

Rule Change Panel
Activities Report 2016/17

31 August 2017

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Transmittal to the Minister

Hon Ben Wyatt MLA
Treasurer; Minister for Finance,
Energy and Aboriginal Affairs

RULE CHANGE PANEL ACTIVITIES REPORT 2016/17

In accordance with regulation 28(1) of the *Energy Industry (Rule Change Panel) Regulations 2016*, we hereby submit for your information and presentation to Parliament the Activities Report for the Rule Change Panel for the year ending 30 June 2017.



K. Peter Kolf



Roland Sleeman



Shaun Dennison

Introduction

The Rule Change Panel was established on 24 November 2016 under the *Energy Industry (Rule Change Panel) Regulations 2016*. The Rule Change Panel is an independent body responsible for administering the rule change process and making decisions on Rule Change Proposals for the Wholesale Electricity Market Rules (Market Rules) and Gas Services Information Rules (GSI Rules).

Wholesale Electricity Market and the Market Rules

The Market Rules govern the operation of the Wholesale Electricity Market of the South West interconnected system of Western Australia. The South West interconnected system is the largest electricity system of Western Australia, supplying Perth and the majority of the South West region from Albany in the South, to Kalgoorlie in the East and Kalbarri in the North. The Wholesale Electricity Market commenced operation on 21 September 2006.

The Australian Energy Market Operator (AEMO) is responsible for the operation of the Wholesale Electricity Market. Prior to November 2015 the Independent Market Operator was responsible for both the operation of the Wholesale Electricity Market and the rule-making functions now assigned to the Rule Change Panel.

Any changes made to the Market Rules must be consistent with the Wholesale Market Objectives, which are set out in section 122(2) of the *Electricity Industry Act 2004*. These 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.

Gas Information Services and the GSI Rules

The GSI Rules govern the operation of three information services used to increase transparency, security, reliability and competitiveness in the Western Australian gas market.

The services, which are provided by AEMO, include:

- Gas Bulletin Board: a public website which tracks natural gas production, transmission, storage and usage across Western Australia;

- **Emergency Management Facility:** an online information service that is part of the Gas Bulletin Board, activated by the Coordinator of Energy in the event of an emergency or gas supply disruption and accessible only by certain parties; and
- **Gas Statement of Opportunities:** an annual report that projects natural gas reserves, supply and usage in Western Australia for the medium-to-long term.

The first Gas Statement of Opportunities was published in July 2013 and the Gas Bulletin Board and Emergency Management Facility commenced operation on 1 August 2013.

Prior to November 2015, the Independent Market Operator was responsible for the operation of the three services and the rule-making functions now assigned to the Rule Change Panel.

Any changes made to the GSI Rules must be consistent with the objectives of the Gas Bulletin Board and Gas Statement of Opportunities set out in section 6 of the *Gas Services Information Act 2012* (the GSI Objectives), which are to promote the long term interests of consumers of natural gas in relation to:

- (a) the security, reliability and availability of the supply of natural gas in the State;
- (b) the efficient operation and use of natural gas services in the State;
- (c) the efficient investment in natural gas services in the State; and
- (d) the facilitation of competition in the use of natural gas services in the State.

Enabling instruments

The key roles and functions of the Rule Change Panel are set out in the following instruments:

- *Energy Industry (Rule Change Panel) Regulations 2016;*
- *Electricity Industry (Wholesale Electricity Market) Regulations 2004;*
- Market Rules;
- *Gas Services Information Regulations 2012;* and
- GSI Rules.

Organisational structure

The Rule Change Panel consists of three members appointed by the Minister for Energy. The Rule Change Panel is the actual decision-making body and is not permitted to delegate its functions.

The Economic Regulation Authority provides secretariat support to the Rule Change Panel, including the provision of an executive officer and any other staff, services, facilities or other assistance required by the Rule Change Panel to meet its obligations. The arrangement is prescribed in the *Energy Industry (Rule Change Panel) Regulations 2016* and detailed in the terms of agreement established by the two entities.

Rule Change Panel members

Rule Change Panel members are appointed for a fixed period of no more than four years, and are eligible for reappointment once after serving their term. Members do not need to be appointed on a full-time basis.

The Minister for Energy designates one of the members to be the Chair of the Rule Change Panel. Meetings require a quorum of three members and a question is resolved according to how a majority of the votes is cast.

The Minister for Energy determines Members' remuneration and allowances based on the recommendation of the Public Sector Commissioner.

The current members of the Rule Change Panel are Peter Kolf (Chair), Shaun Dennison and Roland Sleeman.



Peter Kolf (Chair)

Peter Kolf was appointed Chair of the Rule Change Panel on 1 January 2017 for a four year term. He is currently also Chair of the Independent Market Operator, appointed in December 2015, having been a director of that Board since July 2014.

