

**Final Rule Change Report:
Omnibus Rule Change (RC_2014_07)
Standard Rule Change Process
10 December 2018**

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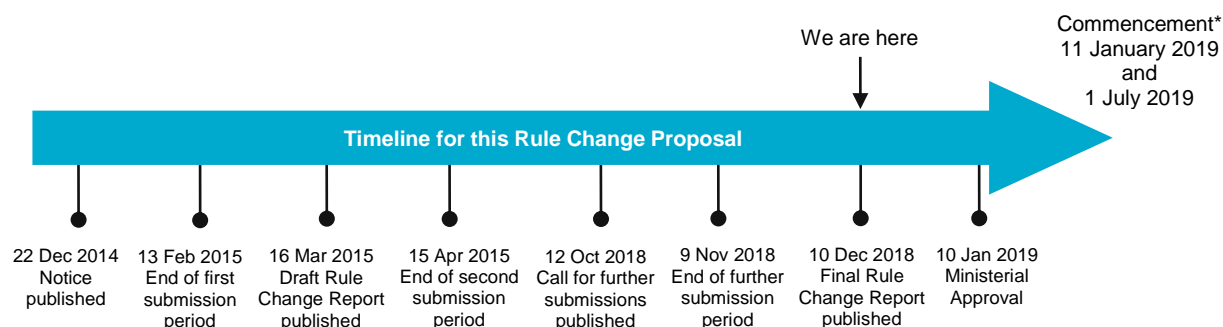
1. Rule Change Process and Timeline

On 22 December 2014, the Independent Market Operator (**IMO**) submitted a Rule Change Proposal titled “Omnibus Rule Change” (RC_2014_07).

This proposal is being processed using the Standard Rule Change Process, described in section 2.7 of the Wholesale Electricity Market (**WEM**) Rules (**Market Rules**). The IMO and subsequently the Rule Change Panel extended the standard timeframes for the process in accordance with clauses 1.18.3(b) and 2.5.10. Further details of the extensions are available on the Rule Change Panel’s website.

On 12 October 2018, the Rule Change Panel published a call for further submissions on the basis that the Market Rules had changed significantly since the publication of the Draft Rule Change Report, a significant amount of time had passed since the IMO consulted on the Rule Change Proposal, and the Rule Change Panel was proposing additional changes to the Amending Rules in the IMO’s Draft Rule Change Report.

The key dates for progressing this Rule Change Proposal, as amended in the extension notices, are:



* The commencement date for the amendments to clause 2.34.14 of the Market Rules is 1 July 2019, and for the rest of the Amending Rules is 11 January 2019. The Rule Change Panel will adjust the commencement dates if the Minister approves the Amending Rules later than 10 January 2019.

The Rule Change Panel’s final decision is to accept the Rule Change Proposal in a modified form, as set out in section 8 of this Final Rule Change Report.

All documents related to this Rule Change Proposal can be found on the Rule Change Panel’s website at [Rule Change: RC_2014_07 - Economic Regulation Authority Western Australia](#).

2. Proposed Amendments

2.1 The Rule Change Proposal

In this Rule Change Proposal, the IMO proposed to make a number of amendments to the Market Rules that sought to:

- correct a number of minor and typographical errors identified in the Market Rules;
- make minor administrative changes; and
- make several amendments to address activities that the IMO had identified as impractical.

The IMO noted that none of the proposed amendments sought to change the operation or intended meaning of the Market Rules.

Since the formal submission of this Rule Change Proposal:

- the Market Rules have changed significantly;
- the market operator function was transferred from the IMO to AEMO; and
- the system management function was transferred to AEMO.

Some former references to System Management have been removed from the Market Rules. The remainder now refer to either:

- AEMO;
- AEMO in its capacity as System Management; or
- System Management, with System Management being defined in the Glossary as “AEMO in its capacity as System Management”.

The Rule Change Panel has thus applied the proposed changes to the current Market Rules, accounting for the changes made to the Market Rules since the submission of the proposal. The proposed changes relating to the IMO and System Management have been updated to reflect the appropriate entity, in the context of the relevant function. Therefore, references in this Final Rule Change Report are changed as follows:

- where the proposal referred to the IMO in its market operator function, the report refers to AEMO; and
- where the proposal referred to System Management, the report refers, as applicable, to:
 - AEMO;
 - System Management; or
 - AEMO in its capacity as System Management.

The Rule Change Panel notes that the reasons for the proposed changes are mostly unaffected by the changes made to the Market Rules since the publication of the Draft Rule Change Report and the transfer of functions to AEMO.

Full details relating to the Rule Change Proposal are available on the Rule Change Panel’s website.

2.2 The IMO’s Initial Assessment of the Proposal

The IMO initially decided to progress the Rule Change Proposal on the basis of a preliminary assessment that the proposed changes were expected to decrease the costs of administering the market and improve the integrity of the Market Rules.

3. Consultation

3.1 The Market Advisory Committee

A Pre-Rule Change Proposal for this Rule Change Proposal was presented by the IMO to the MAC at its meeting on 3 December 2014. The MAC agreed that the IMO should submit the Rule Change Proposal into the Standard Rule Change Process. Details of this MAC meeting are available in the MAC meeting papers and minutes available on the Rule Change Panel’s website at [Market Advisory Committee Meetings - Economic Regulation Authority Western Australia](http://www.era.gov.au/Market-Advisory-Committee-Meetings-Economic-Regulation-Authority-Western-Australia).

3.2 Submissions Received During the First Submission Period

The first submission period for this Rule Change Proposal was held between 22 December 2014 and 13 February 2015. Submissions were received from Community Electricity and Perth Energy. Both submissions supported the Rule Change Proposal, but Perth Energy raised three issues with the proposed changes (see Appendix A). Copies of all submissions received during the first submission period are available at: https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2014_07.

The assessment by submitting parties on whether the Rule Change Proposal would better achieve the Wholesale Market Objectives is summarised in Table 1.

Table 1: Submitting Parties’ Assessment of the Rule Change Proposal and the Wholesale Market Objectives

Submitter	Wholesale Market Objective Assessment
Community Electricity	Community Electricity considered that the Rule Change Proposal improves the integrity of the Market Rules and is consistent with all of the Market Objectives.
Perth Energy	Subject to comments in its’ submission, Perth Energy considered that the Omnibus Rule Change will improve the clarity of the Market Rules and positively impact on the achievement of all Market Objectives (subject to Point 3 in the table in Appendix A).

3.3 The IMO’s Response to Submissions Received During the First Submission Period

The IMO’s response to each of the specific issues raised in the first submission period, originally presented in section 4.3 of the Draft Rule Change Report, is available in Appendix A of this report.

The Rule Change Panel agrees with the IMO’s responses to the issues.

3.4 Submissions Received During the Second Submission Period

The second submission period was held between 16 March 2015 and 15 April 2015. No submissions were received.

3.5 Call for Further Submissions

On 12 October 2018, the Rule Change Panel published a call for further submissions on this Rule Change Proposal given that:

- a significant period of time had passed since the IMO consulted on the Draft Rule Change Report;
- the Market Rules had undergone numerous changes since the publication of the Draft Rule Change Report; and
- the Rule Change Panel was proposing several further amendments to the Amending Rules from the Draft Rule Change Report, and required stakeholder feedback on these further amendments.

The call for further submissions, which details the Rule Change Panel's proposed further amendments to the Amending Rules in the Draft Rule Change Report, is available on the Rule Change Panel's website.

3.6 Submissions Received During the Further Submission Period

The further submission period was held between 15 October 2018 and 9 November 2018. One submission was received from AEMO which was supportive of the proposed Amending Rules detailed in the call for further submissions. A copy of AEMO's submission from the further submission period is available at: https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2014_07.

AEMO agreed with the Wholesale Market Objective assessment set out in Section 4 of the original 2014 Rule Change Proposal.

3.7 The Rule Change Panel's Response to Submissions Received During the Further Submission Period

The only submission from the further submission period was supportive of the Rule Change Proposal and raised no points of contention. However AEMO identified a typographical adjustment for the proposed amended clause 2.34.14 to change 'Schedule Day' to 'Scheduling Day'. The Rule Change Panel has further amended clause 2.34.14 of the proposed Amending Rules to correct this typographical error.

3.8 Public Forums and Workshops

No public forums or workshops were held in regard to this Rule Change Proposal.

4. The IMO's Draft Assessment

The IMO's draft assessment against clauses 2.4.2 and 2.4.3 of the then Market Rules and its analysis of the Rule Change Proposal are provided in section 5 of the Draft Rule Change Report, which is available on the Rule Change Panel's website.

5. The IMO's Proposed Decision from the Draft Rule Change Report

The IMO's proposed decision in the Draft Rule Change Report was to accept the Rule Change Proposal in a modified form, as set out in section 7 of the Draft Rule Change Report.

The IMO made its proposed decision on the basis that the Amending Rules:

- better achieve the Wholesale Market Objectives (a) and (d);
- are consistent with the remaining Wholesale Market Objectives;
- are administrative in nature and have a minimal impact and cost; and
- have the support of the MAC and the submissions received during the first submission period.

