

2019 Rule Change Proposal Prioritisation and Scheduling Framework Review

Final Report

5 December 2019

Contents

1.	Background	3
2.	Proposed Amendments.....	3
3.	The Panel’s Decision	4
4.	Consultation	4
5.	The Panel’s Assessment.....	5
6.	Commencement	6

1. Background

The Rule Change Proposal and Prioritisation Framework (**Framework**) provides a means for the Rule Change Panel (**Panel**) to efficiently manage its workload to produce the best outcomes for the energy markets and consumers. The Framework establishes a process to:

- prioritise Rule Change Proposals (**Proposals**) in a way that offers the greatest benefits in terms of the Wholesale Market Objectives and GSI Objectives; and
- manage the Panel's work program based on its resource availability and priorities, including deciding when additional resources are required to support the Panel.

The Panel commenced a review of the Framework on 28 October 2019. The purpose of the review was to ensure consistency of the Framework with the Market Rules and GSI Rules, and to clarify the factors that influence the urgency rating and prioritisation of Proposals.

All documents related to this review can be found on the Rule Change Panel's website at <https://www.erawa.com.au/rule-change-panel/consultations/2019-rule-change-proposal-prioritisation-and-scheduling-framework-review>.

2. Proposed Amendments

The Panel has reviewed the Framework to:

- (1) include relevant referencing to the Market Rules and GSI Rules;
- (2) clarify the factors that the Panel must have regard to in developing amendments to the Market Rules and GSI Rules;
- (3) re-affirm the questions that should be considered when assigning an urgency rating to Proposals;
- (4) re-affirm the factors that influence the prioritisation and scheduling of Proposals;
- (5) adjust the descriptions of the urgency rating scale to be applicable to Proposals for changes to both the Market Rules and GSI Rules;
- (6) provide an avenue for re-evaluation of the urgency ratings of Proposals if the timelines in the Framework are not reached;
- (7) generalise the Framework to minimise the need for future amendment due to out-of-date information; and
- (8) make typographical changes for consistent grammar and clarity.

The Panel will continue to use the 'one queue' approach to prioritise Proposals for the Market Rules and GSI Rules. The Panel acknowledges that this approach might lead to delays in processing Proposals for the GSI Rules, which tend to have lower urgency ratings. However, this approach is currently a more efficient way to manage the Panel's resources. There is also no evidence that significant delays have occurred in the processing of GSI Proposals in the last two years. Furthermore, the revised Framework makes it clear that gas Market Participants can seek a change to the urgency rating of a Proposal for the GSI Rules if delays in processing the Proposal become too long.

3. The Panel's Decision

The Panel's decision is to adopt the draft changes to the Framework published on the Panel's website on 28 October 2019; including the following additional amendments:

- added text at the end of section 1 of the Framework to point out that consecutive extension of default timeframes for the Standard Rule Change Process and Fast Track Rule Change Process may go beyond the length of delays outlined in the urgency rating scale table and that RCP Support or the proponent of a Proposal can request a revision of the urgency rating in these circumstances;
- deleted "The resources allocated...budget.¹⁵", including footnotes 14 and 15 from section 3 of the Framework to minimise the need for future amendment of the Framework;
- added ", Network Operators" before the words "and Market Participants" in sections 4.1 and 5.1 of the Framework because the Network Operators' IT and process development and implementation cycles should be considered when setting the priority of a Proposal;
- restructured section 4.2.3(2) of the Framework to clarify the process for setting urgency ratings for Proposals; and
- replaced "six-weekly" with "regular" in the first bullet in section 5.2 of the Framework to minimise the need for future amendment of the Framework.

4. Consultation

The current Framework was discussed at the 27 September 2018 Gas Advisory Board (**GAB**) meeting, and the Panel subsequently developed some draft changes to the Framework. The Panel discussed the draft changes to the Framework at the 26 September 2019 GAB meeting and the 15 October 2019 Market Advisory Committee (**MAC**) meeting.

The proposed amendments to the Framework were published on 28 October 2019 and submissions were sought from electricity and gas Market Participants. The submission period was open from 28 October 2019 to 8 November 2019; and submissions were received from Western Power and Synergy.

Western Power suggested that it would be prudent for the Panel to consider the Network Operator's IT and process implementation cycles when considering the factors that could impact the priority of a Proposal, as the changes proposed could impact the Network Operator's IT systems and/or processes. Western Power also suggested that the Panel consider the Network Operator's timing for IT and processes development and testing when prioritising a Proposal.

