

WEM Procedure: Prudential Requirements

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Version Release History

Version	Effective Date	Summary of Changes
1.0	12 September 2006	Market Procedure for Prudential Requirements
2.0	15 October 2008	Amendments to Market Procedure resulting from PC_2008_08
3.0	1 May 2014	Amendments to Market Procedure resulting from PC_2013_04
4.0	30 November 2015	Changes resulting from the transfer of functions from the IMO to AEMO
5.0	18 April 2017	Changes resulting from the transfer of System Management functions to AEMO
6.0	27 June 2019	<ul style="list-style-type: none"> Changes resulting from Procedure Change Proposal AEPC_2019_03 related to the Rule Change Proposal RC_2017_06: Reduction of the prudential exposure in the Reserve Capacity Mechanism Changes to Credit Support arrangements to reflect Security Deposit deeds and directions Updates to reflect AEMO's new Market Procedure template
7.0	9 December 2019	Changes resulting from Procedure Change Proposal AEPC_2019_11. These changes are an update to the calculation of the anticipated maximum exposure for a Market Participant for which at least three full months of Non-STEM settlement data is available
8.0	20 August 2020	Changes resulting from AEPC_2020_06 to improve the accuracy of the calculation of a Market Participant's Outstanding Amount
9.0	28 February 2022	Changes resulting from AEPC_2021_04 to reduce the assessment period and correlate STEM and Non-STEM exposure for the calculation of a Market Participant's Credit Limit
10.0	1 October 2023	Replacement WEM Procedure. Amendments as a result of Wholesale Electricity Market Amendment (Tranche 1 Amendments) Rules 2020 and Wholesale Electricity Market Amendment (Tranches 2 and 3 Amendments) Rules 2020.

IMPORTANT NOTICE – EXPLANATORY NOTES

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Contents

1. Introduction	5
1.1. Purpose and scope	5
1.2. Definitions	6
1.3. Interpretation	7
1.4. Related documents	7
1.5. Communications and provision of information	8
2. Transitional provisions	8
3. Credit Limits	8
3.1. Credit Limit Determination	8
3.2. Notifying a Market Participant or Network Operator of its Credit Limit	11
3.3. Changes in Circumstances Affecting a Credit Limit	12
4. Credit Support	13
4.1. Amount of Credit Support	14
4.2. Credit Support Effective Date	14
4.3. Maintaining Credit Support	14
4.4. Withdrawing Credit Support	15
4.5. Credit Support Arrangements	15
4.6. Submitting Guarantees or Bank Undertakings	16
4.7. Submitting Security Deposits	17
4.8. AEMO's Process of Reviewing Credit Support Arrangements	17
4.9. Further Steps by AEMO with respect to Credit Support Arrangements	18
4.10. Replacing a Credit Support Arrangement	19
4.11. Returning a Credit Support Arrangement	19
4.12. Holding Security Deposits and Associated Costs	20
5. Acceptable Credit Criteria	20
5.1. Completing the Acceptable Credit Criteria Form	20
5.2. Maintaining the List of Entities Meeting the Acceptable Credit Criteria	21
6. Prudential Security	21
6.1. Outstanding Amount	21
6.2. Voluntary Prepayment	23
6.3. Trading Margin	24
6.4. Margin Call	24
6.5. Prudential Risk Report	25
Appendix A. Relevant clauses of the WEM Rules	26
Appendix B. Factors to be taken into account in determining the expected value of a transaction	27

Tables

Table 1	Definitions	6
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Table 2 Related documents..... 7

Table 3 Data to be provided to AEMO by Market Participant or Network Operator type 9

Table 4 Credit Support Effective Date by Market Participant or Network Operator type 14