Peter has extensive experience in the energy industry and in economic regulation. His professional career commenced with the Gas and Fuel Corporation of Victoria and went on to energy (electricity, oil and gas) related senior management roles at both State and Commonwealth levels of government. In addition, Peter has held senior positions in telecommunications, the regulation of national air fares and in the water industry covering areas including market management, pricing and corporate planning.

In 1998, Peter took on the role of Executive Director of Western Australia's Office of Gas Access Regulation which led to his appointment as Chief Executive Officer of the State's Economic Regulation Authority until 2010. He is currently Director, KPK Specialist Advisory Services Pty Ltd.

Peter holds a Bachelor of Commerce (Hons.) and a Master of Economics. He is a Certified Practising Accountant, a Fellow of the Australian Institute of Energy and President of the Economic Society of Australia (WA Branch).



Shaun Dennison

Shaun Dennison was appointed as a Member of the Rule Change Panel on 1 January 2017 for a period of one year. He is currently also a Director of the Independent Market Operator.

Shaun has a finance and accounting background. In 1999, he co-founded Farrier Swier Consulting, an advisory service that consults on policy development, energy and water sector restructuring and reform, regulation, risk analysis, governance and accountability. He has over 25 years' experience in advising governments, regulators and businesses on economic regulation, energy sector reform, strategic business and risk allocation issues, and in providing specialist project management services.

Shaun is also a specialist in Australian Aboriginal art with a focus on sales in the auction market. He worked for the international auction house Christies during 2004 to 2006, and is currently a specialist representative for Mossgreen Auction House.

Shaun has a Bachelor of Commerce and is a Graduate Member of the Australian Institute of Company Directors.



Roland Sleeman

Roland Sleeman was appointed as a Member of the Rule Change Panel on 1 January 2017 for a period of one year. He is currently also a Director of the Independent Market Operator.

Roland has over 34 years' experience in the oil and gas, utilities and infrastructure sectors, advising government and businesses involved in the oil, gas and utilities sectors across Australia. He has also held a number of senior executive positions across these sectors.

Roland has a Bachelor of Engineering (Mechanical), a Master of Business Administration and is a Member of the Australian Institute of Company Directors.

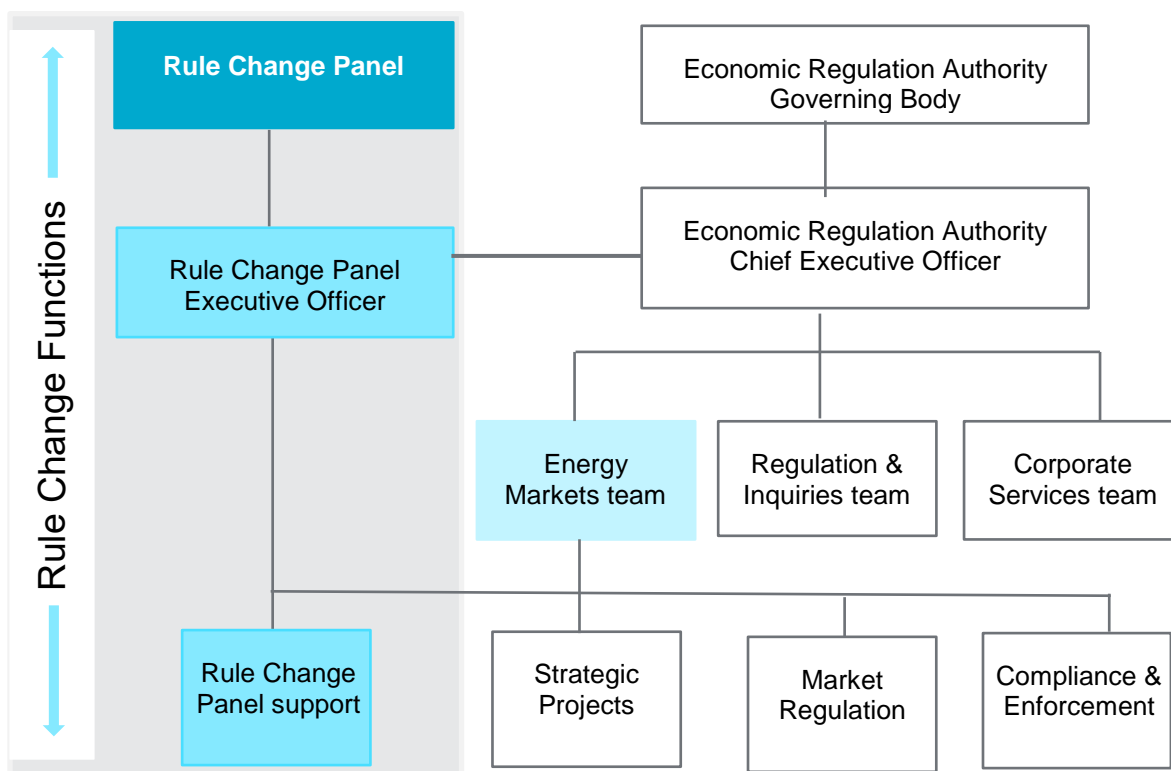
Executive officer and secretariat support services

