

Wholesale Energy Market Rules – Proposed Amendments to effect the abolition of the IMO

The Public Utilities Office is providing a draft copy of proposed amendments to the WEM rules to facilitate the abolition of the Independent Market Operator (IMO).

These proposed amendments remove references to the IMO, confer or extinguish remaining subsidiary obligations and allow for transitional provisions as required. While most of these amendments are considered consequential in nature, a summary of key changes is provided to assist with stakeholder review of these amendments.

Comments and feedback on the draft rule amendments should be emailed to thomas.coates@treasury.wa.gov.au by **12pm on Monday, 12 March 2018**.

Table 1 – Summary of selected proposed amendments

Clause	Proposed amendment
1.9-1.11	Deletion of these clauses is recommended as they are considered 'spent' provisions that are no longer required. The PUO is happy to receive feedback on whether these provisions have residual value to market participants in describing certain transitional events.
1.17.6	Removes IMO's Transitional Compliance Functions as the matter under investigation is now closed.
1.25	New rule intended to facilitate closure of the IMO's operating position in relation to services provided which are funded by the collection of Market Fees.
4.1.33	This clause is no longer required as implementing an auction process for the Reserve Capacity Mechanism is subject to a policy decision by the State Government.
4.11.1E, 4.11.1F	<p>These proposed amendments confer responsibility on the ERA to conduct a review on outage thresholds rates for the purposes of certification of capacity. The PUO has formed the view that the matters to be reviewed under this clause require an independent assessment with regard to the impact on the overall market and as such, this responsibility should be conferred on the ERA.</p> <p>The timing of this review is proposed to be aligned with the review to be undertaken under clause 4.26.1D as the matters are similar to the extent that the reviews can be performed as part of a singular review.</p> <p>A new clause, 4.11.1F is proposed to be introduced to allow for the ERA to submit a rule change to give effect to any changes it recommends under the review.</p>
4.16.3; 4.16.10 and 2.26.5	<p>This proposed amendment confers responsibility on the ERA to develop the Market Procedure for the Benchmark Reserve Capacity Price (BRCP) methodology and process. The PUO has formed the view that developing the methodology and process for determining the BRCP requires an independent assessment and as such, this responsibility should be conferred on the ERA.</p> <p>A new clause 4.16.10 is proposed to be introduced to allow for the ERA to develop a rule or procedure change to give effect to any changes it recommends under the review mentioned in clause 4.16.9.</p> <p>Further, a new clause 2.26.5 is proposed to be introduced to allow for the ERA to propose rule or procedure changes to give effect to any changes it recommends under the review undertaken in clause 2.26.3. The PUO considers that there is substantial overlap between the reviews outlined in clauses 2.26.3 and 4.16.9, which warrants the need for the ERA to be able to submit rule or procedure changes for changes recommended under both reviews.</p>

Clause	Proposed amendment
4.26.1D and 4.26.1E	<p>These proposed amendments confer responsibility on the ERA to conduct a review of the Refund Exempt Planned Outage Count limit. The PUO has formed the view that the matters to be reviewed under this clause require an independent assessment with regard to the impact on the overall market and as such, this responsibility should be conferred on the ERA.</p> <p>A new clause, 4.26.1E is proposed to be introduced to allow for the ERA to submit a rule change to give effect to any changes it recommends under the review.</p>
Glossary	A category of AEMO confidential is proposed to be introduced, noting documents previously classified as IMO confidential are now deemed to be AEMO confidential.

Please note these proposed Amending Rules are to be made by the Minister in conjunction with the regulations required to dissolve the IMO.

Further, these proposed amendments use the proposed Amending Rules under RC_2017_10 as a base noting that if Ministerial approval on RC_2017_10 is delayed or not granted, the proposed amendments will be changed to reflect the current version of the WEM Rules.