Table 5 Outstanding Amount Defined Terms 22

Table 6 Cumulative Estimated Exposure Defined Terms..... 22

Table 7 Relevant clauses of the WEM Rules 26

1. Introduction

1.1. Purpose and scope

- 1.1.1. This WEM Procedure: Prudential Requirements (Procedure) is made in accordance with AEMO's functions under clause 2.1A.2(h) of the Wholesale Electricity Market Rules (WEM Rules).
- 1.1.2. The *Electricity Industry Act 2004*, the WEM Regulations and the WEM Rules prevail over this Procedure to the extent of any inconsistency.
- 1.1.3. In this Procedure, where obligations are conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations in accordance with clause 2.9.7A, 2.9.7D or 2.9.8 of the WEM Rules, as applicable.
- 1.1.4. The purpose of this Procedure is to describe the processes for:
- (a) determining Credit Limits **[Clause 2.43.1(a)]**;
 - (b) assessing persons against the Acceptable Credit Criteria **[Clause 2.43.1(b)]**;
 - (c) Credit Support arrangements, including:
 - (i) the form of acceptable guarantees and bank letters of credit **[Clause 2.43.1(c)(i)]**;
 - (ii) where and how AEMO will hold Security Deposits and how the costs and fees of holding Security Deposits will be met **[Clause 2.43.1(c)(ii)]**;
 - (iii) the circumstances that may require Credit Support to be replaced for the purposes of clause 2.38.3 **[Clause 2.43.1(c)(iiA)]**; and
 - (iv) the application of monies drawn upon from Credit Support in respect of amounts owed by the relevant Rule Participant to AEMO **[Clause 2.43.1(c)(iii)]**;
 - (d) calculation of Trading Margins **[Clause 2.43.1(d)]**;
 - (e) the list of factors to be taken into account for assessing the expected value of transactions **[Clause 2.43.1(e)]**
 - (f) issuing of Margin Calls **[Clause 2.43.1(f)]**; and
 - (g) other matters relating to clauses 2.37 to 2.42 **[Clause 2.43.1(g)]**.
- 1.1.5. Appendix A of this Procedure outlines the head of power clauses that this Procedure is made under, as well as other obligations in the WEM Rules covered by this Procedure.

1.2. Definitions

- 1.2.1. Terms defined in the *Electricity Industry Act 2004*, the WEM Regulations and the WEM Rules have the same meanings in this Procedure unless the context requires otherwise.
- 1.2.2. The following definitions apply in this Procedure unless the context requires otherwise.

Table 1 Definitions

Term	Definition
Anticipated Maximum Exposure	The dollar amount owed by a Rule Participant that AEMO has determined the Rule Participant is not expected to exceed over any 35 day period, calculated in accordance with paragraph 3.1.3 and for the purposes of clause 2.37.4
Credit Support Effective Date	The date determined by AEMO by which the Rule Participant's Credit Support must become duly effective.
Essential System Services Settlement	The process of calculating a Rule Participant's net settlement amount in accordance with clause 9.10 and reflecting this Essential System Services settlement amount in the Settlement Statement for the relevant Trading Week.
Market Participant Fee Settlement	The process of calculating a Market Participant's net settlement amount in accordance with section 9.12 for all Market Fees, determined in accordance with clause 2.24, and reflecting this settlement amount in the Settlement Statement for the relevant Trading Week.
Non-Short Term Energy Market Settlement	The process, in place prior to New WEM Commencement Day, for calculating a Market Participant's net settlement amount for all transactions and amounts, other than those pertaining to the STEM, in accordance with clause 9.14 of the Pre-Amended Rules.
Non-STEM Settlement Statements	A Settlement Statement pertaining to a Non-Short Term Energy Market Settlement.
Outage Compensation Settlement	The process of calculating the net settlement amount owed to a Market Participant for all transactions and amounts pertaining to Outage Compensation in accordance with clause 9.11, and reflecting this settlement amount in the Settlement Statement for the relevant Trading Week.
Pre-Amended Rules	Means the WEM Rules as in force immediately before New WEM Commencement Day.
Real-Time Energy Settlement	The process of calculating a Market Participant's net settlement amount for all transactions and amounts pertaining to Real-Time Energy in accordance with clause 9.9, and reflecting that settlement amount in the Settlement Statement for the Trading Week.
Reserve Capacity Settlement	The process of calculating a Market Participant's net settlement amount for all transactions and amounts pertaining to Reserve Capacity in accordance with clause 9.8, and reflecting that settlement amount in the Settlement Statement for the relevant Trading Week.
STEM Settlement	The process of calculating a Market Participant's net settlement amount for all transactions and amounts pertaining to STEM in accordance with clause 9.7, and reflecting that settlement amount in the Settlement Statement for the relevant Trading Week.
STEM Settlement Statement	A Settlement Statement pertaining to a STEM Settlement.
WEM Settlement	The process of calculating a Rule Participant's net settlement amount for all transactions and amounts pertaining to Wholesale Electricity Market settlement calculations in accordance with clause 9.6.
Wholesale Electricity Market System	An interface software that AEMO uses to administer and operate the Wholesale Electricity Market.

1.3. Interpretation

- 1.3.1. The following principles of interpretation apply in this Procedure unless the context requires otherwise.
- (a) Clauses 1.3 to 1.5 of the WEM Rules apply in this Procedure.
 - (b) References to time are references to Australian Western Standard Time.
 - (c) Terms that are capitalised, but not defined in this Procedure, have the meaning given in the WEM Rules.
 - (d) A reference to the WEM Rules or WEM Procedures includes any associated forms required or contemplated by the WEM Rules or WEM Procedures.
 - (e) Words expressed in the singular include the plural and vice versa.
 - (f) A reference to a paragraph refers to a paragraph of this Procedure.
 - (g) A reference to an appendix refers to an appendix of this Procedure.
 - (h) A reference to a clause refers to a clause or section of the WEM Rules.
 - (i) References to WEM Rules in this Procedure in bold and square brackets **[Clause XXX]** are included for convenience only, and do not form part of this Procedure.
 - (j) Text located in boxes and headed as **E[X]** in this Procedure is included by way of explanation only and does not form part of this Procedure. The Procedure prevails to the extent of any inconsistency with the explanatory notes contained within it.
 - (k) The body of this Procedure prevails to the extent of any inconsistency with the figures, diagrams, appendices, schedules, annexures or attachments contained within this document.