The executive officer leads the provision of support to the Rule Change Panel. The executive officer and supporting staff (collectively referred to as RCP Support) are the first point of contact and responsible for ongoing liaison with stakeholders to discuss rule change matters.

Figure 1 below shows the Economic Regulation Authority's organisational structure and reporting relationships. The executive officer is accountable to the Chief Executive Officer of the Economic Regulation Authority but the primary focus of the role is the provision of support to the Rule Change Panel. While the RCP Support team members (with the exception of the executive officer) form a part of the Energy Markets Division, their work for the Rule Change Panel is led by the executive officer.

The Economic Regulation Authority's executive team and Governing Body have no involvement in the assessment of Rule Change Proposals or the recommendations made by the executive officer to the Rule Change Panel. The structure is designed to support the Rule Change Panel by providing a core team of dedicated staff as well as access to a broader team of resources when required.

Figure 1: Organisational structure and reporting relationships between the Economic Regulation Authority and the Rule Change Panel



A permanent appointment to the executive officer role is yet to be made. For the period between 3 April 2017 and 30 June 2017 Rajat Sarawat, the Executive Director of the Energy Markets team, acted in the executive officer role.

Funding arrangements for the Rule Change Panel

The costs of the Rule Change Panel and the support services provided by the Economic Regulation Authority are recovered from:

- Market Generators and Market Customers, through Regulator Fees collected under the Market Rules; and
- Registered Shippers and Registered Production Facility Operators, through Regulator Fees collected under the GSI Rules.

Rule Change Panel functions

The main functions of the Rule Change Panel are to:

- administer the rule change process and make decisions on Rule Change Proposals for the Market Rules and GSI Rules;

- maintain the Market Procedures assigned to it under the Market Rules; and
- publish documents relating to the Rule Change Panel's functions under the Market Rules and GSI Rules.

The Rule Change Panel also has several obligations in relation to the Market Advisory Committee (MAC) and Gas Advisory Board (GAB), two advisory groups established under the Market Rules and GSI Rules (respectively) to provide advice to the Rule Change Panel, AEMO and the Economic Regulation Authority.

The following sections provide an overview of the rule change process, the procedure change process, the MAC and the GAB.

Rule change process

The primary function of the Rule Change Panel is to administer the rule change process and make decisions on Rule Change Proposals for the Market Rules and GSI Rules.

The Rule Change Panel may develop its own Rule Change Proposals, but only for changes that are either required to correct manifest errors in the Market Rules or GSI Rules, or else are of a minor or procedural nature. Anyone else can propose any kind of change to the Market Rules or GSI Rules by submitting a Rule Change Proposal to the Rule Change Panel.

In processing a Rule Change Proposal, the Rule Change Panel consults with stakeholders by calling for submissions on the proposal or any draft decision. The consultation may also include convening the MAC or GAB, meeting with relevant parties, procuring technical advisers, or establishing a technical working group.

While not mandatory, the Rule Change Panel recommends stakeholders engage with the executive officer before formally submitting a Rule Change Proposal, to discuss the issue to be addressed and arrange for consultation with the MAC or GAB where required.

Upon receiving a Rule Change Proposal, the Rule Change Panel must decide whether it considers that the proposal warrants progressing and if it should be progressed under the standard or the fast track process. Both processes are outlined below and in Figure 2.

The standard rule change process includes two rounds of public consultation and usually takes around 19 weeks.

The fast track rule change process includes only one round of stakeholder consultation and usually takes around five weeks. The fast track process can only be used when the proposal:

- is of a minor or procedural nature; or
- is required to correct a manifest error; or
- is urgently required and
 - for WEM Rule Change Proposals, is essential for the safe, effective and reliable operation of the market or the South West interconnected system; or
 - for GSI Rule Change Proposals, is essential for the effective operation of the Gas Bulletin Board.

The Rule Change Panel can:

- reject the Rule Change Proposal;
- accept the Rule Change Proposal; or
- accept the Rule Change Proposal in an amended form.

The Rule Change Panel must base its final decision on its assessment of the proposal against the Wholesale Market Objectives or GSI Objectives (as applicable) and other practical considerations such as implementation costs and feasibility.