Additional detail outlining the analysis behind the IMO's proposed decision is provided in section 5 of the Draft Rule Change Report.

6. The Rule Change Panel's Final Assessment

6.1 Assessment Criteria

In preparing its Final Rule Change Report, the Rule Change Panel must assess the Rule Change Proposal in light of clauses 2.4.2 and 2.4.3 of the Market Rules.

Clause 2.4.2 of the Market Rules states that the Rule Change Panel "*must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives*". Additionally, clause 2.4.3 of the Market Rules states that, when deciding whether to make Amending Rules, the Rule Change Panel must have regard to:

- any applicable statement of policy principles the Minister has issued to the Rule Change Panel under clause 2.5.2 of the Market Rules;
- the practicality and cost of implementing the proposal;
- the views expressed in submissions and by the MAC; and
- any technical studies that the Rule Change Panel considers necessary to assist in assessing the Rule Change Proposal.

In making its final decision, the Rule Change Panel has had regard to each of the matters identified in clauses 2.4.2 and 2.4.3 of the Market Rules as follows:

- the Rule Change Panel's assessment of the Rule Change Proposal against the Wholesale Market Objectives is available in section 6.4 of this report;
- the Rule Change Panel notes that there has not been any applicable statement of policy principles from the Minister in respect of this Rule Change Proposal;
- the Rule Change Panel's assessment of the practicality and cost of implementing the Rule Change Proposal is available in section 6.6 of this report;
- a summary of the views expressed in submissions is available in section 3 and Appendix A of this report. Views of the MAC are available in section 3.1 of this report. The IMO and Rule Change Panel's responses to the submissions is available in Appendix A of the Draft Rule Change Report, section 3.7, section 6.2 and Appendix A of this report; and

- the Rule Change Panel does not believe a technical study in respect of this Rule Change Proposal is required and therefore has not commissioned one.

The Rule Change Panel’s assessment is presented in the following sections.

6.2 Assessment of the Proposed Changes

The Rule Change Panel’s assessment of the proposed amendments is provided in Table 2.

Table 2: Proposed Amendments to the Market Rules and the Rule Change Panel’s Assessment

Clauses to be Amended	Rule Change Panel Assessment
2.13.15 and 2.13.16	The Rule Change Panel agrees with the IMO’s assessment and supports the proposed typographical changes and the specific reference to the WEM Regulations.
2.13.21, 2.23.1, 2.23.4, 2.23.9 and 4.27.1	These clauses are now blank, so the proposed changes are no longer applicable.
2.16.9FA	The Rule Change Panel agrees with the IMO’s assessment and supports the proposed change to correctly refer to the Economic Regulation Authority.
2.22.8B	Clause 2.22.8B was deleted as part of the dissolution of the IMO, so the proposed change is no longer applicable.
2.24.6	The change to clause 2.24.6 has already been incorporated into the Market Rules, so this change is no longer applicable.
2.30A.6	The Rule Change Panel supports the typographical addition of the full stop after the clause number to be consistent with the Market Rules. The Rule Change Panel rejects the remainder of the proposed amendments, as the way Market Procedures are referred to in the Market Rules will instead be considered under Rule Change Proposal RC_2015_01 (Removal of Market Operation Market Procedures).
2.31.23	The Rule Change Panel supports removing the extra space in front of the word ‘transfer’ to enhance readability of the clause. The Rule Change Panel rejects the remainder of the proposed amendments, as the way Market Procedures are referred to in the Market Rules will instead be considered under Rule Change Proposal RC_2015_01 (Removal of Market Operation Market Procedures).
2.33.2	The Rule Change Panel agrees with the IMO’s assessment and supports the proposed change to remove the ‘d’ from ‘prescribes’ to correct the grammar of the clause.

Clauses to be Amended	Rule Change Panel Assessment
2.33.5	<p>The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to actively place the obligation on the relevant entity and enhance readability of the clause.</p>
2.34.14	<p>The Rule Change Panel agrees with the general intention of the IMO's changes, but further changes were recommended in the call for further submissions to correct further identified issues. No issues were raised with the further amendments in the further submission period. However, as noted in the call for further submissions, the Rule Change Panel has made additional amendments to take into account any changes made to clause 2.34.14 by RC_2014_06. The Rule Change Panel has set the commencement date for clause 2.34.14 to be immediately after the commencement of the Amending Rules in RC_2014_06.¹ The Rule Change Panel's final assessment of the changes proposed to clause 2.34.14 is detailed below.</p> <p>Standing Data Items</p> <p>The Rule Change Panel supports removing all items that are not Standing Data (which are defined in Appendix 1 of the Market Rules) from clause 2.34.14(a). The timelines for use of revised data for these non-Standing Data items are set out in other clauses of the Market Rules, in particular:</p> <ul style="list-style-type: none"> • the timeline for Standing STEM Submissions is defined in clause 6.3C.1; and • the timeline for Standing Bilateral Submissions is defined in clause 6.2A.1. <p>These timelines contradict the time set out in clause 2.34.14(a). Removing these non-Standing Data items removes the contradicting timelines and addresses the issue that these items are erroneously referred to as Standing Data.</p> <p>The Rule Change Panel notes that it proposed in the call for further submissions to remove the reference to Standing Resource Plan Submissions. However, the reference to Standing Resource Plan Submissions is already removed by RC_2014_06, which commences on 1 July 2019.²</p> <p>Separately, revised Standing Data for clause 6.6.9 applications (treatment of a Scheduled Generator as if it was dual-fuel capable) must remain in clause 2.34.14(a), as</p>

¹ The Amending Rules RC_2014_06 are scheduled to commence at 8:00 AM on 1 July 2019.

² RC_2014_06 removes Resource Plans and therefore Standing Resource Plan Submissions from the Market Rules.

Clauses to be Amended	Rule Change Panel Assessment
	<p>clause 6.6.11(b) specifically references clause 2.34 for commencement times. This part has been preserved in clause 2.34.14(a), which the Rule Change Panel supports.</p> <p>Consumption Decrease Prices and Extra Consumption Decrease Prices</p> <p>The Rule Change Panel supports the changes to clarify the time from which AEMO must use the revised Consumption Decrease Prices and Extra Consumption Decrease Prices; as this provides Rule Participants certainty on when the revised prices commence.</p> <p>The Consumption Decrease Prices and Extra Consumption Decrease Prices are being removed from clause 2.34.14(a) and placed into clause 2.34.14(b), as per the intention of the original Rule Change Proposal.</p> <p>At the time of the Draft Rule Change Report, the intention was to move the contents of clause 2.34.14(a)ii to clause 2.34.14(b). ‘Extra Consumption Decrease Prices’ did not exist at the time of the Draft Rule Change Report, but this concept is related to ‘Consumption Decrease Prices’; so the Rule Change Panel supports honouring the original intention in the Rule Change Proposal and has also moved the term ‘Extra Consumption Decrease Prices’ into clause 2.34.14(b).</p> <p>The Rule Change Panel has also decided to amend the changes to clause 2.34.14(b) to clarify the time from which AEMO must use the revised Consumption Decrease Prices and Extra Consumption Decrease Prices information. The Rule Change Panel considers that Market Participants require certainty on the time from which these prices take effect.</p> <p>The Rule Change Panel notes that it proposed in the call for further submissions to move the reference to the Consumption Increase Price from clause 2.34.14(a) to clause 2.34.14(b). However, the reference to the Consumption Increase Price is removed by RC_2014_06, which commences on 1 July 2019.³</p>
2.38.4	<p>The Rule Change Panel agrees with the IMO’s assessment and supports the proposed changes to correct the grammar of the clause.</p>
3.2.5	<p>The Rule Change Panel rejects the IMO’s proposed removal of the term ‘respect’, as the Rule Change Panel views that this wording change materially affects the</p>

³ RC_2014_06 removes Dispatchable Loads and therefore the Consumption Increase Price, which is only used for Dispatchable Loads, from the Market Rules.

