



AEMO's response to market auditor's reports

December 2021

For audit period 1 July 2020 to 30 June 2021

Important notice

PURPOSE

AEMO has prepared this document in response to the Market Auditor's reports for the annual Wholesale Electricity Market and Gas Services Information audits conducted for the period 1 July 2020 to 30 June 2021, as at the date of publication.

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1. Background

The Wholesale Electricity Market (WEM) Rules and the Gas Services Information (GSI) Rules require AEMO to appoint a market auditor to conduct the WA electricity and gas market audits. The audits are compliance based reviews of AEMO's obligations under the WEM Rules and the GSI Rules and associated procedures.

The WEM Rules and the GSI Rules require two annual audits to be undertaken:

1. Audit 1 – WEM Electricity Compliance Audit; and
2. Audit 2 – GSI Gas Compliance Audit.

AEMO appointed Robinson Bowmaker Paul (RBP) to conduct the market audits for the period 1 July 2020 to 30 June 2021.

The final audit reports prepared by RBP can be found on AEMO's website at <https://aemo.com.au/energy-systems/electricity/wholesale-electricity-market-wem/wem-events-and-reports/market-audit-reports> and should be read in conjunction with this report.

This report sets out the matters that AEMO accepts and does not accept (and reasons for those views) with respect to the final audit reports as required under clause 2.14.4(b) of the WEM Rules and rule 174(3) of the GSI Rules.

2. AEMO's response

2.1 Overview

AEMO accepts all of RBP's findings and recommendations with respect to the final WEM and GSI audit reports, with the exception of the two findings and recommendations contained in the WEM audit report, listed below.

Reference	Finding	Recommendation
21WEM1.38	GPS communication protocol not finalised	AEMO and Western Power finalise the GPS consultation guideline required under clause 3A.1.3 (noting that we understand that AEMO is dependent on Western Power to meet this obligation)
21WEM1.54	Formalised operational plans for AUFLS implementation do not exist	AEMO formalise its AUFLS operational plans by documenting it, as a reasonable interpretation of clause 3.6.2 is that a tangible plan should exist

2.2 Reasons

21WEM1.38

Risk Rating: Low

Clause 3A.1.3 of the WEM Rules requires AEMO and Western Power to document a process setting out how information will be exchanged between the two parties (including specification of format and form of information, and timeframes). A draft Generator Performance Standard (GPS) consultation guideline has been prepared, however it has not been finalised. AEMO is awaiting feedback from Western Power.

RBP noted that AEMO is complying with the intent of the rule through the formalised manual contingency process and the draft consultation guideline, and this breach is a technical one.

AEMO disagrees with this finding as it is meeting the intent of the rule as a result of having documented both a manual contingency process and a Guideline (even though the latter has not been finalised).

Action: AEMO will actively seek feedback from Western Power to finalise the Guideline.

21WEM1.54

Risk Rating: Low

Clause 3.6.2 requires AEMO to produce operational plans to implement the automatic under frequency load shedding requirements (as specified in the Technical Rules). The WEM Rules further require that these operational plans must account for sensitive loads and for the rotation of loads between load shedding bands.

AEMO disagrees with this finding as requirements are currently covered in the Operating Protocol with Western Power.

Action: The work being undertaken to implement the Tranche 4B AUFLS rules, coming into effect 01 June 2022, should address any concerns raised by this finding.