The Rule Change Panel's decision on whether to accept a Rule Change Proposal, and its reasons, are published in a final rule change report.

The Rule Change Panel can extend the default timeframes shown in Figure 2 for progressing a Rule Change Proposal, but must publish a notice explaining the reason for the extension.

If the Rule Change Proposal relates to a protected provision, the proposal requires the approval of the Minister for Energy. The Minister has a default 20 business days to make a decision, but can extend this period by issuing a notice to the Rule Change Panel.

Stakeholders can appeal against the final decision to the Electricity Review Board, but only in the case of procedural breaches by the Rule Change Panel.

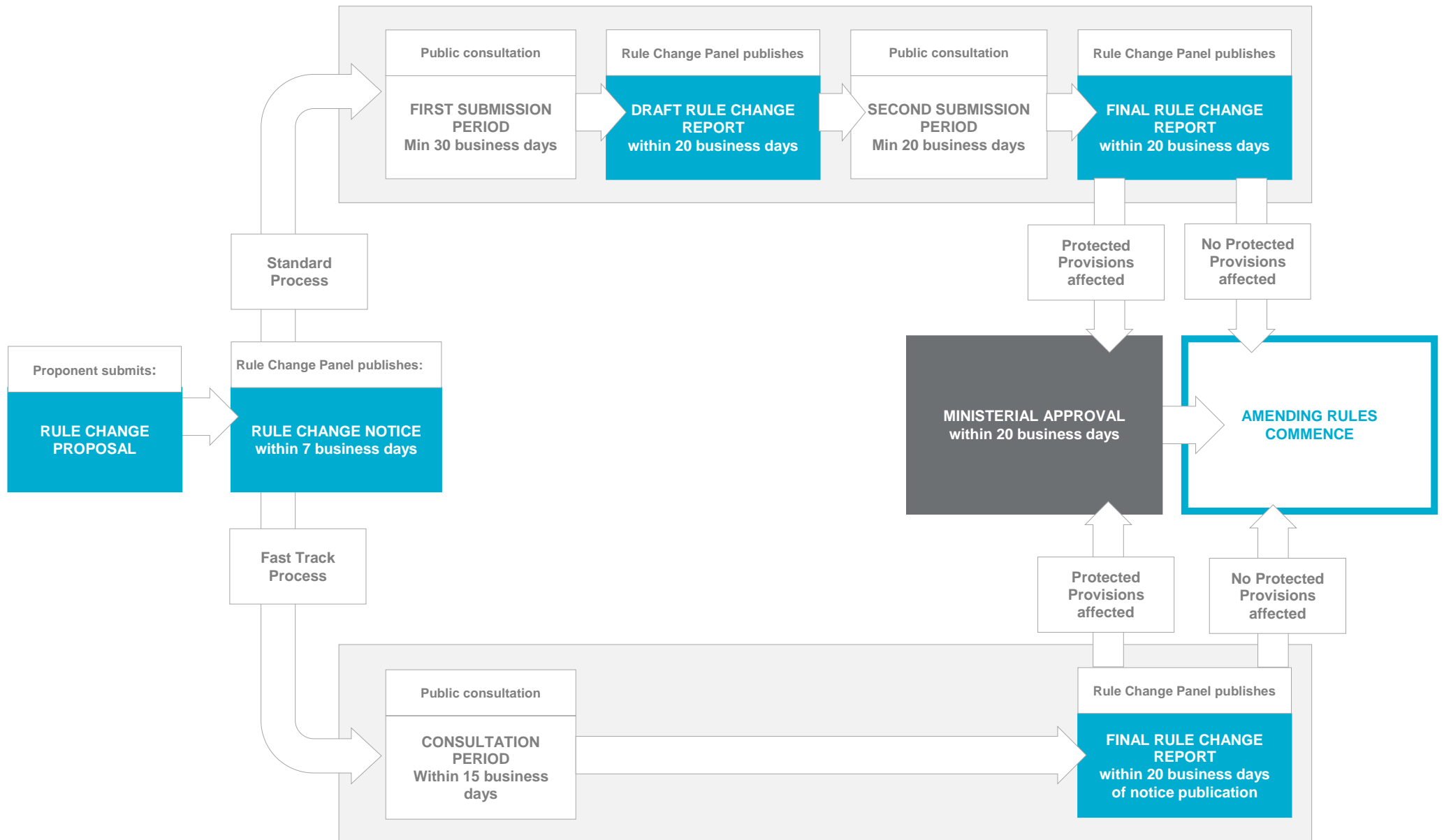
The Minister's rule-making powers

At any time, the Minister for Energy can repeal and replace the Market Rules or the GSI Rules in their entirety under the relevant Regulations¹. Additionally, until 1 July 2018 the Minister for Energy may make amending rules for the Market Rules or the GSI Rules².