Clauses to be Amended	Rule Change Panel Assessment
	<p>meaning of the clause, which is not the intent of the Rule Change Proposal.</p> <p>The Rule Change Panel supports the change to reference the 'Technical Rules' instead of 'Technical Code' to be consistent with the Access Code.</p>
3.5.1	<p>The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to make numerical references consistent and to correct spelling. The remainder of the changes have already been incorporated into the clause by other rule changes.</p>
3.11.8A	<p>The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to ensure that the clause appropriately relates to the provision of a Load Rejection Reserve, System Restart or Dispatch Support service.</p>
3.16.4	<p>The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to correctly refer to 'medium term planning'.</p>
3.16.9	<p>The Rule Change Panel agrees with the IMO's view in the Draft Rule Change Report that there is no need to publish the Medium Term PASA during or before a weekend, if the 15th of the month falls on a non-Business Day, in response to Perth Energy's submission. The Rule Change Panel also agrees with the IMO's assessment and supports the proposed changes to publish the Medium Term PASA on the first Business Day falling on or after the 15th of a month, and to correctly refer to System Management's Medium Term PASA and the 'medium term planning horizon'.</p>
3.21B.8	<p>The Rule Change Panel makes the following decisions regarding amendments to clause 3.21B.8:</p> <ul style="list-style-type: none"> • the IMO proposed to amend the word 'granting' to 'when granting'. However, the actual drafted amendments in the Rule Change Proposal and again in the Draft Rule Change Report have specified the amendment as 'to grant'. As this drafting has undergone three submission periods and the Draft Rule Change Report, the Rule Change Panel supports keeping the 'to grant' amendment as it is as it improves clarity; • The Rule Change Panel rejects the proposed inclusion of a reference to re-synchronisation, as this section 3.21B relates to the decommitment of Facilities and not the commitment of Facilities. Specifically, the change

Clauses to be Amended	Rule Change Panel Assessment
	<p>was for the phrase ‘for re-synchronisation in’ to replace ‘is’ after the word ‘permission’ – which would incorrectly insert a contradictory concept; and</p> <ul style="list-style-type: none"> the Rule Change Panel agrees and supports amending the term ‘this clause’ before 3.21B to ‘section’, to be consistent with references within the Market Rules.
3.22.1	The Rule Change Panel agrees with the IMO’s assessment and supports the proposed changes to correctly refer to the ‘settlement system’ and with the grammatical improvements to provide clarity of the clause.
4.5.1	The Rule Change Panel agrees with the IMO’s assessment and supports the proposed changes to correctly refer to the Long Term PASA and additions to improve clarity in the clause.
4.5.2	The Rule Change Panel agrees with the IMO’s assessment and supports the proposed changes to correctly refer to the Long Term PASA.
4.7.1	The Rule Change Panel agrees with the IMO’s assessment and supports the proposed changes to consistently have [Blank] in the Market Rules.
4.27.2	<p>The Rule Change Panel rejects the amendment proposed by the IMO, as the original intent of the amendments to clause 4.27.2 were to move the obligation on the IMO to monitor total available capacity on the SWIS from clause 4.27.1 to clause 4.27.2. Since then, given the transfer of functions from IMO to AEMO, clause 4.27.2 has been significantly amended to require AEMO to assess Equivalent Planned Outage Hours, so it is no longer appropriate to give effect to the proposed amendments.</p> <p>The Rule Change Panel agrees with the IMO’s assessment and supports the other typographical changes to refer to numerical references in the Market Rules consistently.</p>
4.27.10	The Rule Change Panel agrees with the IMO’s assessment and supports the proposed changes to correct the grammar of Capacity Credits.
4.27.10A, 5.5-5.7, 5.1.3, 5.1.4, 5.2.1-5.2.7, 5.3.1-5.3.9, 5.4.1-5.4.14, 5.5, 5.5.1-5.5.4, 5.6.1-5.6.3, 5.8.1-5.8.8, 6.2.4C, 9.12.1, 9.12.2 and 9.14.2	The Rule Change Panel agrees with the IMO’s assessment and supports the removal of these blanks to streamline the Market Rules without affecting numbering in the Market Rules.

Clauses to be Amended	Rule Change Panel Assessment
5.1	The Rule Change Panel agrees with the IMO's assessment and supports the change of the heading for section 5.1 to [Blank] as the section no longer has content.
5.1.1 and 5.1.2	The Rule Change Panel agrees with the IMO's assessment and supports moving the definition of Network Control Service into the Glossary and removing the definition of Network Control Service Contract, as this term already exists in the Glossary.
7.13.1	The Rule Change Panel rejects the IMO's proposed amendments, as System Management is now part of AEMO, which makes the amendments redundant.
8.4.5	The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to not prescribe the means by which Metering Data Agents need to contact AEMO.
8.6.1	The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to correctly refer to Meter Dispute.
9.2.1	The Rule Change Panel rejects the proposed amendments, as the way Market Procedures are referred to in the Market Rules will instead be considered under RC_2015_01.
9.3.2	The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to correctly detail that Metering Data Agents must provide AEMO with settlement-ready metering data.
9.4.7	The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to not prescribe the means by which AEMO must confirm receipt of a Capacity Credit Allocation Submission.
9.9.3A	The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to remove an unnecessary comma from the ASP_Balance_Payment calculation.
9.20.1	<p>The Rule Change Panel supports the proposed intention of the IMO's proposed changes to not prescribe the means by which a Notice of Disagreement must be submitted to AEMO.</p> <p>The way Market Procedures are referred to in the Market Rules will be considered under Rule Change Proposal RC_2015_01 (Removal of Market Operation Market Procedures), but the Rule Change Panel amends the IMO's</p>

Clauses to be Amended	Rule Change Panel Assessment
	originally proposed changes and supports the specific reference to the 'Settlement Procedure' to ensure clarity in this clause. This was proposed in the call for further submissions, and the Panel did not receive any objections to this amendment.
Glossary "Derogation" and "Shareholding Minister"	The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to remove these now redundant terms from the Glossary.
Glossary "Network Control Service"	The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to the definition of "Network Control Service" which was previously defined in clause 5.1.1, and instead state this as the definition in the Glossary.
Glossary "Technical Code"; "Technical Rules"	The Rule Change Panel agrees with the IMO's assessment of removing the Technical Code definition from the Market Rules and replacing this with Technical Rules. However, the Rule Change Panel rejects the IMO's proposed definition for Technical Rules; and instead approves the Rule Change Panel's amendments as raised during the call for further submissions, to align the definition of Technical Rules with section 1.3 of the Access Code. The Panel also approved reordering the definitions alphabetically to maintain consistency.
Appendix 1	<p>The Rule Change Panel agrees with the IMO's assessment and supports the proposed changes to:</p> <ul style="list-style-type: none"> • correctly reference section 2.35 instead of 2.36; • add in the hyphen for 'Non-Schedule Generator'; and • correctly reference the 'nameplate' capacity; <p>to ensure consistency and correctness within the Market Rules.</p> <p>The Rule Change Panel also agrees to the proposed additional changes to make 'clause' into 'section' to be consistent with internal referencing within the Market Rules.</p>
Appendix 5	The Rule Change Panel rejects the IMO's proposed amendments to the STEP 9 calculation, as this has already been addressed by RC_2017_06, which will commence on 1 June 2019.

6.2.1 Issues Identified during the First Submission Period

The issues identified in the first submission period are detailed in Appendix A of this report, and in the Draft Rule Change Report, which is available on the Rule Change Panel's website. No changes to the proposed Amending Rules arose from the submissions.

6.3 Additional Amendments to the Proposed Amending Rules

6.3.1 Additional Amendments following the First Submission Period

The IMO identified the following additional changes during the first submission period, and made the associated proposed Amending Rules in its Draft Rule Change Report:

- amend clause 7.13.1 of the Market Rules to reflect informal advice from System Management that it currently does not monitor the ambient temperature at each generating system; and
- add missing mark-ups from the Rule Change Proposal to highlight the proposed changes to clause 3.22.1 of the Market Rules.

These changes were part of the second submission period consultation to which there were no submissions. The Rule Change Panel's assessment of these clauses is contained in Table 2.

6.3.2 Additional Amendments following the Second and Further Submission Period

The Rule Change Panel made further changes to the drafting proposed in the Draft Rule Change Report in the call for further submissions to account for the changes made to the Market Rules since the submission of the Rule Change Proposal. These changes are noted in comment boxes throughout the proposed Amending Rules in section 8 of this report, and in summary, were:

- to fix amendments proposed at the time of the Draft Rule Change Report that are no longer applicable due to the evolution of the Market Rules;
- to correct typographical and grammatical errors;
- additional changes to clause 2.34.14 to:
 - remove incorrect references to information as Standing Data which actually is not Standing Data;
 - clarify the time from which AEMO must apply the revised Consumption Decrease Prices and Extra Consumption Decrease Prices;
- to reject the deletion of the term 'respect' in several places in clause 3.2.5 to avoid inadvertently changing of the intention of the clause;
- to reject changes to references to Market Procedures, as these considerations are being considered under Rule Change Proposal (RC_2015_01); and
- to facilitate updates to the Glossary.

The additional amendments are shown in comparison with the proposed Amending Rules of the Draft Rule Change Report in Appendix D.

6.4 Assessment against the Wholesale Market Objectives

The Rule Change Panel considers that the proposed amendments to the Market Rules are consistent with the Wholesale Market Objectives, and objectives (a) and (d) in particular, as the changes will likely reduce administrative costs associated with the Wholesale Electricity Market and provide clarity and consistency within the Market Rules.

6.5 Protected Provisions, Reviewable Decisions and Civil Penalties

Changes to clauses in section 2.12 and clauses 2.13.15, 2.13.16, 2.13.21, 2.16.9FA, 2.22.8B, 2.23.1, 2.23.4, 2.23.9 and 2.24.6 of the Market Rules are Protected Provisions under clause 2.8.13 of the Market Rules. Thus, under clause 2.8.3 of the Market Rules, the Amending Rules in this Final Rule Change Report require Ministerial approval.

The Rule Change Panel notes that clauses 3.16.4 and 9.3.2 of the Market Rules are being amended by this Rule Change Proposal, and are Category B civil penalty provisions under the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*. The Rule Change Panel considers that the proposed amendments should remain civil penalty provisions, as the amendments do not affect their suitability to remain so.