1.4. Related documents

- 1.4.1. The documents in Table 2 are associated with this Procedure.

Table 2 Related documents

Reference	Title	Location
Acceptable Credit Criteria Form	Form – Acceptable Credit Criteria Application	WEM Website
Bank Guarantee contact details	Form – Contact details for Bank Guarantee provider	WEM Website
Bank Guarantee for Credit Support	Bank Guarantee for Reserve Capacity Security or Credit Support	WEM Website
Change of Bank Guarantee contact details	Form - Change of contact details for Bank Guarantees provider	WEM Website
Entites meeting the Acceptable Credit Criteria	List of Entities that meet the Acceptable Credit Criteria	WEM Website
Security Deposit deed	Security Deposit deed for Credit Support	WEM Website
Security Deposit deed (third party)	Security Deposit deed for Credit Support (provided by third party)	WEM Website
Security Deposit direction	Security Deposit direction for Credit Support	WEM Website

Reference	Title	Location
Settlement Technical Guides webpage	WEM Metering, Settlement and Prudential Calculations Formulation	WEM Website
WEM Procedure	WEM Procedure: Facility Registration Processes	WEM Website
WEM Procedure	WEM Procedure: Notices and Communications	WEM Website
WEM Procedure	WEM Procedure: Reserve Capacity Security	WEM Website
WEM Procedure	WEM Procedure: Rule Participant Registration Processes	WEM Website
WEM Procedure	WEM Procedure: Settlements	WEM Website

1.5. Communications and provision of information

- 1.5.1. All communications and provision of information by a Market Participant or Network Operator to AEMO under this Procedure must be conducted via email, unless otherwise specified in this Procedure.
- 1.5.2. All communication and provision of information by AEMO to a Market Participant or Network Operator under this Procedure will be conducted via email, unless otherwise specified in this Procedure.

2. Transitional provisions

- 2.1.1. Clause 1.55 applies to this Procedure in regards to the general transitional provisions imposed on Rule Participants to facilitate a transition from the Pre-Amended Rules to the Post-Amended Rules.

3. Credit Limits

3.1. Credit Limit Determination

- 3.1.1. A Rule Participant's Credit Limit is its Anticipated Maximum Exposure calculated in accordance with paragraph 3.1.2, or as adjusted or replaced under paragraph 3.1.6 or paragraph 3.1.7
- 3.1.2. AEMO will determine a Rule Participant's Anticipated Maximum Exposure as:

$$AME_P(p) = \max(\{TOTSET35_P_D(p, d) \mid d \in CLwindow\}).$$

where:

$TOTSET35_P_D(p, d)$ is the cumulative WEM Settlement amount (including GST and interest) for the Rule Participant p in 35 consecutive Trading Days ending on Trading Day d , calculated as:

$$TOTSET35_P_D(p, d) = \sum_{e \in prev35(d)} TOTSET_P_D(p, e)$$

$$prev35(d) = \{d, d - 1, d - 2, \dots, d - 34\}$$

where:

$TOTSET_P_D(p, e)$ is the total amount resulting from WEM Settlement (including GST and interest) for the Rule Participant p in Trading Day e ; and

$prev35(d)$ is the set of 35 consecutive Trading Days ending on Trading Day d ; and

$CLwindow$ is the set of Trading Days comprising the most recent Trading Day for which Settlement Statements have been issued and the 364 Trading Days immediately preceding it (or 365 in a leap year).

3.1.3. Where AEMO reasonably determines that any of the values used to calculate the Anticipated Maximum Exposure in paragraph 3.1.2 are unavailable or not representative of the Rule Participant's future trading behaviour or settlement outcomes, AEMO may substitute any value with its reasonable estimate of that value. This may include, but is not limited to where:

- (a) a Rule Participant registers one or more new Facilities; and
- (b) a Market Participant registers one or more new end-consumers of Loads.

E[A] Registration

More details about Rule Participant registration are available in the WEM Procedure: Facility Registration Processes

3.1.4. If not already provided to AEMO at the time of the registration of the Rule Participant or Facility, or readily available to AEMO:

- (a) AEMO may request any information required for it to determine Anticipated Maximum Exposure, including, but not limited to, the information set out in Table 3 and specify a date by which that information must be provided; and
- (b) the Rule Participant must provide all requested information to AEMO by the date specified in AEMO's request.