¹ The Minister for Energy can repeal and replace the Market Rules under regulation 7(3) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* and the GSI Rules under regulation 7(4) of the *Gas Services Information Regulations 2012*.

² Until 1 July 2018 the Minister can make amending rules under regulation 7(4) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* and regulation 7(5) of the *Gas Services Information Regulations 2012*.

Figure 2: Rule Change Process



Procedure change process

The Rule Change Panel develops and changes Market Procedures that relate to its functions under the Market Rules. Usually the Rule Change Panel consults with the MAC before initiating a Procedure Change Proposal. The formal procedure change process includes one round of public consultation.

Only the Rule Change Panel can initiate a Procedure Change Proposal regarding one of its Market Procedures. However Rule Participants may suggest changes to the Rule Change Panel's Market Procedures at any time.

The Rule Change Panel is responsible for two Market Procedures. The Market Procedure: Procedure Administration sets out the process for developing and amending Market Procedures for all administrators of Market Procedures including AEMO and the Economic Regulation Authority. The Market Procedure: Notices and Communications (Rule Change Panel) sets out the method by which notices and communications required under, contemplated by or relating to the Market Rules are to be given to or by the Rule Change Panel.

While the GSI Rules allow for the Rule Change Panel to make procedures relating to its functions, in practice no such procedures exist or are contemplated.

Market Advisory Committee

The MAC is a non-voting committee of industry representatives convened by the Rule Change Panel to advise:

- the Rule Change Panel regarding Rule Change Proposals;
- responsible procedure administrators (including AEMO, the Rule Change Panel and the Economic Regulation Authority) regarding Procedure Change Proposals; and
- the Rule Change Panel regarding matters concerning the evolution of the Market Rules.

The MAC comprises a mixture of compulsory class members and discretionary class members.

Compulsory class members include the Chair, who is appointed by the Chair of the Rule Change Panel, a member appointed by the Minister for Energy to represent small-use consumers, and members representing AEMO³, Synergy and Western Power, who are all appointed by their parent entity.

Discretionary class members represent a class of participants and are appointed by the Rule Change Panel. The discretionary members include between three and four members representing Market Generators, between three and four members representing Market Customers and one member representing Contestable Customers.⁴

The Minister for Energy and the Economic Regulation Authority are each entitled to appoint a representative to attend MAC meetings as an observer.

³ AEMO is represented on the MAC by two members, including one from System Management.

⁴ The Market Rules allow for another, discretionary class member representing Network Operators, but to date Western Power is the only Network Operator to register in the Wholesale Electricity Market.

The Rule Change Panel is responsible for developing and publishing a constitution for the MAC, which must be consistent with the Market Rules. The executive officer is responsible for the provision of secretariat support for the MAC and must convene the MAC under certain conditions. In practice, the MAC usually meets on the second Wednesday of most months in the year.

The MAC is able to establish Working Groups to assist it in advising the Rule Change Panel, AEMO and the Economic Regulation Authority.

Gas Advisory Board

The GAB is a non-voting committee of industry representatives established by the Rule Change Panel to advise:

- the Rule Change Panel in relation to Rule Change Proposals and matters concerning the development of the GSI Rules; and
- the Rule Change Panel, AEMO and the Economic Regulation Authority in relation to Procedure Change Proposals and matters concerning the development of Procedures.

Like the MAC, the GAB comprises a mixture of compulsory class members and discretionary class members.

Compulsory class members include the Chair, who is appointed by the Chair of the Rule Change Panel, a member appointed by the Minister for Energy to represent small end-use customers, the Coordinator of Energy and one member from AEMO.

The discretionary class members include two members representing pipeline owners and operators, two members representing gas producers, two members representing gas shippers and two members representing gas users.

In arrangements similar to those applying to the MAC:

- the Minister for Energy and the Economic Regulation Authority may each appoint a representative to attend GAB meetings as an observer;
- the Rule Change Panel is responsible for developing and publishing a constitution for the GAB, which must be consistent with the GSI Rules; and
- the executive officer is responsible for the provision of secretariat support for the GAB and must convene the GAB under certain conditions.

The GAB meets much less frequently than the MAC, mainly due to the much lower frequency of GSI Rule Change Proposals. The future frequency of GAB meetings is yet to be decided.

2016/17 Activities

The Rule Change Panel has only been in formal operation since 3 April 2017, when its rule-making powers came into effect. The primary focus in the first three months of operation was to establish the organisational, administrative and corporate governance infrastructure needed by the Rule Change Panel to meet its obligations.

