliance)

- Where a finding is observed that results in a rule which has a risk rating of moderate or higher, and has been observed to be partially or wholly non-compliant, the finding is considered to be material.

1.6 USE OF THE REPORT

This compliance audit report has been prepared for use by the ERA in fulfilling its reporting obligation to the Minister for Energy per Market Rule 2.14.5A. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Minister for Energy, or for any other purpose other than that for which it was prepared.

1.7 INHERENT LIMITATIONS

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with WEM compliance requirements may occur and not be detected.

An audit is not designed to detect all instances of non-compliance with the Market Rules as an audit is not performed continuously throughout the scope period and the audit procedures performed in respect of compliance with Market Rules are undertaken on a test basis.

As detailed in section 1.4, our procedures were limited to making enquires, inspecting key documents, conducting a review of the ERA's policies and procedures, sample testing and other review procedures. Testing of some Market Rules and Market Procedures was limited to review of policy and procedures as these rules are only invoked upon an event occurring or incident being reported to the ERA and no instances of these events were noted during the scope period. Furthermore, some transitional provisions were not applicable until after the scope period (from 31 October 2017); these are noted in Section 3.

The audit conclusion expressed in this report has been formed on the above basis.

1.8 CONCLUSION

In our opinion, the ERA has complied in all material respects with the Market Rules and Market Procedures as evaluated against its demonstrated compliance with rule obligations, throughout the period 1 July 2016 to 30 June 2017.

1.9 FACTUAL FINDINGS AND RECOMMENDATIONS

Findings

Section 2 provides our detailed findings per Chapter.

A number of minor findings were noted relating to procedural matters that did not materially affect overall compliance by the ERA with the Market Rules and Market Procedures.

2.13 Market Rule Compliance Monitoring and Enforcement

- Two breaches were not recorded accurately within the ERA's Compliance Breach Register. (**Recommendation 1**)

2.16 Monitoring the Effectiveness of the Market

- At the time of the audit, there was no documented procedure implemented by the ERA to define the responsibility of investigations to distinct ERA business units and govern the process of the market effectiveness investigations.
- Rule 2.16.9 outlines monitoring obligations which must be fulfilled by the ERA to monitor market effectiveness. The market effectiveness monitoring activities undertaken by the ERA are not documented as internal processes.

Rule 2.16.13 outlines further requirements where the ERA is conducting its monitoring obligations under 2.16.9(b), although it does not appear these requirements have been invoked during the scope period, processes to meet obligations per rule 2.16.13 are not documented. (**Recommendation 2**)

2.15 The Monitoring Protocol Market Procedure:

- The ERA has demonstrated compliance with its monitoring obligations however, the following was noted:
 - Monitoring Protocol 2.1.2 *Market monitoring: Analysing market data through a suite of tools (e.g. bidding and pricing information, dispatch data, outage data, etc) which may identify potential areas of non-compliance.*

In relation to the monitoring requirement above, monitoring methods using compliance data are currently ad-hoc while the ERA is in the process of assessing options for its compliance monitoring tools. (**Recommendation 3**)

- Monitoring Protocol 2.1.2 *Targeted compliance activities: Targeted reviews of Rule Participants may be carried out to assess compliance with specific Market Rule obligations or groups of obligations, or areas identified as being of particular compliance concern or where monitoring is required because the Market Rules provide for special arrangements.*

In relation to the monitoring requirement above, at the time of the audit, the ERA had not implemented a program to perform targeted compliance reviews, although work is planned to develop these activities. (**Recommendation 4**)

Recommendations

1. Review Compliance Breach Register

Adopt a review process whereby the officer completing an investigation has their inputs into the Compliance Breach Register reviewed by an independent officer to ensure the register accurately captures information, such as risk rating, alleged breach outcome, name of respondent, etc.

2. Implement Market Effectiveness Policies and Procedures

Develop internal processes to govern monitoring and investigations of market effectiveness requirements per Chapter 2.16 of the Market Rules.

3. Improve internal practices followed under the Monitoring Protocol

Complete the assessment of options for compliance monitoring tools.

4. Plan for Targeted Compliance Activities

Develop and implement a plan for the ERA's targeted compliance activities.

Section 3 provides a summary of our findings by individual Market Rule.