Table 3 Data to be provided to AEMO by Market Participant or Network Operator type

Reference	Type of Market Participant or Network Operator	Data to be provided
(a)	Market Participant registering one or more new Non-Scheduled Facilities, Semi-Scheduled Facilities, or Scheduled Facilities	<ul style="list-style-type: none"> the typical Trading Intervals during which the Facility is expected to be injecting energy in a Trading Day, and the average value (in MWh) of expected Injection in each of those Trading Intervals the typical Trading Intervals during which the Facility is expected to be withdrawing energy in a Trading Day, and the average value (in MWh) of expected Withdrawal in each of those Trading Intervals the average quantity of energy expected to be sold or purchased, as applicable (in MWh), on a Bilateral Contract per Trading Interval the actual or estimated MW value of Capacity Credits assigned to the Facility the average MW value of Capacity Credit Allocations expected to be made in relation to the Facility's Capacity Credits, per Trading Day for each Frequency Co-optimised Essential System Service for which the Facility is, or is expected to be, accredited: the average quantity (in MW or MWs, as applicable) the Facility is expected to provide per Trading Interval

Reference	Type of Market Participant or Network Operator	Data to be provided
		<ul style="list-style-type: none"> any relevant information for any other services the Facility is expected to provide, including, but not limited to, Supplementary Reserve Capacity, NCESS, or System Restart Service
(b)	Market Participant registering one or more new end-consumers or Loads	<ul style="list-style-type: none"> the average net quantity of energy (in MWh) of expected Withdrawal by those end-consumers or Loads per Trading Interval the average quantity of energy expected to be sold or purchased, as applicable (in MWh), on a Bilateral Contract per Trading Interval the average MW value of Capacity Credit Allocations expected to be received
(c)	Market Participant registering one or more new Demand Side Programmes	<ul style="list-style-type: none"> the actual or estimated MW value of Capacity Credits assigned to the Facility the average MW value of Capacity Credit Allocations expected to be made in relation to the Facility's Capacity Credits, per Trading Day
(d)	A Network Operator registering one or more new Facilities with Essential System Service accreditation	<ul style="list-style-type: none"> for each Frequency Co-optimised Essential System Service for which the Facility is, or is expected to be, accredited: the average quantity (in MW or MWs, as applicable) the Facility is expected to provide per Trading Interval
(e)	A Network Operator registering one or more new Networks	<ul style="list-style-type: none"> the actual or expected RoCoF Ride-Through Capability for the Network

- 3.1.5. Where any data required by AEMO under paragraph 3.1.2 and Table 3 of this Procedure is not provided by the Rule Participant by the date stipulated in its request under paragraph 3.1.4(a), AEMO may, in its absolute discretion, use a reasonable estimate of the relevant values.
- 3.1.6. AEMO may, in its absolute discretion and taking into account clauses 2.37.5(d) and 2.37.6, decide to adjust or replace the Anticipated Maximum Exposure calculated under paragraph 3.1.2.

3.1.7. Where AEMO reasonably determines that there is insufficient historical WEM Settlement information available to determine a Credit Limit in accordance with paragraph 3.1.2, AEMO must determine a Market Participant's Anticipated Maximum Exposure as:

$$AME_P(p) = \max (\{TOTNSTEM70_P_D(p, d) + TOTSTEM15_P_D(p, d) | d \in CLwindow\}).$$

where:

$TOTNSTEM70_P_D(p, d)$ is the cumulative settlement amount for Non-Short Term Energy Market (Non-STEM) (including GST and interest) for Market Participant p in the prior 70 consecutive Trading Days ending on Trading Day d , calculated as:

$$TOTNSTEM70_P_D(p, d) = \sum_{e \in prev70(d)} TOTNSTEM_P_D(p, e)$$

$$prev70(d) = \{d, d - 1, d - 2, \dots, d - 69\}$$

where:

$TOTNSTEM_P_D(p, e)$ is the total settlement amount for Non-STEM (including GST and interest) for Market Participant p in Trading Day e ; and

$prev70(d)$ the set of 70 consecutive Trading Days ending on Trading Day d ; and

$TOTSTEM15_P_D(p, d)$ is the cumulative settlement amount for STEM (including GST and interest) for Market Participant p in the prior 15 consecutive Trading Days ending on Trading Day d , calculated as:

$$TOTSTEM15_P_D(p, d) = \sum_{e \in prev15(d)} TOTSTEM_P_D(p, e)$$

$$prev15(d) = \{d, d - 1, d - 2, \dots, d - 14\}$$

where:

$TOTSTEM_P_D(p, e)$ is the total settlement amount for STEM (including GST and interest) for Market Participant p on Trading Day e ; and

$prev15(d)$ the set of 15 consecutive Trading Days ending on Trading Day d ; and

$CLwindow$ is the set of Trading Days in the 12 most recent Trading Months for which Non-STEM Settlement Statements have been issued.