During the three months ending on 30 June 2017 the Rule Change Panel met on four occasions and considered additional matters out of session on four occasions.

The following sections provide an overview of the activities of the Rule Change Panel and RCP Support during the three months ending on 30 June 2017.

Establishment of governance arrangements

The Rule Change Panel and the Economic Regulation Authority Secretariat have worked together to develop the governance arrangements required to manage their respective obligations. This has included the development of:

- terms of agreement for the provision of staff (including the executive officer), services, facilities and other assistance by the Economic Regulation Authority to the Rule Change Panel; and
- development of governance documents including a Code of Conduct, Meeting Rules and Corporate Governance Manual.

RCP Support has also been active in developing the internal procedures, standards and guidelines needed to support the day-to-day operations of the Rule Change Panel.

Market Rule Change Proposals

Legacy Rule Change Proposals

In May 2015, the then Minister for Energy asked the Independent Market Operator to suspend processing of the ten Market Rule Change Proposals open at the time until the new Rule Change Panel commenced operations.

The Minister made many changes to the Market Rules and announced plans for further material changes (as part of his Electricity Market Review reforms) while work on the proposals was suspended. As at 30 June 2017 the status of the additional proposed reforms was uncertain.

On 10 April 2017 the Rule Change Panel extended the timeframes for publication of decisions on these Rule Change Proposals until 29 December 2017. The reason for the extensions was to allow sufficient time to consider the proposals against recent changes to the Market Rules and the Government's further reform announcements. However, the Rule Change Panel's intention is to progress these proposals as quickly as possible and the most urgent proposals have been identified for immediate attention.

A summary of the ten Rule Change Proposals is provided in Appendix A.

New Rule Change Proposals

During the period between 3 April 2017 and 30 June 2017 the Rule Change Panel received three new Rule Change Proposals and published final decisions on two proposals. A summary of the new Rule Change Proposals is provided below.

The Rule Change Panel did not develop any Rule Change Proposals itself during the reporting period.

RC_2017_01: Reserve Capacity Mechanism – Manifest Errors

RC_2017_01 was submitted by the Public Utilities Office on 20 April 2017. The proposal sought to address three manifest errors arising from amending rules gazetted⁵ on 31 May 2016 by the Minister for Energy as part of the Electricity Market Review reforms.

The Rule Change Panel progressed the proposal using the fast track rule change process. The Rule Change Panel received two submissions during the consultation period, both supportive of the proposed amendments. One of the submissions proposed two further amendments to correct similar manifest errors in the Market Rules. The Rule Change Panel agreed with the suggested further amendments and incorporated them into the proposed amending rules.

The Rule Change Panel published its final decision, which was to accept the Rule Change Proposal in a modified form, on 26 May 2017. Some of the amending rules commenced at 8:00am on 31 May 2017; the remainder will commence at 8:00am on 1 October 2017⁶.

RC_2017_02: Implementation of 30-Minute Balancing Gate Closure

RC_2017_02 was submitted by Perth Energy on 4 April 2017. The proposal seeks to reduce the length of the Balancing Gate Closure period (which sets the deadline for Market Generators to make changes to their Balancing Market⁷ offers) from the current two hours to no more than 30 minutes before the start of the relevant trading interval. Perth Energy considers that a shorter gate closure would give Market Generators greater opportunity to respond to forecast changes and bid as accurately as possible, improving the economic efficiency of the Balancing Market.

The Rule Change Panel decided to progress the proposal using the standard rule change process. The first submission period, which was extended by two weeks at the request of AEMO, closed on 12 June 2017. The Rule Change Panel received six submissions.

Four of the submissions were supportive of the proposed amendments.

AEMO, while supporting the concept of reducing gate closure, raised concerns that a shift to a 30-minute Balancing Gate Closure would be infeasible with the current hybrid design of the Balancing Market (under which Synergy's generation fleet is dispatched by AEMO and treated as a single notional generator in the Balancing Market). AEMO considered that a shift to a 60-minute Balancing Gate Closure might be achievable with some complementary changes.

⁵ By the Minister for Energy in the Western Australian Government Gazette (Gazette). Any amending rules made by the Minister for Energy using his powers under regulation 7(4) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* are published in the Gazette.

⁶ Immediately after the commencement of the amending rules that will introduce the relevant manifest errors.

⁷ The Balancing Market is the "real time" energy market for the South West interconnected system. The offers submitted by Market Generators into the Balancing Market are used by AEMO to determine the real-time dispatch of Generators and to calculate the energy price (the Balancing Price) for each Trading Interval.