The Amending Rules do not affect any clauses that are Reviewable Decisions.

6.6 Practicality and Cost of Implementation

6.6.1 Cost

The Rule Change Panel has confirmed with AEMO that there will not be significant costs for AEMO in implementing the proposed Amending Rules, as and stated in AEMO's further period submission. The Rule Change Panel does not anticipate that costs would be significant for Market Participants.

6.6.2 Practicality

The Rule Change Panel has identified that there are overlapping changes to clause 2.34.14 under this Rule Change Proposal and RC_2014_06. The Rule Change Panel has already made a decision on RC_2014_06, but the approved changes have not yet commenced, and making changes to the overlapping clause prior to commencement of RC_2014_06 would prevent those changes from being enacted. To address this issue and accommodate the smooth implementation of the proposed changes from this Rule Change proposal and RC_2014_06, the Rule Change Panel:

- has made the amendments to clause 2.34.14 based on the Amending Rules in RC_2014_06, and
- will commence the changes made to clause 2.34.14 in this Final Rule Change Report immediately after the commencement of RC_2014_06.

The remaining changes in this Rule Change Proposal will commence as stated in section 8 of this report, pending the Minister's approval.

In its submission, AEMO commented that they are supportive of the timeframes indicated by the Rule Change Panel.

7. The Rule Change Panel's Decision

Based on the considerations set out in this report, the Rule Change Panel's final decision is to accept the Rule Change Proposal in a modified form, as set out in section 8 of this Final Rule Change Report.

7.1 Reasons for the Decision

The Rule Change Panel has made its decision on the basis that the Amending Rules, as amended following the first, second and further submission periods:

- will correct a number of minor and typographical errors, make minor administrative changes and address activities previously identified as impractical;
- will improve the Market Rules to better achieve Wholesale Market Objectives (a) and (d), and are consistent with the remaining Wholesale Market Objectives; and
- there are no material costs or practicality issues associated with implementing the changes.

Additional detail outlining the analysis behind the Rule Change Panel's decision is outlined in section 6 of this report.

8. Amending Rules

8.1 Commencement

Subject to Ministerial approval, the commencement dates for the amended clauses are as follows:

Table 3: Commencement dates for Amending Clauses

Rules	Commencement Date
Clause 2.34.14	Immediately after the commencement of RC_2014_06 (currently scheduled for 8:00 AM on 1 July 2019)
All other amendments	8:00 AM on 11 January 2019

8.2 Amending Rules

The Rule Change Panel has decided to implement the following Amending Rules (~~deleted text~~, added text) with comment boxes provided to give context and are not forming part of the Market Rules⁴:

...

~~2.12.1.~~ [Blank]

~~2.12.2.~~ [Blank]

~~2.12.3.~~ [Blank]

~~2.12.4.~~ [Blank]

~~2.12.5.~~ [Blank]

...

⁴ The Amending Rules are marked up against the Market Rules as at 10 December 2018, except for clause 3.34.14, which is marked up against the Amending Rules in RC_2014_06, which are scheduled to commence on 1 July 2019.

Clauses 2.13.15 and 2.13.16, where the 'Economic Regulation Authority' appears, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

2.13.15. Where the alleged breach relates to a Category A Market Rule (as determined in accordance with the WEM Regulations) and the Economic Regulation Authority is not the Rule Participant that is alleged to have breached the Market Rules, the Economic Regulation Authority must determine~~make a decision as to~~ whether a breach has occurred.

2.13.16. The Economic Regulation Authority may:

- (a) determine that ~~decide~~ a breach has taken place, in which case the Economic Regulation Authority may issue a penalty notice in accordance with the WEM Regulations; or

...

...

Clause 2.13.21 is now blank (thus the proposed changes are no longer applicable).

2.13.21. [Blank]

...

Clause 2.16.9FA has changed since the Draft Rule Change Report, but the proposed changes are still applicable.

2.16.9FA. Subject to clause 2.16.9FB, the Economic Regulation Authority may extend the timeframe for an investigation under clause 2.16.9E for a period of up to six months, to the nearest Business Day following that six month extension period. Where the Economic Regulatory Regulation Authority makes such an extension it must publish a notice of the extension on the Market Web Site. The Economic Regulation Authority may extend the timeframe for an investigation more than once.

...

Clause 2.22.8B was originally proposed to be amended, but the clause was deleted due to the dissolution of the IMO, so the proposed change is no longer applicable.

...

Clauses 2.23.1, 2.23.4 and 2.23.9 are now blank, so these amendments are no longer applicable.

2.23.1. [Blank]

...

2.23.4. [Blank]

...

2.23.9. [Blank]

...

The amendment to clause 2.24.6 was to change the word 'Regulatory' to 'Regulation'. This has already been corrected, so the proposed change is no longer applicable.

2.24.6. By the date which is five Business Days prior to 30 June each year, the Economic Regulation Authority must notify AEMO of—

- (a) the dollar amount that the Economic Regulation Authority may recover under clause 2.24.5; and
- (b) the dollar amount that the Economic Regulation Authority may recover under clause 2.24.5B (to the extent such amount is not already included in the dollar amount referred to in clause 2.24.6(a)).

...

The amendments to clause 2.30A.6 (apart from the typographical insertion of the full stop after the clause number) are proposed to be rejected, as the way Market Procedures are referred to in the Market Rules will be considered by RC_2015_01.

Where 'AEMO' appears in clause 2.30A.6, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

2.30A.6. AEMO must document the Spinning Reserve costs exemption process in the Registration Procedure, and:

- (a) applicants for exemption from Spinning Reserve costs must follow that documented Market Procedure; and
- (b) AEMO must follow that documented Market Procedure when processing applications for exemption from Spinning Reserve cost funding.

...

The amendments to clause 2.31.23 (apart from the removal of the extra space in front of 'transfer') are proposed to be rejected, as the way Market Procedures are referred to in the Market Rules will be considered by RC_2015_01.

Where 'AEMO' appears in clause 2.31.23, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

2.31.23. AEMO must document the registration, de-registration and -transfer process in the Registration Procedure, and:

...

...

Where 'AEMO' appears in clause 2.33.2, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

2.33.2. AEMO must prescribe a Rule Participant de-registration form that requires an applicant for de-registration as a Rule Participant to provide the following:

...

Where 'AEMO' appears in clause 2.33.5, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

2.33.5. ~~AEMO must prescribe a~~The Facility transfer form ~~prescribed by AEMO must that~~ requires ~~that~~ an applicant for transfer of a Facility ~~to~~ provide the following:

...

- (f) evidence to ~~the satisfaction of AEMO's~~ satisfaction that the party making the application has assumed the Reserve Capacity Obligations associated with the Facility, and agrees to any Short Term Special Price Arrangements associated with the Facility;

...

...

The Rule Change Panel notes that the changes to clause 2.34.14 overlap with the changes in RC_2014_06 (Removal of Resource Plans and Dispatchable Loads), which will commence on 1 July 2019. Thus:

- the amendments to clause 2.34.14 made in this Final Rule Change Report, are based on the Amending Rules in RC_2014_06, and
- the Rule Change Panel will commence the changes made to clause 2.34.14 in this Final Rule Change Report immediately after the commencement of RC_2014_06.

The Rule Change Panel decided to amend clause 2.34.14(a) to remove all items that are not Standing Data, as per Appendix 1 of the Market Rules. The timelines for the use of data for these items are set out in other clauses of the Market Rules, in particular:

- the timeline for Standing STEM Submissions is defined in clause 6.3C.1; and
- the timeline for Standing Bilateral Submissions is defined in clause 6.2A.1.

This removes the contradicting timelines for use of data that currently exists for these items, and addresses the issue that these items are erroneously referred to as Standing Data. However, revised Standing Data for clause 6.6.9 applications must remain in clause 2.34.14(a), as clause 6.6.11(b) specifically references clause 2.34 for commencement times.

The Consumption Decrease Prices and Extra Consumption Decrease Prices are removed and placed into clause 2.34.14(b), as per the intention of the Rule Change Proposal.

At the time of the Draft Rule Change Report, the intention was to move the contents of clause 2.34.14(a)ii to clause 2.34.14(b). 'Extra Consumption Decrease Prices' did not exist at the time of the Draft Rule Change Report, but this concept is related to 'Consumption Decrease Prices'; so the Rule Change Panel seeks to honour the original intention in the Rule Change Proposal, and has also moved the term 'Extra Consumption Decrease Prices' into clause 2.34.14(b).

The Rule Change Panel also decided to amend the changes to clause 2.34.14(b) to clarify the time from which AEMO must use the revised Consumption Decrease Prices and Extra

Consumption Decrease Prices. The Rule Change Panel considers that Market Participants require certainty on the time from which these prices take effect.