3.2. Notifying a Market Participant or Network Operator of its Credit Limit

3.2.1. AEMO's notification under clause 2.37.7 must be in writing and must include:

- (a) specific references to the factors outlined in Appendix B;
- (b) any minimum amount that AEMO has taken into account considered under clause 2.37.6 when determining the Rule Participant's Credit Limit;

- (c) whether the Rule Participant is required to submit Credit Support and, if applicable, a due date by which the Credit Support must be submitted; and
- (d) the Credit Support Effective Date determined by AEMO under paragraph 4.2.2.

3.3. Changes in Circumstances Affecting a Credit Limit

3.3.1. The circumstances under which a Rule Participant must notify AEMO as soon as practicable, in writing, in accordance with clause 2.37.8(a) include, but are not limited to:

- (a) for a Market Participant:
 - (i) expected changes in metered Withdrawal or Injection quantities;
 - (ii) acquisition of new end-consumers, or Facilities;
 - (iii) expected changes in the quantity of Capacity Credits or electricity purchased or sold bilaterally; or
 - (iv) material fuel supply disruptions.
- (b) for a Network Operator:
 - (i) acquisition of new Facilities; or
 - (ii) material fuel supply disruptions; and
- (c) any other event that may affect a Rule Participant's commercial position in the market.

3.3.2. A Rule Participant must provide a notification in writing, including timeframes for the changes, where relevant, and must provide reasons and evidence for requesting a decrease in its Credit Limit under clause 2.37.8(b).

3.3.3. Within five Business Days of receiving a notification under paragraph 3.3.2, AEMO will determine whether to:

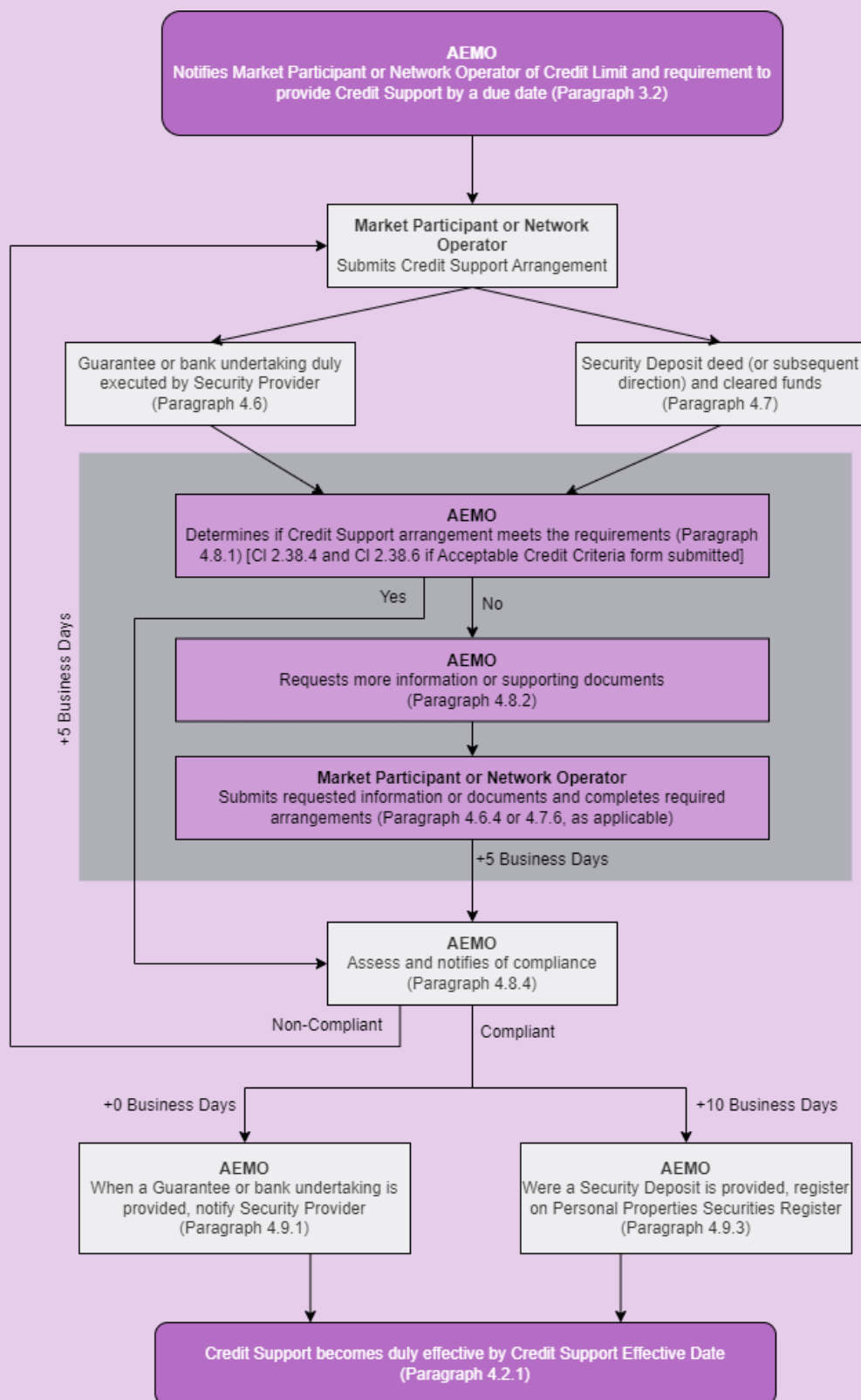
- (a) revise a Credit Limit, in which case AEMO will, within 30 Business Days after the notification of receipt under paragraph 3.3.4, determine the revised Credit Limit in accordance with paragraph 3; or
- (b) reject a Rule Participant's request for revision of its Credit Limit.