1.10 REPORT SIGN-OFF

2020 Global Pty Ltd

Bruce Donald
Director

7 September 2017

2 FINDINGS PER CHAPTER

2.1 MARKET RULES COMPLIANCE – CHAPTER 1 – INTRODUCTION

Requirements

The following requirements relating to Chapter 1 of the Market Rules were assessed as relevant to the ERA and scope of the audit:

Section No	Title	Risk Rating	Compliance Rating	Revised Date
1.7	Publication	Minor	Materially Compliant	26/11/2016
1.17	Transition of certain IMO functions to the Economic Regulation Authority	Minor	Materially Compliant	01/07/2016

Audit Procedures

- Reviewed the responsibilities previously delegated to the IMO which were transferred to the ERA under rule 1.17 and sub-rules.
- Where applicable, tested the ERA's ability to demonstrate compliance with newly defined responsibilities.
- Where applicable, tested the ERA's ability to demonstrate publicly publishing documents and notifications in accordance with the Market Rules in order to meet rule 1.7 requirements.

Findings

Compliance by the ERA with Chapter 1 of the Market Rules:

- Sub-rule 1.17.5 relieves the ERA of complying with rules 3.15.1, 3.18.1, 4.5.15, 4.11.3C, 4.16.3 and 4.16.9 until 31 October 2017.
- There were a number of instances where sub-rule 1.17.5 applied, thus reducing the ERA's responsibility for fully implementing responsibilities previously delegated to the IMO. Notwithstanding relief under sub-rule 1.17.5, the ERA was able to demonstrate material compliance with all other responsibilities delegated to the ERA under rule 1.17.
- The ERA was able to demonstrate material compliance with all publication requirements per rule 1.7.

2.2 MARKET RULES COMPLIANCE – CHAPTER 2 - ADMINISTRATION**Requirements**

The following requirements relating to Chapter 2 of the Market Rules were assessed as relevant to the ERA and scope of the audit:

Section No.	Title	Risk Rating	Compliance Rating	Revised Date
2.2A	Economic Regulation Authority	Moderate	Materially Compliant	-
2.3	The Market Advisory Committee	Minor	Materially Compliant	26/11/2016
2.9	Market Procedures	Moderate	Materially Compliant	26/11/2016
2.10	Procedure Change Process	Moderate	Materially Compliant	26/11/2016
2.13	Market Rule Compliance Monitoring and Enforcement	Moderate	Materially Compliant	01/07/2016
2.14	Audit	Minor	Materially Compliant	01/07/2016
2.15	Monitoring and Reporting Protocols	Moderate	Materially Compliant	01/07/2016
2.16	Monitoring the Effectiveness of the Market	Moderate	Materially Compliant	26/11/2016
2.21	Market Consultation	Minor	Materially Compliant	26/11/2016
2.22	Determination of the IMO's budget	Minor	Not Applicable	26/11/2016
2.22A	Determination of AEMO's budget	Minor	Materially Compliant	01/07/2016
2.24	Determination of Market Fees	Minor	Materially Compliant	26/11/2016
2.25	Payment of Market Participant Fees	Minor	Materially Compliant	26/11/2016
2.26	Economic Regulation Authority Approval of Maximum and Minimum Prices	Moderate	Materially Compliant	-
2.32	Rule Participant Suspension and Deregistration	Minor	Not Applicable	-
2.44	Minister's Emergency Powers	Minor	Not Applicable	26/11/2016

Audit Procedures

- Reviewed relevant ERA compliance requirements.
- Reviewed internal policies and procedures supporting the ERA's ability to adhere to compliance requirements.
- Where applicable, reviewed documented evidence supporting the ERA's demonstrated compliance.
- Discussions with key ERA employees.

Findings

Compliance by the ERA with Chapter 2 of the Market Rules:

- There were a number of compliance requirements which were not applicable to the ERA during the scope period ended 30 June 2017. This was due to relief provisions such as rule 1.17.5 or the responsibilities not being invoked by Rule Participants other than the ERA.
- With regard to Rules 2.16.9(b) and 2.16.13, it is noted that minor improvements are appropriate to document the ERA's current practices. (Refer Section 3 – Summary of Compliance).
- The ERA was able to demonstrate material compliance with all requirements under Chapter 2 – Administration.
- Market Procedures, namely the Monitoring Protocol procedure which is now the ERA's responsibility has been appropriately designed, implemented and communicated per Market Rule requirements.

