

Procedure Change Proposal:
Changes to Market Procedure: Procedure
Administration (REPC_2020_02)

21 December 2020

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1. Introduction

Section 2.10 of the Market Rules outlines the Procedure Change Process.

Under clause 2.10.1, the Rule Change Panel may initiate the Procedure Change Process in respect of a Market Procedure for which it is responsible by developing a Procedure Change Proposal.

Under clause 2.9.3 of the Market Rules, Market Procedures:

- must:
 - be developed, amended or replaced in accordance with the process in the Market Rules;
 - be consistent with the Wholesale Market Objectives; and
 - be consistent with these Market Rules, the Electricity Industry Act and Regulations; and
- may be amended or replaced in accordance with section 2.10 and must be amended or replaced in accordance with section 2.10 where a change is required to maintain consistency with Amending Rules.

The Wholesale Market Objectives are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

2. Reason for the Procedure Change Proposal

On 24 November 2020, the Minister for Energy published the *Wholesale Electricity Market Amendment (Tranche 1 Amendments) Rules 2020 (Tranche 1 Amending Rules)* in the Government Gazette.¹ Some of the Tranche 1 Amending Rules will commence on 1 February 2021, including amendments to the terminology the Market Rules to:

- change “Market Rules” to “WEM Rules”;
- change “Market Procedures” to “WEM Procedures”
- change “Market Web Site” to “WEM Website”; and
- change “Power System Operation Procedures” to “WEM Procedures”.

¹ All Amending Rules referred to in this document are available on the Rule Change Panel’s website at <https://www.erawa.com.au/rule-change-panel/market-rule-changes>.

These modifications to the terminology in the Market Rules will need to be reflected in the Market Procedure: Procedure Administration from 1 February 2021.

The current version of Market Procedure: Procedure Administration is based on arrangements where a single party (**Responsible Procedure Administrator**) is responsible for development and maintenance of their relevant Market Procedure. However, various sets of Amending Rules have/will modify these arrangements and need to be reflected in the Market Procedure from 1 February 2021, including:

- on 28 April 2018, the Market Rules were amended to abolish the IMO, which is no longer a Responsible Procedure Administrator;²
- on 1 July 2020, the Market Rules were amended to make the Network Operator a Responsible Procedure Administrator;³
- on 1 February 2021, the Market Rules will be amended to make the Coordinator a Responsible Procedure Administrator;⁴ and
- on 1 February 2021, the Market Rules will be amended to transfer System Management's procedure change functions to AEMO.⁴

Under the new market arrangements, the Market Advisory Committee (**MAC**) can advise all Responsible Procedure Administrators and may establish Working Groups to assist in providing advice to the Rule Change Panel, the ERA and AEMO. These modifications in the Market Rules will need to be reflected in the Market Procedure from 1 February 2021.

3. Proposed Amended WEM Procedure

The proposed amended Market Procedure (with the proposed amendments in mark-up) is available on the Rule Change Panel's website at http://www.erawa.com.au/rule-change-panel/market-procedure-changes/repc_2020_02.

A clean copy of the proposed amended Administration Procedure is also available on this webpage.

4. Consultation to Date

The MAC was provided a preliminary draft of the Procedure Change Proposal by email on 11 December 2020 for comment by 18 December 2020.

5. Consistency with the Wholesale Market Objectives

The proposed amendments reflect the previous and forthcoming changes to the Market Rules and improve the clarity of the Market Procedure. The amendments do not affect the consistency of the procedure with the Wholesale Market Objectives.

As a result, the Rule Change Panel considers that the proposed amended Market Procedure is consistent with the Wholesale Market Objectives.

² These amendments were made by the *Wholesale Electricity Market Rules Amending Rules 2018*, which was published in the Gazette on 27 April 2018 and commenced on 28 April 2018.

³ These amendments were made by the *Wholesale Electricity Market Amendment (Constraints Framework and Governance) Rules 2020*, which was published in the Gazette on 16 June 2020 and commenced on 1 July 2020.

⁴ These amendments will be made by the Tranche 1 Amending Rules.

6. Consistency with the WEM Rules, Electricity Industry Act and Regulations

The Rule Change Panel has reviewed the proposed amended Market Procedure as a whole to ensure compliance of the procedure with the relevant provisions in the:

- Market Rules;
- Electricity Industry Act; and
- Regulations.

7. Timeline

This Procedure Change Proposal has been prepared and published in accordance with the Procedure Change Process in section 2.10 of the Market Rules.

The projected timeline for progressing this proposal is:



8. Call for Submissions

The Rule Change Panel invites interested stakeholders to make submissions on this Procedure Change Proposal. The submission period is 20 Business Days from the publication date of the Procedure Change Proposal. Submissions must be delivered to the RCP Support by **5:00 PM on Thursday, 21 January 2021**.

The Rule Change Panel prefers to receive submissions by email, using the submission form available at <http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Procedures/Procedure-changes> sent to Support@rcpwa.com.au.

Submissions may also be sent to the Rule Change Panel by post addressed to:

Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849