Where 'AEMO' appears in clause 2.34.14, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

2.34.14. AEMO must commence using revised Standing Data ~~from:~~

- (a) ~~8:00 AM on the Scheduling Day following AEMO's acceptance of the revised Standing Data in the case of:~~
- ~~i. Standing STEM Submissions;~~
 - ~~iA. Standing Bilateral Submissions;~~
 - ~~ii. Consumption Decrease Prices and Extra Consumption Decrease Prices; and~~
 - ~~iii. Standing Data changes stemming from acceptance of an application under clause 6.6.9,~~
- ~~with the exception that the previous Standing Data remains current for the purpose of settling the Trading Day that commences at the same time as that Scheduling Day; and~~
- from 8:00 AM on the Scheduling Day following AEMO's acceptance of revised Standing Data resulting from an application under clause 6.6.9, with the exception that the previous Standing Data remains current for the purpose of settling the Trading Day that commences on the Scheduling Day following AEMO's acceptance of the revised Standing Data;
- (b) from 8:00 AM on the latter of:
- i. the date proposed by the Rule Participant; or
 - ii. the date two days following the end of the Trading Day on which AEMO accepted the revised Standing Data,
- for Consumption Decrease Prices and Extra Consumption Decrease Prices; and
- (c) as soon as practicable in the case of any other revised Standing Data.

...

Where 'AEMO' appears in clause 2.38.4, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

2.38.4. The Credit Support for a Market Participant must be:

- (a) an obligation in writing that:
- ...
 - iv. constitutes valid and binding unsubordinated obligations ~~to~~of the Credit Support provider to pay to AEMO amounts in accordance with its terms which relate to the relevant Market Participant's obligations under the Market Rules; and
 - ...

...

Amendments to clause 3.2.5 to remove the term 'respect' were intended to clarify the wording of clause 3.2.5. The Rule Change Panel's view is that the proposed amendments significantly change the meaning of the clause and thus proposes to reject the changes. In clause 3.2.5(e), the defined term 'Technical Code' to 'Technical Rules' will be changed so that it is consistent with the Access Code.

- 3.2.5. The Technical Envelope represents the limits within which the SWIS can be operated in each SWIS Operating State.- In establishing and modifying the Technical Envelope under clause 3.2.6, System Management must:
- (a) respect all Equipment Limits but only to the extent those limits are not inconsistent with the dispatch of Facilities that, but for the Equipment Limits, would be dispatched under clause 7.6.1C;
 - (b) respect all Security Limits;
 - (c) respect all SWIS Operating Standards;
 - (d) respect all Ancillary Service standards specified in clause 3.10; and
 - (e) take into account those parts of the SWIS which are not designed to be operated to the planning criteria in the relevant Technical RulesCode.

...

Clauses 3.5.1 and 3.5.1(eA) already incorporate amendments made by other rule changes, but the following corrections are still endorsed.

- 3.5.1. The SWIS is in an Emergency Operating State when System Management considers that any of the following circumstances exist, or are likely to exist within the next ~~fifteen~~15 minutes, or are likely to exist after ~~fifteen~~15 minutes; and actions other than those allowed under the Normal Operating State or High Risk Operating State must be implemented immediately by System Management so as to moderate or avoid the circumstance:

...

- (eA) operation under a Normal Operating State or a High Risk Operating State would pose a significant risk to the physical safety of the public or field personneal;

...

...

- 3.11.8A. System Management may enter into an Ancillary Service Contract with a Rule Participant for the provision of a Load Rejection Reserve Service, System Restart Service or Dispatch Support Service.

...

- 3.16.4. Unless otherwise directed by System Management, Rule Participants must provide the following data to System Management in respect of each week in the

~~m~~Medium ~~t~~Term ~~p~~Planning horizon described in clause 3.16.2 by the time specified in the Power System Operation Procedure:

...

...

Clause 3.16.1 requires System Management to carry out a Medium Term PASA by the 15th of each month and clause 3.16.9 prescribes publication of the Medium Term PASA. An amendment to clause 3.16.9 is required to allow the Medium Term PASA to be published on the first Business Day falling on or after the 15th of the month.

In the first submission period for this Rule Change Proposal, Perth Energy questioned whether there was a practical need for the proposed amendment.

The Rule Change Panel agrees with the view expressed by the IMO in the Draft Rule Change Report for this Rule Change Proposal that there is no need to publish the Medium Term PASA during or before a weekend, if the 15th of the month falls on a non-Business Day.

Due to the transfer of System Management functions to AEMO, part of the originally proposed changes are no longer applicable.

- 3.16.9. ~~By~~On the first Business Day falling on or following the 15th day of each month, System Management must publish the following information developed as a result of ~~its~~System Management's Medium Term PASA ~~study~~ for each week in the ~~m~~Medium ~~t~~Term ~~p~~Planning horizon described in clause 3.16.2:

...

...

In clause 3.21B.8:

- the IMO proposed in this Rule Change Proposal to amend the word 'granting' to 'when granting'. However, the actual amendments for the Rule Change Proposal and again in the Draft Rule Change Report specified the amendment as 'to grant'. As this drafting had undergone two submission periods and the Draft Rule Change Report, the Rule Change Panel decided to keep the 'to grant' amendment;
- the phrase 'for re-synchronisation in' was proposed to replace 'is' after the word 'permission'. The Rule Change Panel rejects this amendment as section 3.21B of the Market Rules describes decommitment and the permission being sought by Market Participants is to decommit a generator; and
- the Rule Change Panel amends the term 'this clause' before 3.21B to 'section'.

- 3.21B.8. System Management must document the procedure it follows to granting permission ~~is~~in accordance with ~~this clause~~section 3.21B in the Power System Operation Procedure and System Management and Market Participants must follow that documented Market Procedure.

...

Where 'AEMO' appears in clause 3.22.1, this was originally referenced as 'The IMO' in the Draft Rule Change Report.

3.22.1. AEMO must ~~provide~~update the following information ~~to~~in the ~~s~~Settlement ~~s~~System for each Trading Month:

...

...

For clause 4.5.1, the Rule Change Panel rejects removing 'Study' from 'Long Term PASA Study Horizon' as this is a defined term in the Market Rules Glossary.

Where 'AEMO' appears in clause 4.5.1, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

4.5.1. The Long Term PASA ~~Study~~ must be performed annually by AEMO and must address~~considers~~ each of the years in the Long Term PASA Study Horizon.

4.5.2. The Long Term PASA ~~Study~~ must take into account:

...

...

4.7.1. [~~Blank~~ANK]

...

~~4.13.11B~~ [~~Blank~~]

...

Clause 4.27.1 is now blank thus the proposed changes are no longer applicable.

4.27.1. [Blank]

The original intention was to move the obligation that required the IMO to monitor total available capacity on the SWIS from clause 4.27.1 to clause 4.27.2. Clause 4.27.2 was subsequently changed significantly due to the transfer of functions from IMO to AEMO, to now require AEMO to assess Equivalent Planned Outage Hours.⁵ Therefore, it is no longer practical to give effect to the proposed amendments given the vast departure from the original subject matter.

The remaining typographical changes were agreed to by the Rule Change Panel.

4.27.2. By the ~~twenty-fifth~~25th day of each month, AEMO must assess the number of Equivalent Planned Outage Hours taken in the preceding 12 Trading Months by each Scheduled Generator and Non-Scheduled Generator assigned Capacity Credits for the current Capacity Year.

...

⁵ Detailed in Part 3 of the Wholesale Electricity Market Amending Rules 2016, which commenced on 1 October 2017.

Where 'AEMO' appears in clause 4.27.10, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

4.27.10. Market Participants holding Capacity Credits for Facilities that are yet to commence operation must file a report on progress with AEMO:

- (a) at least once every three months from the date the Capacity Credits are confirmed under clause 4.20.5A; and

...

4.27.10A. [Blank]

...

Clause 4.29.3 has changed since the publication of the Draft Rule Change Report. The proposed changes are no longer applicable.

4.29.3. AEMO must determine the following information in time for settlement of Trading Month m:

...

5.1. **Definitions**[Blank]

~~5.1.1. A Network Control Service is a service provided by generation or demand side management that can be a substitute for transmission or distribution network upgrades.~~

~~5.1.2. A Network Control Service Contract is a contract between a Network Operator and a Market Participant for the Market Participant to provide a Network Control Service.~~

~~5.1.3. [Blank]~~

~~5.1.4. [Blank]~~

...

~~5.2.1. [Blank]~~

~~5.2.2. [Blank]~~

~~5.2.3. [Blank]~~

~~5.2.4. [Blank]~~

~~5.2.5. [Blank]~~

~~5.2.6. [Blank]~~

~~5.2.7. [Blank]~~

...

~~5.3.1. [Blank]~~

~~5.3.2. [Blank]~~

~~5.3.3. [Blank]~~

5.3.4. [Blank]

5.3.5. [Blank]

5.3.6. [Blank]

5.3.7. [Blank]

5.3.8. [Blank]

5.3.9. [Blank]

...

5.4.1. [Blank]

5.4.2. [Blank]

5.4.3. [Blank]

5.4.4. [Blank]

5.4.5. [Blank]

5.4.6. [Blank]

5.4.7. [Blank]

5.4.8. [Blank]

5.4.9. [Blank]

5.4.10. [Blank]

5.4.11. [Blank]

5.4.12. [Blank]

5.4.13. [Blank]

5.4.14. [Blank]

[Blank]

5.5. [Blank]

5.5.1. [Blank]

5.5.2. [Blank]

5.5.3. [Blank]

5.5.4. [Blank]

...