3.3.4. AEMO will notify the Rule Participant in writing within five Business Days that it intends to make a determination under paragraph 3.3.3(a).

3.3.5. AEMO will notify the Rule Participant in writing within five Business Days of any determination under paragraph 3.3.3(b), including its reasons for rejecting the request.

4. Credit Support

E[B] Credit Support Delivery Process



4.1. Amount of Credit Support

- 4.1.1. Where a Rule Participant receives a notification under paragraph 3.2 requesting the submission of Credit Support, the Rule Participant must ensure that AEMO holds the benefit of Credit Support as described in clause 2.38.1(b) and in accordance with the requirements of paragraph 3.2.1.

4.2. Credit Support Effective Date

- 4.2.1. Before a Rule Participant transacts in the market, its Credit Support must become duly effective by the Credit Support Effective Date.
- 4.2.2. AEMO will determine the Credit Support Effective Date by which a Rule Participant's Credit Support must become duly effective.
- 4.2.3. AEMO will notify the Rule Participant of its Credit Support Effective Date, in writing, as soon as practicable after it is determined.
- 4.2.4. AEMO will use the following guidance to set the Credit Support Effective Date under paragraph 4.2.2:

Table 4 Credit Support Effective Date by Market Participant or Network Operator type

Reference	Type of Market Participant or Network Operator	Credit Support Effective Date must be:
(a)	New or existing Network Operator registering one or more Facilities with Essential System Service accreditation.	Before the date on which the Facility is determined to be accredited for Essential System Service.
(b)	New or existing Market Participant registering one or more Facilities in the Scheduled Facility; Semi-Scheduled Facility or Non-Scheduled Facility classes.	Before the earlier of; <ul style="list-style-type: none"> i. the date the Facility undertakes a Commissioning Test; and ii. the date the Facility's Reserve Capacity Obligation Quantity becomes applicable under 4.1.26 of the WEM Rules.
(c)	New Market Participant registering one or more new end-consumers or Loads.	After evidence of an executed electricity transfer access contract is provided to AEMO and before the Market Participant participates in the market.
(d)	Existing Market Participant registering one or more new end-consumers or Loads.	Before the date notified by the Market Participant, in accordance with paragraph 3.3.2, on which an increase in consumption is expected to occur.
(e)	New or existing Market Participant registering one or more Demand Side Programmes.	Before the Demand Side Programme's Reserve Capacity Obligation Quantity becomes applicable under clause 4.1.26(e).
(f)	New or existing Network Operator registering one or more Networks.	Before the date on which the Network is registered in the WEM.

4.3. Maintaining Credit Support

- 4.3.1. Where a Market Participant or Network Operator becomes aware that their Credit Support is affected by, or will be affected by, any of the circumstances in paragraph 4.3.3, it must:
- (a) notify AEMO in writing immediately; and

- (b) ensure that AEMO holds the benefit of replacement Credit Support in accordance with clauses 2.38.2 and 2.38.3.
- 4.3.2. Where AEMO becomes aware of any circumstance as specified in paragraph 4.3.3 in relation to a Rule Participant, it will:
 - (a) notify the Rule Participant in writing as soon as practicable; and
 - (b) require the Market Participant or Network Operator to provide a replacement Credit Support in accordance with clauses 2.38.2 and 2.38.3
- 4.3.3. For the purposes of clause 2.38.3, circumstances that may require replacement Credit Support under paragraph 4.3.1 or 4.3.2 include, but are not limited to, where:
 - (a) existing Credit Support is no longer current or valid;
 - (b) the Security Provider no longer meets any of the Acceptable Credit Criteria;
 - (c) some or all of the existing Credit Support has been drawn upon by AEMO;
 - (d) the Security Provider ceases to, or threatens to cease to, carry on providing Credit Support in relation to the Rule Participant; or
 - (e) the Security Provider becomes insolvent or is dissolved.
- 4.3.4. Where a Rule Participant is required to provide replacement Credit Support under paragraph 4.3.3 and is unable to provide the replacement Credit Support by the end of the next Business Day, it must request an extension of the due date to AEMO in writing.
- 4.3.5. AEMO may, in its absolute discretion, approve or reject a Rule Participant's request for an extension in paragraph 4.3.4. AEMO must provide its decision in writing to the Rule Participant as soon as practicable.