Synergy opposed the proposed amendments unless additional changes were made to ensure that Synergy was not placed at a competitive disadvantage and was compensated for any additional load following services it might be required to provide.

As at 30 June 2017 the Rule Change Panel was considering the submissions received during the first submission period and undertaking further analysis relating to the proposed amendments.

RC_2017_03: Change the Publication Date for Relevant Level Information

RC_2017_03 was submitted by AEMO on 1 May 2017. The proposal sought to address a manifest error in the Market Rules, which required AEMO to publish information related to the Relevant Level Methodology⁸ before one of the key inputs needed to determine this information is certain. AEMO proposed to move the prescribed publication date to after the close of the application window for Certified Reserve Capacity, when the necessary inputs could be determined.

The Rule Change Panel decided to progress the proposal using the fast track rule change process. The Rule Change Panel received two submissions during the consultation period. Both submissions, while generally supportive of the proposed amendments, requested further amendments to place an explicit obligation on AEMO to publish provisional information in addition to final values. Both submissions indicated that provisional information would assist Market Participants in their decision making processes.

Given this advice and confirmation of AEMO's ability to publish the information, the Rule Change Panel's final decision, published on 30 May 2017, was to accept the proposal in a modified form that included the requirement for AEMO to publish both provisional and final values. The amending rules commenced at 8:00am on 31 May 2017.

GSI Rule Change Proposals

No GSI Rule Change Proposals were submitted or progressed during the reporting year and at 30 June 2017 there were no open GSI Rule Change Proposals.

Rule Change Panel website

The Rule Change Panel has established a web presence within the Economic Regulation Authority's public website at www.erawa.com.au/rule-change-panel.

The Rule Change Panel webpages contain a wide variety of useful information relating to the Rule Change Panel's functions, including:

- current and historical copies of the Market Rules and GSI Rules;
- the Market Procedures for which the Rule Change Panel is responsible;
- documents relating to the rule change process and (for the Rule Change Panel's Market Procedures) the procedure change process;
- documents relating to the MAC and GAB; and

⁸ The Relevant Level Methodology is used by AEMO to determine the level of Certified Reserve Capacity assigned to Intermittent Generators.

- Rule Change Proposal and Rule Change Submission forms.

RulesWatch

In April 2017 the Rule Change Panel reintroduced the weekly RulesWatch email service. RulesWatch, which was first developed by the Independent Market Operator, provides a consolidated summary of recent publications, current consultations and upcoming events relating to the Rule Change Panel's functions.

Anyone can subscribe to RulesWatch by sending an email request to RCP Support at rcp.sectariat@rcpwa.com.au. At 30 June 2017 the RulesWatch service had 130 subscribers.

Market Advisory Committee

Reconvening the MAC was a high priority for the Rule Change Panel given the important role played by this group in the rule change process. The re-established MAC met on two occasions during the reporting year (on 1 May 2017 and 14 June 2017) and is expected to meet monthly in future.

In May 2017 the Rule Change Panel updated the MAC's constitution and appointment guidelines to reflect the transfer of functions from the Independent Market Operator to the Rule Change Panel. The Rule Change Panel received two submissions during the public consultation process for these changes. Both submissions supported the proposed amendments, with one submitter suggesting some additional minor changes that the Rule Change Panel took into consideration when finalising its amendments.

The Rule Change Panel then commenced the 2017 review of the composition of the MAC, publishing a call for nominations for the open discretionary member positions on 26 May 2017. As at 30 June 2017 the nomination period had just closed (on 26 June 2017).⁹

Gas Advisory Board

Reconvening the GAB has been a lower priority than reconvening the MAC, as there have been no GSI Rule Change Proposals or other matters on which GAB advice has been urgently required. The process of re-establishing the GAB is however underway.

In May 2017 the Rule Change Panel updated the GAB's constitution and appointment guidelines. The Rule Change Panel received one submission during the public consultation process for these changes, supporting the proposed amendments and suggesting some additional minor changes that the Rule Change Panel took into consideration when finalising its amendments.

The Rule Change Panel then commenced the 2017 review of the composition of the GAB, publishing a call for nominations for open discretionary member positions on 29 May 2017. As at 30 June 2017 the nomination period had just closed (on 27 June 2017).¹⁰

⁹ The outcomes of the 2017 review of the composition of the MAC were published on 24 July 2017 – see <https://www.erawa.com.au/rule-change-panel/market-advisory-committee/annual-market-advisory-committee-composition-reviews>.

¹⁰ The outcomes of the 2017 review of the composition of the GAB were published on 24 July 2017 – see <https://www.erawa.com.au/rule-change-panel/gas-advisory-board/annual-gas-advisory-board-composition-reviews>.

The GAB has not met since the Rule Change Panel commenced formal operations. The next meeting is scheduled for 20 September 2017.