5.6.1. [Blank]

5.6.2. [Blank]

5.6.3. [Blank]

...

5.8.1. [Blank]

5.8.2. [Blank]

5.8.3. [Blank]

5.8.4. [Blank]

5.8.5. [Blank]

5.8.6. [Blank]

5.8.7. [Blank]

5.8.8. [Blank]

...

6.2.4C. [Blank]

...

The proposed amendments to clause 7.13.1(cB) are rejected by the Rule Change Panel as System Management is now a part of AEMO, so the amendments are redundant (this was confirmed with AEMO).

7.13.1. System Management must prepare the following data for a Trading Day by noon on the first Business Day following the day on which the Trading Day ends:

...

(cB) the maximum daily ambient temperature at the site of each generating system monitored by a relevant SCADA system for the Trading Day;

...

Where 'AEMO' appears in clause 8.4.5, these were originally referenced as 'the IMO' in the Draft Rule Change Report.

...

8.4.5. If a Metering Data Agent fails to receive confirmation of receipt of a Meter Data Submission in accordance with clause 8.4.4, it must contact AEMO ~~by telephone~~ within one hour of failing to receive confirmation in accordance with clause 8.4.4 to appraise AEMO of the failure of AEMO to provide confirmation of receipt and, if necessary to make alternative arrangements for the submission of the information.

...

8.6.1. A Meter Data Submission must comprise:

...

(e) meter adjustments that stem from actual meter data becoming available or from the resolution of a dispute concerning meter data ("~~M~~meter Dispute") in accordance with the dispute resolution process in the applicable Metering Protocol, including:

...

...

The Rule Change Panel rejected the proposed amendment to clause 9.2.1, as how Market Procedures are referred to in the Market Rules will be considered by RC_2015_01.

Where 'AEMO' appears in clause 9.2.1, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

- 9.2.1. AEMO must document the settlement process, including the application of taxes and interest, in the Settlement Procedure, and AEMO and Market Participants must follow that documented Market Procedure.

...

The original amendment to clause 9.3.2 would require Metering Data Agents to provide metering data to 'the IMO'. With the dissolution of the IMO, the Rule Change Panel amendment now states AEMO as the appropriate body for receipt of metering data from Metering Data Agents.

- 9.3.2. Metering Data Agents must provide ~~to the Settlement System,~~ settlement ready AEMO with settlement-ready metering data in accordance with Chapter 8.

...

Where 'AEMO' appears in clause 9.4.7, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

- 9.4.7. AEMO must confirm receipt, ~~by telephone,~~ of a Capacity Credit Allocation Submission from a Market Participant made in accordance with clause 9.4.6 within 30 minutes of receiving the submission, indicating the matters referred to in paragraphs 9.4.5(a) and (b).

...

- 9.9.3A. The value of ASP_Balance_Payment(m) for Trading Month m is:

$$\begin{aligned} \text{ASP_Balance_Payment}(m) = & \\ & \text{Sum}(c \in \text{CAS_SR}, \text{ASP_SRPayment}(c,m)) + \\ & \text{Min}(\text{Cost_LR}(m), \text{Sum}(c \in \text{CAS_LR}, \text{ASP_LRPayment}(c,m))) \\ & + \text{Sum}(c \in \text{CAS_BS}, \text{ASP_BSPayment}(c,m)) + \\ & \text{Sum}(c \in \text{CAS_DS}, \text{ASP_DSPayment}(c,m)) \end{aligned}$$

...

...

~~9.12.1. [Blank]~~

~~9.12.2. [Blank]~~

...

~~9.14.2. [Blank]~~

...

The amendments to clause 9.20.1 have been amended to keep with the intention of the original proposed changes. However, to ensure consistency with the rejection of the amendments to clause 9.2.1, the original amendment 'Market Procedure referred to in clause 9.2.1' has been changed to 'Settlement Procedure'.

This issue of how to refer to Market Procedures within the Market Rules will be considered under RC_2015_01. Where 'AEMO' appears in clause 9.20.1, this was originally referenced as 'the IMO' in the Draft Rule Change Report.

9.20.1. A Notice of Disagreement must be submitted to AEMO in accordance with the Settlement Procedure. ~~writing and may be mailed, sent by facsimile, e-mailed or submitted electronically to AEMO.~~

...

11 Glossary

...

~~**Derogation:** An exemption or modification to the Market Rules applicable to one or more Rule Participants set out in Chapter 11 of these Market Rules.~~

...

~~**Network Control Service:** Has the meaning given in clause 5.1.1. A service provided by generation or demand side management that can be a substitute for transmission or distribution network upgrades.~~

...

The Rule Change Panel deletes the defined term 'Shareholding Minister', rather than enacting the proposed changes in the Draft Rule Change Report, as this definition is no longer used in the Market Rules.

~~**Shareholding Minister:** The Minister responsible for administering the Electricity Corporation Act.~~

...

The Rule Change Panel amends the definition for 'Technical Rules' (referred to in the changes to clause 3.2.5) to be consistent with the definition in the Access Code.

The new term 'Technical Rules' has also been reordered in the Glossary to maintain alphabetical ordering.

~~**Technical Code:** A code prescribing technical rules and requirements for access arrangements, established under the Access Code.~~

Technical Envelope: The limits for the operation of the SWIS in each SWIS Operating State.

Technical Rules: has the meaning given in section 1.3 of the Access Code.

...

Appendix 1: Standing Data

...

The Rule Change Panel supports changing 'clause' to 'section' for Appendix 1 (b)i, (e)i, (g)ii and (i)ii.

- ...
- (b) for a Scheduled Generator:
 - i. evidence that the communication and control systems required by [clause section 2.365](#) are in place and operational;
 - ii. the ~~name-plate~~[nameplate](#) capacity of the generator, expressed in MW;

...

 - xv. any output range between minimum dispatchable loading level and ~~name-plate~~[nameplate](#) capacity in which the facility is incapable of stable or safe operation;

...
 - (e) for a ~~Non-Scheduled~~[Non-Scheduled](#) Generator:
 - i. evidence that the communication and control systems required by [clause section 2.365](#) are in place and operational;
 - ii. the ~~name-plate~~[nameplate](#) capacity of the generator, expressed in MW;

...
 - (g) for an Interruptible Load:
 - ii. evidence that the communication and control systems required by [clause section 2.365](#) are in place and operational;

...
 - (i) for a Dispatchable Load:
 - ii. evidence that the communication and control systems required by [clause section 2.365](#) are in place and operational;

...

Appendix 5: Individual Reserve Capacity Requirements

...

The Rule Change Panel notes that the proposed change to Appendix 5, Step 9 has already been addressed by RC_2017_06, so it has been removed from this rule change.

STEP 9: For each Market Customer, *i*, calculate

$$X(i) = \text{Sum}(i, \text{ILRCR}(i) + \text{NTDLRCR}(i) + \text{TDLRCR}(i))) + \text{Sum}(u, \text{NMNTCR}(u) \times d(u,i)) + \text{Sum}(v, \text{NMTDCR}(v) \times d(v,i))$$

...

Appendix A. Issues Raised in the First Submission Period

Issues raised in the first submission period. Further details are contained in the Draft Rule Change Report located here:

https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2014_07.

No.	Submitter	Comment/change requested	IMO's response
1.	Perth Energy	Perth Energy considers the current wording of the clause of “by the 15th day...” to be adequate and cannot see any real need for change. If the 15th day of the month does not fall on a Business Day, then currently System Management can choose to provide the information earlier or can indeed provide the information on the 15th. Perth Energy queries whether there is any practical need for the proposed amendment.	<p>The IMO notes that during the weekend the IMO and System Management have limited resources with preference given to daily tasks.</p> <p>The IMO also notes that the Medium Term PASA considers a three year planning horizon. The IMO therefore does not consider there to be a strong need to publish the Medium Term PASA during or before the weekend if the 15th of the month falls on a non-Business Day.</p>
2.	Perth Energy	<p>Perth Energy considers that IMO should retain an ability to monitor available capacity on a daily basis, or even a closer to real time basis, or failing that, be able to rely on System Management to do so.</p> <p>Perth Energy agrees that for the purposes of producing a monthly report it is not necessary to monitor available capacity on a daily basis, but we would expect that the IMO would be keeping a close eye on available capacity more frequently than once a month. We would welcome clarification from the IMO as to what monitoring arrangements of available capacity it has in mind going forward, including the frequency of updating the information on available capacity.</p>	<p>The IMO acknowledges that it is important to monitor the availability of capacity in the SWIS on a daily basis. This is undertaken in a number of different ways, including:</p> <ol style="list-style-type: none"> 1. by the IMO on the Scheduling Day as part of the daily checks to prepare for the STEM Auction by checking the ex-ante Outage quantities for the following Trading Day; and 2. by System Management in real-time. <p>The monitoring of the availability of capacity referred to in clauses 4.27.1 and 4.27.2 of the Market Rules is based on ex-post Outage quantities, which must be submitted to the IMO within 15 Business Days after the occurrence of an Outage. Therefore, the monitoring referred to in clauses 4.27.1 and 4.27.2 of the Market Rules is not intended to represent or replace the real-time monitoring functions. Rather, it is a mechanism to monitor if Market Participants fulfil their Reserve Capacity Obligations.</p>

