

# WHOLESALE ELECTRICITY MARKET

## Submission to Procedure Change Proposal

### Monitoring Protocol

<b>Submitted by</b>	
<b>Name:</b>	Cameron Parrotte
<b>Phone:</b>	08 9254 4342
<b>Fax:</b>	08 9254 4399
<b>Email:</b>	cameron.parrotte@aemo.com.au
<b>Organisation:</b>	AEMO
<b>Address:</b>	PO Box 7096, Cloisters Square, Perth WA 6850
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### Submission

Clause 2.10.7 of the Wholesale Electricity Market (WEM) Rules provides that any person may make a submission for a Procedure Change Proposal (including proposals developed by AEMO, the Economic Regulation Authority or the Rule Change Panel) by completing this Procedure Change Submission form.

Submissions should be provided by email to the nominated contact in the call for submissions published with the Procedure Change Proposal.

**Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions**

AEMO supports the efforts of the Economic Regulation Authority (ERA) to improve transparency and provide additional information on the monitoring, compliance and enforcement processes. In general, AEMO considers that the proposed amendments to the Monitoring Protocol improve the quality of this document.

AEMO offers the following suggestions for revisions to the proposed Monitoring Protocol to provide greater clarity:

- Step 2.1.2: Clause 2.13.6B of the WEM Rules provides some exceptions to AEMO's obligations to notify the ERA of alleged breaches. AEMO suggests that this be acknowledged by inserting the phrase "subject to certain exceptions" following the words "has obligations to notify the ERA" in the "Reporting" dot point.
- Step 2.2.1(a): AEMO suggests inserting the phrase "to the extent permitted by law" following the words "AEMO systems".
- Step 4.3.2: As currently worded, this step suggests that the ERA has the statutory power to give orders, although this is the role of the Electricity Review Board. AEMO suggests clarifying this step.

**Please provide an assessment whether the Procedure Change Proposal is consistent with the Market Objectives and the Wholesale Electricity Market Rules.**

By improving the transparency and clarity of processes, AEMO considers that the Procedure Change Proposal is consistent with the market objectives and may better address objectives (a), (b) and (d).

**Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.**

As the Procedure Change Proposal seeks to clarify, rather than amend, compliance-related processes, AEMO does not foresee any implications or implementation requirements.

However, in its AEMO AR4 determination the ERA appears to have taken a more conservative view than AEMO as to the appropriate scope of AEMO's compliance activities. AEMO will monitor the impact of this decision during 2017 and will justify its expenditure in respect of compliance activities in a future Allowable Revenue submission if deemed necessary.

**Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.**

AEMO does not foresee any requirement to change its systems or processes as a result of this Procedure Change Proposal.