Market Procedures

In April 2017 the Rule Change Panel updated its two Market Procedures to reflect the transfer of functions to the Rule Change Panel and other recent changes to the Market Rules.

RCP Support also worked with AEMO and the MAC to establish a new MAC working group – the AEMO Procedure Change Working Group – to assist the MAC in providing advice to AEMO on changes to its Market Procedures and Power System Operation Procedures. The new Working Group replaces the former IMO Procedure Change and Development Working Group and the System Management Procedure Change and Development Working Group.

Informal advice and review

In addition to providing support for the formal rule change process, RCP Support has provided informal advice and support to various stakeholders seeking to develop Rule Change Proposals.

RCP Support also provides a forum (through the MAC and the GAB) for stakeholders to present and obtain feedback on their Pre Rule Change Proposals before their formal submission. During the reporting period AEMO used this mechanism to obtain feedback from the MAC on two proposals that have since been formally submitted (RC_2017_05: AEMO Role in Market Development, and RC_2017_06: Reduction of the prudential exposure in the Reserve Capacity Mechanism).

Appendix A: Summary of legacy Rule Change Proposals

Reference	Submission date	Description	Current status
RC_2013_15	24/12/2013	<u>Outage Planning Phase 2 – Outage Process Refinements</u> : The IMO proposed to clarify the obligations of Rule Participants around the outage planning process, provide greater flexibility for Rule Participants in outage planning and improve the transparency and consistency of processes in the Market Rules.	Draft Rule Change Report is due to be published.
RC_2013_21	10/01/2014	<u>Limit to Early Entry Capacity Payments</u> : The IMO proposed to remove early entry capacity payments for new capacity in times of excess capacity on the basis that, in times of excess capacity the market receives little benefit from the incentive for Facilities to be available early.	Final Rule Change Report is due to be published.
RC_2014_03	27/01/2014	<u>Administrative Improvements to the Outage Process</u> : The IMO proposed to streamline the Consequential Outage process and make a number of administrative amendments to the Outage process to provide greater outage transparency to the market as well as greater certainty to Market Participants with respect to their existing obligations.	Draft Rule Change Report is due to be published.
RC_2014_05	02/12/2014	<u>Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Price</u> : The IMO proposed to move to a five-yearly review of the Energy Price Limits (EPL) and Maximum Reserve Capacity Price (MRCP) and to index the EPL monthly and quarterly as applicable and the MRCP annually between the reviews.	Draft Rule Change Report is due to be published.
RC_2014_06	28/01/2015	<u>Removal of Resource Plans and Dispatchable Loads</u> : The IMO proposed to remove Resource Plans, the Dispatchable Load Facility Class and several other unnecessary concepts and obligations in the Market Rules. The IMO also proposed to extend the STEM Submission window by one hour, allow forecast output quantities in Non-Scheduled Generator Balancing Submissions to be updated after Balancing Gate Closure and make a number of other minor amendments to improve the clarity and integrity of the Market Rules.	Draft Rule Change Report is due to be published.
RC_2014_07	22/12/2014	<u>Omnibus Rule Change</u> : The IMO proposed to correct language and punctuation, update and delete redundant references and titles, and correct a number of incorrect clauses in the Market Rules.	Final Rule Change Report is due to be published.

Reference	Submission date	Description	Current status
RC_2014_09	13/03/2015	<u>Managing Market Information</u> : The IMO proposed to introduce a more practical approach to managing market information with a focus on maximising the number of parties to which information is available.	Draft Rule Change Report is due to be published.
RC_2014_10	13/01/2015	<u>Provision of Network Information to System Management</u> : The IMO proposed to change the processes prescribed in the Market Rules relating to the provision of Network information to System Management. The IMO also proposed to amend the definition of a Network and align the wording of a number of clauses in section 2.28 of the Market Rules with the proposed new definition.	Final Rule Change Report is due to be published.
RC_2015_01	03/03/2015	<u>Removal of Market Operation Market Procedures</u> : The IMO proposed to update a number of market operations Market Procedures to reflect the current market arrangements and consolidate some Market Procedures to streamline the documentation with respect to particular processes.	Draft Rule Change Report is due to be published.
RC_2015_03	27/03/2015	<u>Formalisation of the Process for Maintenance Requests</u> : The IMO proposed to formalise the process for a Market Customer to apply to the IMO (now AEMO) to replace or disregard a period unrepresentative of the consumption of a Load for the purposes of determining the Relevant Demand for a Demand Side Programme, or assessing a Load's status as a Non-Temperature Dependent Load. The IMO also proposed to introduce an Application Fee for these applications.	Draft Rule Change Report is due to be published.