No.	Submitter	Comment/change requested	IMO's response
3.	Perth Energy	<p>Perth Energy queries whether some additional words should be added to clauses 8.4.5, 9.4.7 and 9.20.1 of the Market Rules to ensure that it is possible to independently verify that notice was given. For example, clause 8.4.5 currently mandates notice by phone and contemplates a discussion with the IMO to agree a course of action. The IMO proposes to remove the reference to telephone as the way of giving notice. Therefore it is conceivable that notice could be by email, fax, phone, in person or some other method.</p> <p>Perth Energy is concerned that a Metering Data Agent may for example provide notice via an email to an individual IMO employee that may be on holiday or off sick for the day. Such notice may pass the test of "providing notice" under the amended wording of the clause but would be of no use to the IMO as it would not come to the IMO's attention.</p> <p>Whilst Perth Energy welcomes the proposed move away from mandating the way that notice is given, we consider that it is important to ensure there are clear guidelines in place to ensure that notices are given in a way so that those notices are received in a timely and efficient manner and can be acted upon.</p>	<p>The IMO notes that the Market Rules are designed to be principles-based and should not specify the means of communication. The details of how to communicate with the IMO are specified in the respective Market Procedures to ensure appropriate communication in terms of documentation and urgency of attention.</p> <p>In the case of the notifications referred to in clause 9.20.1, the Market Procedure: Settlement requires the Market Participant to submit a Notice of Disagreement form by sending it to the Operations Team. This email account is monitored at all times, including weekends and public holidays.</p> <p>Further, the IMO notes that the processes related to clause 8.4.5 and 9.4.7 are automated and therefore an instant response is provided.</p>

Appendix B. Amendments following the First Submission Period

The following amendments were made by the IMO following the first submission period in the Draft Rule Change Report (available here: https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2014_07).

These changes are as follows (~~deleted text~~, added text):

3.22.1. The IMO must update the following information in the settlement system for each Trading Month:

...

...

7.13.1. System Management must prepare the following data for a Trading Day by noon on the first Business Day following the day on which the Trading Day ends:

...

(cB) for each generating system where temperature data is monitored by a System Management's SCADA system, the ambient temperature at the site measured at five-minute intervals;

...

...

Appendix C. Further Amendments to the Proposed Amending Rules by the Rule Change Panel in the Call for Further Submissions

The Rule Change Panel proposed further amendments for comment in the call for further submissions, which was published on 12 October 2018. The additional changes were:

- amending clause 2.34.14 to:
 - apply only to revised Standing Data whilst removing all items that are not Standing Data as defined in Appendix 1 of the Market Rules.⁶ Removing these items from clause 2.34.14(a) also removes inconsistencies in the timelines for Standing STEM Submissions, Standing Bilateral Submissions and Standing Resource Plan Submissions;⁷ and
 - provide certainty on the time from which AEMO must use revised Consumption Increase Prices, Consumption Decrease Prices and Extra Consumption Decrease Prices;
- rejecting the proposed changes to clause 3.2.5 that change System Management's obligation from respecting certain aspects when establishing or modifying the Technical Envelop to taking these aspects into account. The Rule Change Panel does not consider that this is a minor change, as the phrasing of 'taking into account' is a weaker obligation than 'respecting', so this proposed change is not within the scope of this Rule Change Proposal;
- rejecting the insertion of the reference to re-synchronisation when referring to section 3.21B in clause 3.21B.8, as section 3.21B pertains to the permission to decommit a Scheduled Generator;
- amend clause 3.21B.8 to enhance readability (by changing the word 'is' to 'in');
- rejecting the proposed deletion of the word 'Study' from the term 'Long Term PASA Study Horizon' in clause 4.5.1, as 'Long Term PASA Study Horizon' is a defined term;
- rejecting the proposed amendments to clauses 2.30A.6, 2.31.23 and 9.2.1 which change the way certain Market Procedures are referenced in the Market Rules. The approach on how to refer to Market Procedures in the Market Rules is being assessed under RC_2015_01; so the Rule Change Panel proposes to reject these changes in this Rule Change Proposal to avoid conflicts between the two Rule Change Proposals, and to allow for a more holistic assessment of the issue via RC_2015_01;
- reject the change to clause 4.27.2 as it is no longer applicable. The original intention was to move the obligation that required the IMO to monitor total available capacity on the SWIS from clause 4.27.1 to clause 4.27.2. Clause 4.27.2 was subsequently changed significantly due to the transfer of functions from IMO to AEMO, to now require AEMO to assess Equivalent Planned Outage Hours.⁸ Therefore, it is no longer practical to give

⁶ For example, Standing Resource Plan Submissions are not Standing Data as defined in Appendix 1 of the Market Rules, but are included in clause 2.34.14(a) which specifies when revised Standing Data can be used.

⁷ The timelines for Standing STEM Submissions, Standing Bilateral Submissions and Standing Resource Plan Submissions are laid out in clauses 6.3C.1, 6.2A.1 and 6.5C.1A respectively.

⁸ Detailed in Part 3 of the Wholesale Electricity Market Amending Rules 2016, which commenced on 1 October 2017.

effect to the proposed amendments given the vast departure from the original subject matter;

- reject the changes to clause 4.29.3 as the clause has evolved such that the changes can no longer be applied;
- rejecting the proposed amendments to clause 7.13.1(cB) as System Management is now a part of AEMO, thus making the amendment redundant (this was confirmed with AEMO);
- amending the proposed changes to clause 9.20.1 to change the way the relevant Market Procedure is referenced, while keeping the intention of the original proposed change. It was originally proposed that the method of how a Notice of Disagreement should be submitted to AEMO should be defined in the Market Procedure, not in the Market Rules;
- removing the defined term 'Shareholding Minister' from the Glossary as it is not used in the Market Rules;
- further amend the definition of the new defined term 'Technical Rules' in the Glossary (which is proposed to replace the defined term 'Technical Code') to reflect the definition of the term in the Access Code;
- replacing the word 'clause' with 'section' in Appendix 1(b)i, (e)i, g(ii) and (i)ii to align with the standard drafting conventions within the Market Rules; and
- rejecting the proposed amendments to Appendix 5, Step 9 of the Market Rules, as the proposed changes have already been addressed in RC_2017_06, with those relevant Amending Rules commencing in June 2019. As this is only a typographical error, the Rule Change Panel considers that it is sufficient to correct the error at that time.

Appendix D. Mark ups between the Final Rule Change Report and Draft Rule Change Report

The following table shows all clauses where the Rule Change Panel’s Final Rule Change Report differs from the Draft Rule Change Report amendments. This includes new drafting and where parts are rejected.

Changes detailed below for both the proposed Draft Rule Change Report and Final Rule Change Report are based upon the Market Rules as at 1 September 2018. Text in **green** are changes as drafted in the Draft Rule Change Report whereas text in **red** is where the Rule Change Panel has rejected a change or drafted new changes. Explanations are contained in section 6.2, in the commentary boxes in section 8 and Appendix C of this report.

Amending Rules proposed in Draft Rule Change Report	Amending Rules in the Final Rule Change Report
<p>2.30A.6. AEMO must document the Spinning Reserve costs exemption process in the Registration-Market Procedure referred to in clause 2.31.23, and:</p> <ul style="list-style-type: none"> (a) applicants for exemption from Spinning Reserve costs must follow that documented Market Procedure; and (b) AEMO must follow that documented Market Procedure when processing applications for exemption from Spinning Reserve cost funding. 	<p>2.30A.6. AEMO must document the Spinning Reserve costs exemption process in the Registration Procedure, and:</p> <ul style="list-style-type: none"> (a) applicants for exemption from Spinning Reserve costs must follow that documented Market Procedure; and (b) AEMO must follow that documented Market Procedure when processing applications for exemption from Spinning Reserve cost funding.
<p>2.31.23. AEMO must document the registration, de-registration and transfer process in the Registrationa Market Procedure, and:</p>	<p>2.31.23. AEMO must document the registration, de-registration and transfer process in the Registration Procedure, and:</p>

2.34.14. AEMO must commence using revised Standing Data ~~from:~~

(a) from 8:00 AM on the Scheduling Day following AEMO's acceptance of the revised Standing Data in the case of:

- i. Standing STEM Submissions;
- iA. Standing Bilateral Submissions;
- iB. Standing Resource Plan Submissions; and
- ii. [Blank]Consumption Increase Prices, Consumption Decrease Prices and Extra Consumption Decrease Prices; and
- iii. Standing Data changes stemming from acceptance of an application under clause 6.6.9,

with the exception that the previous Standing Data remains current for the purpose of settling the Trading Day that commences at the same time as that Scheduling Day; ~~and~~

(b) from 8:00 AM on the date proposed by the Rule Participant, or as soon as practicable thereafter, in the case of Consumption Increase Prices and Consumption Decrease Prices; and

(c) as soon as practicable in the case of any other revised Standing Data.