2.3 MARKET RULES COMPLIANCE – CHAPTER 3 – POWER SYSTEM SECURITY AND RELIABILITY

Requirements

The following requirements relating to Chapter 3 of the Market Rules were assessed as relevant to the ERA and scope of the audit:

Section No.	Title	Risk Rating	Compliance Rating	Revised Date
3.8	Investigating Incidents in the SWIS	Moderate	Not Applicable	26/11/2016
3.11	Determining & Procuring Ancillary Service Requirements	Minor	Materially Compliant	01/07/2016
3.13	Payment for Ancillary Services	Minor	Materially Compliant	01/07/2016
3.15	Review of Ancillary Service Requirements Process and Standards	Minor	Not Applicable	01/07/2016
3.18	Outage Scheduling	Minor	Not Applicable	01/07/2016

Audit Procedures

- Reviewed relevant ERA compliance requirements.
- Reviewed internal policies and procedures supporting the ERA's ability to adhere to compliance requirements.
- Where applicable, reviewed documented evidence supporting the ERA's demonstrated compliance.
- Discussions with key ERA employees.

Findings

Compliance by the ERA with Chapter 3 of the Market Rules:

- Where relevant and required, the ERA was able to demonstrate material compliance with all relevant Market Rule responsibilities under Chapter 3.

2.4 MARKET RULES COMPLIANCE – CHAPTER 4 – RESERVE CAPACITY RULES

Requirements

The following requirements relating to Chapter 4 of the Market rules were assessed as relevant to the ERA and scope of the audit:

Section No.	Title	Risk Rating	Compliance Rating	Revised Date
4.5	Long Term Projected Assessment of System Adequacy	Minor	Not Applicable	01/07/2016
4.11	Setting Certified Reserve Capacity	Minor	Not Applicable	24/06/2017
4.16	The Benchmark Reserve Capacity Price	Minor	Materially Compliant	01/07/2016

Audit Procedures

- Reviewed relevant ERA compliance requirements.
- Reviewed internal policies and procedures supporting the ERA's ability to adhere to compliance requirements.
- Where applicable, reviewed documented evidence supporting the ERA's demonstrated compliance.
- Discussions with key ERA employees.

Findings

Compliance by the ERA with Chapter 4 of the Market Rules:

- Where relevant and required, the ERA was able to demonstrate compliance with all Market Rule requirements and the requirement to maintain the Benchmark Maximum Reserve Capacity Market Procedures under Chapter 4.
- The ERA has been able to demonstrate compliance with relevant Market Procedures.

2.5 MARKET RULES COMPLIANCE – CHAPTER 7 – DISPATCH

Requirements

The following requirements relating to Chapter 7 of the Market Rules were assessed as relevant to the ERA and scope of the audit:

Section No.	Title	Risk Rating	Compliance Rating	Revised Date
7.10	Compliance with Dispatch Instructions and Operating Instructions	Minor	Materially Compliant	01/07/2016
7.11	Dispatch Advisories	Minor	Not Applicable	01/07/2016
7.12	Status Reports	Minor	Materially Compliant	01/07/2016

Audit Procedures

- Reviewed relevant ERA compliance requirements.
- Reviewed internal policies and procedures supporting the ERA's ability to adhere to compliance requirements.
- Where applicable, reviewed documented evidence supporting the ERA's demonstrated compliance.
- Discussions with key ERA employees.

Findings

Compliance by the ERA with Chapter 7 of the Market Rules:

- Where relevant and required, the ERA was able to demonstrate compliance with all Market Rule requirements under Chapter 7.

3 SUMMARY OF COMPLIANCE

The following table summarises the relevant sub-rules which contain material compliance obligation requirements for the ERA.

Rule No.	Compliance Rating	Comment
Chapter 1 – Introduction – Materially Compliant		
1.7.3	MC	-
1.17.1	MC	-
1.17.2	MC	-
1.17.3	MC	-
1.17.5	MC	Provides relief to ERA for some Rules until 31 October 2017
Chapter 2 – Administration – Materially Compliant		
2.2A.1	MC	-
2.3.17	MC	-
2.9.2B	MC	-
2.9.3	MC	-
2.9.5	MC	-
2.9.7B	MC	-
2.10.2A	MC	-
2.10.3	MC	-
2.10.5B	MC	-
2.10.7	MC	-
2.10.10	MC	-
2.10.12B	MC	-
2.10.17	MC	-
2.10.18	MC	-
2.13.2	MC	-
2.13.3	MC	-
2.13.6H	NA	No instances where requirements under this Rule have been invoked during the scope period.
2.13.10	MC	-
2.13.15	MC	-
2.13.16	MC	-
2.13.26	MC	-
2.13.27	MC	-
2.13.31	MC	-
2.14.5A	NA	Requirement deadlines not due at the time of audit.
2.14.5B	MC	-
2.14.5C	MC	-
2.14.5D	MC	-
2.15.1	MC	-

