

**Procedure Change Report:**

**Changes to Market Procedure: Procedure  
Administration (REPC\_2020\_02)**

**29 January 2021**

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## 1. Introduction and Timeline

On 21 December 2020, the Rule Change Panel published a Procedure Change Proposal titled “Changes to Market Procedure: Procedure Administration” (REPC\_2020\_02).

This proposal is being processed using the Procedure Change Process, described under section 2.10 of the Market Rules.

The timelines for progressing this proposal are:



## 2. Details of 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.<sup>1</sup> 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”.

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 Procedures. 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;<sup>2</sup>

<sup>1</sup> 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>.

<sup>2</sup> 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.

- on 1 July 2020, the Market Rules were amended to make the Network Operator a Responsible Procedure Administrator;<sup>3</sup>
- on 1 February 2021, the Market Rules will be amended to make the Coordinator a Responsible Procedure Administrator;<sup>4</sup> and
- on 1 February 2021, the Market Rules will be amended to transfer System Management's procedure change functions to AEMO.<sup>4</sup>

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.

In this Procedure Change Proposal, the Rule Change Panel seeks to amend the Market Procedure to reflect the forthcoming changes to the Market Rules and improve the clarity of the Market Procedure.

Full details of the Procedure Change Proposal, including the proposed amended Market Procedure, are available on the Rule Change Panel's website at [https://www.erawa.com.au/rule-change-panel/market-procedure-changes/repc\\_2020\\_02](https://www.erawa.com.au/rule-change-panel/market-procedure-changes/repc_2020_02).

## 3. Consultation

### 3.1 Market Advisory Committee

On 11 December 2020, the Rule Change Panel:

- provided the MAC with a preliminary draft of the proposed amendments to the Market Procedure: Procedure Administration (REPC\_2020\_02);
- advised the MAC that the Rule Change Panel intended to commence the Procedure Change Process for REPC\_2020\_02 on 21 December 2020;
- advised the MAC that the Rule Change Panel considers that a MAC meeting is not required to consider the Procedure Change Proposal because the proposed changes are administrative in nature, reflect the forthcoming changes to the Market Rules and improve the clarity of the Market Procedure; and
- invited MAC comments by 18 December 2020 on the content of the draft Procedure Change Proposal, and in on whether the consultation period will be problematic or whether a MAC meeting is necessary.<sup>5</sup>

The Rule Change Panel did not receive any responses from the MAC and therefore commenced the Rule Change Process for REPC\_2020\_02 on 21 December 2020.

### 3.2 Public Workshops

No public workshop was held in regard to this Procedure Change Proposal.

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<sup>3</sup> 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.

<sup>4</sup> These amendments will be made by the Tranche 1 Amending Rules.

<sup>5</sup> Clause 2.10.9(b) of the Market Rules requires the Rule Change Panel to convene a MAC meeting to consider a Procedure Change Proposal if two or more members inform the Rule Change Panel in writing that they consider advice on the proposal is required from the MAC.

### 3.3 Submissions Received during Consultation Period

The consultation period for the Procedure Change Proposal was held between 21 December 2020 and 21 January 2021. No submissions were received.

## 4. The Rule Change Panel's Assessment

In determining whether to approve the proposed amended Market Procedure, the Rule Change Panel has undertaken an assessment in light of clause 2.9.3(a) of the Market Rules which requires Market Procedures to be:

- developed, amended or replaced in accordance with the process in the Market Rules;
- consistent with the Wholesale Market Objectives; and
- consistent with the Market Rules, the Electricity Industry Act and Regulations.

Clause 2.10.13(c) and (d) of the Market Rules also require the Rule Change Panel to have regard to any submissions received on the Procedure Change Proposal and the advice provided by the MAC on the proposal. The Rule Change Panel notes that no submissions were received during the consultation period for the Procedure Change Proposal and that no comments were received from MAC members.

### 4.1 Wholesale Market Objective Assessment

The proposed amendments reflect the 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, as a whole, is consistent with the Wholesale Market Objectives.

### 4.2 The Market 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;
- the Electricity Industry Act; and
- the Regulations.

### 4.3 Implementation of the Amended Market Procedure

The Rule Change Panel has not identified any costs or practicality issues associated with the implementation of the proposed amended Market Procedure.

No specific implementation requirements have been identified. Therefore, the Rule Change Panel considers that commencement at **8:00 AM on 1 February 2021** will allow Rule Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance with the amended Market Procedure.

## 5. The Rule Change Panel's Decision

The Rule Change Panel's decision is to approve the amended Market Procedure as proposed in the Procedure Change Proposal.

The Rule Change Panel has made its decision on the basis that the amended Market Procedure:

- reflects the forthcoming changes to the Market Rules and improve the clarity of the Market Procedure;
- is consistent with the Wholesale Market Objectives;
- is consistent with the Market Rules, Electricity Industry Act and Regulations;
- has the support of the MAC; and
- creates no cost or practicality issues.

## **6. The Amended Market Procedure**

### **6.1 Commencement**

The amended Market Procedure will commence at **8:00 AM on 1 February 2021**.

### **6.2 The Amended Market Procedure**

Clean and marked up copies of the amended Market Procedure are available on the Rule Change Panel's website.