2.34.14.⁹ AEMO must commence using revised Standing Data ~~from:~~

(a) ~~8:00 AM on the Scheduling Day following AEMO's acceptance of the revised Standing Data in the case of:~~

- ~~i. Standing STEM Submissions;~~
- ~~iA. Standing Bilateral Submissions;~~
- ~~iB. Standing Resource Plan Submissions;~~
- ~~ii. Consumption Decrease Prices and Extra Consumption Decrease Prices; and~~
- ~~iii. Standing Data changes stemming from acceptance of an application under clause 6.6.9;~~

~~with the exception that the previous Standing Data remains current for the purpose of settling the Trading Day that commences at the same time as that Scheduling Day; and~~

~~from 8:00 AM on the Scheduling Day following AEMO's acceptance of revised Standing Data resulting from an application under clause 6.6.9, with the exception that the previous Standing Data remains current for the purpose of settling the Trading Day that commences on the Scheduling Day following AEMO's acceptance of the revised Standing Data;~~

(b) from 8:00 AM on the latter of:

- i. the date proposed by the Rule Participant; or
- ii. the date two days following the end of the Trading Day on which AEMO accepted the revised Standing Data.

Amending Rules proposed in Draft Rule Change Report	Amending Rules in the Final Rule Change Report
	<p>for Consumption Increase Prices, Consumption Decrease Prices and Extra Consumption Decrease Prices; and</p> <p>(c) as soon as practicable in the case of any other revised Standing Data.</p>
<p>3.2.5. The Technical Envelope represents the limits within which the SWIS can be operated in each SWIS Operating State. In establishing and modifying the Technical Envelope under clause 3.2.6, System Management must <u>take into account</u>:</p> <ul style="list-style-type: none"> (a) respect all Equipment Limits but only to the extent those limits are not inconsistent with the dispatch of Facilities that, but for the Equipment Limits, would be dispatched under clause 7.6.1C; (b) respect all Security Limits; (c) respect all SWIS Operating Standards; (d) respect all Ancillary Service standards specified in clause 3.10; and (e) take into account those parts of the SWIS which are not designed to be operated to the planning criteria in the relevant Technical <u>RulesCode</u>. 	<p>3.2.5. The Technical Envelope represents the limits within which the SWIS can be operated in each SWIS Operating State. In establishing and modifying the Technical Envelope under clause 3.2.6, System Management must:</p> <ul style="list-style-type: none"> (a) respect all Equipment Limits but only to the extent those limits are not inconsistent with the dispatch of Facilities that, but for the Equipment Limits, would be dispatched under clause 7.6.1C; (b) respect all Security Limits; (c) respect all SWIS Operating Standards; (d) respect all Ancillary Service standards specified in clause 3.10; and (e) take into account those parts of the SWIS which are not designed to be operated to the planning criteria in the relevant Technical <u>RulesCode</u>.
<p>3.21B.8. System Management must document the procedure it follows to granting permission for re-synchronisation in accordance with this clause 3.21B in the Power System</p>	<p>3.21B.8. System Management must document the procedure it follows to granting permission is in accordance with this clause<u>section</u> 3.21B in the Power System Operation</p>

⁹ The Rule Change Panel notes that clause 2.34.14 in the Amending Rules of this Final Rule Change Report is based on the Amending Rules of RC_2014_06, which will commence on 1 July 2019.

Amending Rules proposed in Draft Rule Change Report	Amending Rules in the Final Rule Change Report
<p>Operation Procedure and System Management and Market Participants must follow that documented Market Procedure.</p>	<p>Procedure and System Management and Market Participants must follow that documented Market Procedure.</p>
<p>4.5.1. The Long Term PASA Study must be performed annually by AEMO and must addressconsiders each of the years in the Long Term PASA Study Horizon.</p>	<p>4.5.1. The Long Term PASA Study must be performed annually by AEMO and must addressconsiders each of the years in the Long Term PASA Study Horizon.</p>
<p>4.27.2. AEMO must monitor the total availability of capacity in the SWIS and, bBy the twenty-fifth25th day of each month, AEMO must assess the number of Equivalent Planned Outage Hours taken in the preceding 12 Trading Months by each Scheduled Generator and Non-Scheduled Generator assigned Capacity Credits for the current Capacity Year.</p>	<p>4.27.2. By the twenty-fifth25th day of each month, AEMO must assess the number of Equivalent Planned Outage Hours taken in the preceding 12 Trading Months by each Scheduled Generator and Non-Scheduled Generator assigned Capacity Credits for the current Capacity Year.</p>
<p>9.2.1. AEMO must document the settlement process, including the application of taxes and interest, in the Settlement Procedurea Market Procedure, and AEMO and Market Participants must follow that documented Market Procedure.</p>	<p>9.2.1. AEMO must document the settlement process, including the application of taxes and interest, in the Settlement Procedure, and AEMO and Market Participants must follow that documented Market Procedure.</p>
<p>9.20.1. A Notice of Disagreement must be submitted to AEMO in accordance with the Market Procedure referred to in clause 9.2.1writing and may be mailed, sent by facsimile, e-mailed or submitted electronically to AEMO.</p>	<p>9.20.1. A Notice of Disagreement must be submitted to AEMO in accordance with the Settlement Procedurewriting and may be mailed, sent by facsimile, e-mailed or submitted electronically to AEMO.</p>
<p>Shareholding Minister: -The Minister responsible for administering the Electricity Corporations Act.</p>	<p>Shareholding Minister: -The Minister responsible for administering the Electricity Corporations Act.</p>
<p>Technical RulesCode: The rules established under the Access Code that specify the technical requirements to be met by Western Power on the transmission and distribution system and by users who connect facilities to those systems.A code prescribing technical rules and</p>	<p>Technical Code: A code prescribing technical rules and requirements for access arrangements, established under the Access Code. Technical Rules: has the meaning given in section 1.3 of the Access Code.</p>

Amending Rules proposed in Draft Rule Change Report	Amending Rules in the Final Rule Change Report
<p>requirements for access arrangements, established under the Access Code.</p>	
<p>Appendix 1: Standing Data</p> <p>...</p> <ul style="list-style-type: none"> (b) for a Scheduled Generator: <ul style="list-style-type: none"> i. evidence that the communication and control systems required by clause 2.365 are in place and operational; ii. the name-plate capacity of the generator, expressed in MW; ... xv. any output range between minimum dispatchable loading level and name-plate capacity in which the facility is incapable of stable or safe operation; ... (e) for a Non-Scheduled<u>Non-Scheduled</u> Generator: <ul style="list-style-type: none"> i. evidence that the communication and control systems required by clause 2.365 are in place and operational; ii. the name-plate capacity of the generator, expressed in MW; ... (g) for an Interruptible Load: <ul style="list-style-type: none"> ... 	<p>Appendix 1: Standing Data</p> <p>...</p> <ul style="list-style-type: none"> (b) for a Scheduled Generator: <ul style="list-style-type: none"> i. evidence that the communication and control systems required by clause<u>section</u> 2.365 are in place and operational; ii. the name-plate<u>nameplate</u> capacity of the generator, expressed in MW; ... xv. any output range between minimum dispatchable loading level and name<u>nameplate</u> capacity in which the facility is incapable of stable or safe operation; ... (e) for a Non-Scheduled<u>Non-Scheduled</u> Generator: <ul style="list-style-type: none"> i. evidence that the communication and control systems required by clause<u>section</u> 2.365 are in place and operational; ii. the name-plate<u>nameplate</u> capacity of the generator, expressed in MW; ... (g) for an Interruptible Load: <ul style="list-style-type: none"> ...

Amending Rules proposed in Draft Rule Change Report	Amending Rules in the Final Rule Change Report
<ul style="list-style-type: none"> ii. evidence that the communication and control systems required by clause 2.365 are in place and operational; ... (i) for a Dispatchable Load: <ul style="list-style-type: none"> ... ii. evidence that the communication and control systems required by clause 2.365 are in place and operational; 	<ul style="list-style-type: none"> ii. evidence that the communication and control systems required by clause<u>section</u> 2.365 are in place and operational; ... (i) for a Dispatchable Load: <ul style="list-style-type: none"> ... ii. evidence that the communication and control systems required by clause<u>section</u> 2.365 are in place and operational;
<p>Appendix 5: Individual Reserve Capacity Requirements</p> <p>...</p> <p>STEP 9: For each Market Customer, i, calculate</p> $X(i) = \text{Sum}(i, \text{ILRCR}(i) + \text{NTDLRCR}(i) + \text{TDLRCR}(i))) + \text{Sum}(u, \text{NMNTCR}(u) \times d(u,i)) + \text{Sum}(v, \text{NMTDCR}(v) \times d(v,i))$	<p>Appendix 5: Individual Reserve Capacity Requirements</p> <p>...</p> <p>STEP 9: For each Market Customer, i, calculate</p> $X(i) = \text{Sum}(i, \text{ILRCR}(i) + \text{NTDLRCR}(i) + \text{TDLRCR}(i))) + \text{Sum}(u, \text{NMNTCR}(u) \times d(u,i)) + \text{Sum}(v, \text{NMTDCR}(v) \times d(v,i))$