Rule No.	Compliance Rating	Comment
2.15.2	MC	-
2.15.3	MC	-
2.15.7	MC	-
2.16.6	MC	-
2.16.8	MC	-
2.16.9	MC	-
2.16.9A	NA	No relevant investigations launched or ongoing during the scope period.
2.16.9B	NA	No relevant investigations launched or ongoing during the scope period.
2.16.9D	NA	No relevant investigations launched or ongoing during the scope period.
2.16.9E	NA	No relevant investigations launched or ongoing during the scope period.
2.16.9F	NA	No relevant investigations launched or ongoing during the scope period.
2.16.10	MC	-
2.16.11	MC	-
2.16.13	NA	No relevant investigations launched or ongoing during the scope period.
2.16.14	MC	-
2.16.15	MC	-
2.21.1	MC	-
2.21.2	MC	-
2.22.3	NA	Not required per 1.17.4
2.22.6	NA	Not required per 1.17.4
2.22.12	NA	Not required per 1.17.4
2.22A.2	MC	-
2.22A.11	MC	-
2.24.6	MC	-
2.25.1B	MC	-
2.26.1	MC	-
2.26.2	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.26.3	NA	Requirement deadlines not due at the time of audit.
2.26.4	NA	Requirement deadlines not due at the time of audit.
2.32.1	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.32.7	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.32.7A	NA	No instance where requirements under this Rule has been invoked during the scope period.

Rule No.	Compliance Rating	Comment
2.32.7B	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.44.1	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.44.2	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.44.3	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.44.4	NA	No instance where requirements under this Rule has been invoked during the scope period.
Chapter 3 – Power System Security and Reliability – Materially Compliant		
3.8.5A	NA	No instance where requirements under this Rule has been invoked during the scope period.
3.11.6	MC	-
3.11.8C	MC	-
3.11.8D	NA	No instance where requirements under this Rule has been invoked during the scope period.
3.11.12	MC	-
3.13.3A	MC	-
3.13.3AB	MC	-
3.13.3B	MC	-
3.13.3C	NA	No instance where requirements under this Rule has been invoked during the scope period.
3.15.1	NA	Not required per 1.17.5(a). Only invoked from 31 October 2017.
3.15.2	NA	Not required per 1.17.5(a). Only invoked from 31 October 2017.
3.15.3	NA	Not required per 1.17.5(a). Only invoked from 31 October 2017.
3.18.3	NA	No instances where requirements under this rule have been invoked during the scope period.
3.18.15	NA	No instance where requirements under this Rule has been invoked during the scope period.
3.18.18	NA	Not required per 1.17.5(b). Only invoked from 31 October 2017.
3.18.19	NA	Not required per 1.17.5(b). Only invoked from 31 October 2017.
3.18.20	NA	Not required per 1.17.5(b). Only invoked from 31 October 2017.
Chapter 4 – Reserve Capacity Rules – Materially Compliant		
4.5.14	NA	Not required per 1.17.5(c) Only invoked from 31 October 2017.
4.5.15	NA	Not required per 1.17.5(c) Only invoked from 31 October 2017.
4.5.16	NA	Not required per 1.17.5(c) Only invoked from 31 October 2017.
4.5.17	NA	Not required per 1.17.5(c) Only invoked from 31 October 2017.
4.5.18	NA	Not required per 1.17.5(c) Only invoked from 31 October 2017.
4.5.19	NA	Not required per 1.17.5(c) Only invoked from 31 October 2017.
4.5.20	NA	Not required per 1.17.5(c) Only invoked from 31 October 2017.
4.11.3C	NA	Not required per 1.17.5(d) Only invoked from 31 October 2017.
4.11.3D	NA	Not required per 1.17.5(d) Only invoked from 31 October 2017.

Rule No.	Compliance Rating	Comment
4.11.3E	NA	Not required per 1.17.5(d) Only invoked from 31 October 2017.
4.16.3	MC	-
4.16.9	NA	Not required per 1.17.5(e). Only invoked from 31 October 2017.
Chapter 7 – Compliance – Materially Compliant		
7.10.8	MC	-
7.11.9	NA	No instance where requirements under this Rule has been invoked during the scope period.
7.12.2	MC	-