4.4. Withdrawing Credit Support

- 4.4.1. If at any time a Rule Participant's most recently determined Credit Limit is lower than its existing Credit Support held by AEMO, the Rule Participant may submit a request in writing to AEMO to withdraw an amount of its Credit Support held by AEMO to an amount that is not less than its most recently determined Credit Limit amount.
- 4.4.2. AEMO will, after consultation with the Rule Participant, approve the processes to be followed by AEMO and the Rule Participant following the request for withdrawal under paragraph 4.4.1.

4.5. Credit Support Arrangements

- 4.5.1. A Rule Participant must ensure that the form of its Credit Support meets the requirements of clause 2.38.4 and either paragraph 4.6 or paragraph 4.7.
- 4.5.2. A Rule Participant must ensure that the contact details it provides for its Credit Support arrangements are current at all times, including contact details for its Security Provider as provided in AEMO's prescribed guarantee or bank undertakings document.
- 4.5.3. The Rule Participant must update the contact details required by paragraph 4.5.2 by submitting a change of contact details for bank guarantee provider form published on the WEM Website and sending it to wa.settlements@aemo.com.au.

4.6. Submitting Guarantees or Bank Undertakings

- 4.6.1. On receiving AEMO's notification of its request to provide Credit Support under paragraph 3.2, if a Rule Participant intends to provide Credit Support under clause 2.38.4(a), it must obtain a copy of the following documents from the WEM Website:
- (a) Proforma guarantee or bank undertaking; and
 - (b) Acceptable Credit Criteria form (if the Security Provider is not on the list of entities meeting the Acceptable Credit Criteria, as published on the WEM Website).
- 4.6.2. A Rule Participant must then submit to AEMO a signed original hard copy of the proforma guarantee or bank undertaking, which:
- (a) is in the form approved by AEMO and published on the WEM Website; and
 - (b) has been executed by either
 - (i) a Security Provider on the List of Entities that meet the Acceptable Credit Criteria; or
 - (ii) a Security Provider not on the List of Entities that meet the Acceptable Credit Criteria, where an Acceptable Credit Criteria form has been submitted under paragraph 5.1.6.
- 4.6.3. AEMO will not accept a proforma guarantee or bank undertaking that does not meet the criteria in paragraph 4.6.2.
- 4.6.4. At the same time as providing the guarantee or bank undertaking to AEMO, a Rule Participant must also provide to AEMO any procedure that the Security Provider requires AEMO to follow when making a call on the Credit Support.
- 4.6.5. A Rule Participant providing Credit Support in the form of a guarantee or a bank undertaking must ensure that processes are in place for the Security Provider to release funds within 90 minutes of AEMO making a call on the Credit Support.
- 4.6.6. Failure by a Security Provider to release funds within 90 minutes of AEMO making a call on the Credit Support triggers a Suspension Event in relation to that Market Participant under clause 9.19.1(c).
- 4.6.7. The Rule Participant must provide the original executed guarantee or bank undertaking to AEMO either in person, by courier or registered mail by the Credit Support Effective Date.

4.7. Submitting Security Deposits

- 4.7.1. On receiving AEMO's notification to provide Credit Support in paragraph 3.2, if a Rule Participant intends to provide Credit Support under clause 2.38.4(b), it must obtain a copy of the following documents from the WEM Website:
- (a) Security Deposit deed for Credit Support;
 - (b) Security Deposit deed for Credit Support (provided by third party); or
 - (c) Security Deposit direction for Credit Support.
- 4.7.2. When providing a Security Deposit for Credit Support, a Rule Participant must provide AEMO with a completed and properly executed Security Deposit deed for Credit Support or a Security Deposit deed for Credit Support (provided by third party) which:
- (a) is in the form approved by AEMO and published on the WEM Website; and
 - (b) has been executed by, or on behalf of, the Rule Participant.
- 4.7.3. AEMO will not accept a Security Deposit deed for Credit Support or a Security Deposit deed for Credit Support (provided by third party) that does not meet the criteria in paragraph 4.7.2.
- 4.7.4. If a Rule Participant has provided AEMO with a Security Deposit deed for Credit Support or a Security Deposit deed for Credit Support (provided by third party) that permits the submission of a Security Deposit direction, the Rule Participant may provide AEMO with a further amount under the existing Security Deposit by providing a Security Deposit direction for Credit Support.