Synergy proposed that section 1 of the Framework should point out that consecutive extension of default timeframes for the Standard Rule Change Process and Fast Track Rule Change Process may go beyond the length of delays outlined in the urgency rating scale table and that RCP Support or the proponent of a Proposal can request a revision of the urgency rating in these circumstances.

Synergy also proposed to delete information in section 3 of the Framework that details RCP Support's current resourcing to minimise the need for future amendment of the Framework; and to add "...is to provide the MAC or GAB with their responses to questions" in section

4.2.3(2) to clarify accountability and requirements.

Synergy also questioned whether the Panel would have sufficient information in terms of cost-benefit outcomes of a Proposal when assigning an urgency rating to the Proposal in section 4.2.1(6). The Panel agrees that it would not have all cost-benefit information about a Proposal at the time that it assigns its urgency rating to the Proposal, but as mentioned in the Framework, it can form a view of the likely cost-benefit outcomes based on initial estimates and judgement calls, and this view will be one of the inputs in its prioritisation decisions.

5. The Panel's Assessment

The Panel made its decision on the basis that the proposed amendments to the Framework provides a basis to effectively and efficiently manage the Panel's work program and is consistent with the Wholesale Market Objectives and GSI Objectives.

The Panel notes that the proposed changes are administrative in nature and do not require any system or process changes.

The Panel agrees to the changes to the Framework indicated in the following table.

Section	Agreed Changes
1	<p>The Panel agrees with the insertion of the background on the Panel in the Framework, as it provides greater clarity on the Panel's functions and responsibilities under the Market Rules and GSI Rules.</p> <p>The Panel agrees to clarify that consecutive periods of extensions on Proposals might result in delays greater than the timeframes specified under the urgency rating scale and that RCP Support and the proponent of the Proposal may propose a review of the urgency rating.</p>
Footnotes	<p>The Panel agrees with insertion of rule references and rewording to provide greater clarity and consistency with the Market Rules and GSI Rules.</p>
2	<p>The Panel agrees with the rewording of section 2 to clarify the purpose of the Framework.</p>
3	<p>The Panel agrees with the rewording of section 3 to clarify on the resource allocation available to the Panel.</p> <p>The Panel has deleted the details of the Panel's current resources to make the Framework more general.</p>
4	<p>The Panel agrees with the rewording of section 4 to include gas terminology; and to update when the priority and scheduling of Proposals might change.</p>
4.1	<p>The Panel agrees with the changes in section 4.1 to clarify the factors that influence the prioritisation and scheduling of Proposals.</p> <p>The Panel agrees that the Network Operators' IT and process implementation cycles should be considered when setting the priority of a Proposal.</p>
4.2.1	<p>The Panel agrees to the changes to the questions that should be considered when assigning an urgency rating to Proposals.</p>

Section	Agreed Changes
4.2.2	The Panel has adjusted the descriptions of the urgency rating scale so that it is applicable to Proposals to change both the Market Rules and GSI Rules.
4.2.3	The Panel agrees to the insertions and rewording to clarify the process by which an urgency rating is assigned, including RCP Support asking the MAC and GAB the questions in section 4.2.1 of the Framework; and to enable an urgency rating to be re-evaluated if the timeframes in the Framework are delayed.
4.3	The Panel has amended this section to include that a Proposal could also be treated as a special case due to overlapping subject matter with an ERA review.
5 and 5.1	The Panel has amended these sections to specify that an ERA review would impact the prioritisation and scheduling of a Proposal. The Panel has amended section 5.1 to indicate that the timing needed for IT and process development and testing by Network Operators should also be considered in prioritising a Proposal.
5.2	The Panel has amended this section to specify the responsibilities of the Executive Officer in terms of monitoring and reporting on the progress of Proposals. The Panel has also included the possibility of deferring Proposals in the list of remedial actions.
5.3	The Panel has reworded this section to provide better clarity on the annual budgeting cycle.
Appendix	The Panel has inserted references to the Wholesale Market Objectives and the GSI Objectives to clarify what the Panel must consider when amending the Market Rules and GSI Rules.

6. Commencement

The amended Rule Change Proposal Prioritisation and Scheduling Framework will commence at **8:00 AM** on **2 January 2020**. The amended Framework will be available on the Rule Change Panel's website from this date (clean and marked up versions).