E[C] Deed proforma

These are version 5.0 of the deed or later proforma Security Deposit deed for Credit Support or proforma Security Deposit deed for Credit Support (provided by third party).

- 4.7.5. A Security Deposit direction for Credit Support is a direction from a Rule Participant to AEMO, which, in substance, is the same as the form published on the WEM Website, as amended from time to time by AEMO.
- 4.7.6. A Rule Participant who has provided Credit Support in the form of a Security Deposit must provide to AEMO, within one Business Day:
- (a) a completed and executed Security Deposit deed, in hard copy; or
 - (b) where AEMO holds an executed Security Deposit deed, a Security Deposit direction.
- 4.7.7. Where a Security Deposit deed has been provided to it in accordance with paragraph 4.7.6(a), AEMO must execute the Security Deposit deed as soon as practicable and provide the Rule Participant with a copy of the fully executed Security Deposit deed.

4.8. AEMO's Process of Reviewing Credit Support Arrangements

- 4.8.1. On receiving completed documentation for Credit Support from a Rule Participant, AEMO must review the Credit Support arrangement to:
- (a) determine whether it is compliant with clause 2.38.4(a) and paragraph 4.6, if the Credit Support arrangement is in the form of a guarantee or bank undertaking; or

- (b) determine whether it is compliant with paragraph 4.7 of this Procedure, if the Credit Support arrangement is in the form of a Security Deposit.
- 4.8.2. AEMO may, at its discretion, request more information from the Rule Participant to support its Credit Support arrangement and will specify a due date for the information to be provided in its request.
- 4.8.3. The Rule Participant or Network Operator must provide the relevant information outlined in AEMO's request under paragraph 4.8.2 by that deadline stipulated in the request.
- 4.8.4. Within five Business Days of AEMO receiving completed documents under paragraph 4.8.1 or additional information under paragraph 4.8.2 (whichever is later), AEMO must notify the Rule Participant in writing that the Credit Support arrangement is either:
 - (a) compliant with the WEM Rules and this Procedure; or
 - (b) not compliant with the WEM Rules and/or this Procedure and provide reasons as to why the Credit Support is not compliant.
- 4.8.5. If a Rule Participant receives a notification of non-compliance under paragraph 4.8.4(b), the Rule Participant must re-submit a Credit Support arrangement that meets the requirements of clause 2.38.4 and paragraph 4.5 within one Business Day or any other timeframe approved by AEMO.

4.9. Further Steps by AEMO with respect to Credit Support Arrangements

- 4.9.1. Where the Credit Support arrangement is a guarantee or bank undertaking, then, at the same time as AEMO issues a notice of compliance to the Rule Participant under paragraph 4.8.4(a), AEMO must also notify the Security Provider, in writing, that the Credit Support arrangement has been provided in accordance with clause 2.38.4(a) of the WEM Rules and this Procedure.
- 4.9.2. After AEMO notifies the Rule Participant and the Security Provider in accordance with paragraph 4.9.1, AEMO must store the completed guarantee or bank undertaking in a safe location, as soon as practicable.
- 4.9.3. Where the Credit Support arrangement is provided as a Security Deposit, within five Business Days of cleared funds having been received by AEMO, AEMO will complete the process for registration of security interests on the Personal Property Securities Register in accordance with the *Personal Property Securities Act 2009* (Cth) and will send the Rule Participant an invoice for the fees incurred in registering the security interests.
- 4.9.4. Rule Participants must pay any fees incurred in registering the security interest(s) by the due date on the invoice issued under paragraph 4.9.3.
- 4.9.5. Once a registration is completed under paragraph 4.9.3, AEMO will send a notice of the verification statement containing the details of the registration to the Security Provider and the Rule Participant, as soon as practicable.

E[D] PPSR

The *Personal Property Securities Act 2009* (Cth) (the Act) enables any person to register its security interests on the Personal Property Securities Register (Register). The Register is a real-time electronic notice board, which allows individuals and organisations to search and register security interests in personal property (see www.ppsr.gov.au for more information). For the purposes of the Act, any cash in a bank account (Security Deposit) under the control of AEMO pursuant to a Security Deposit deed, that is provided to AEMO for the purposes of Credit Support (Clause 2.38.4(b)) or Reserve Capacity Security (Clause 4.13), is a form of “personal property”. AEMO’s interest in the Security Deposit is a “security interest”, and the Security Deposit deed secures payment and performance obligations of a Rule Participant.

- 4.9.6. Upon completion of its obligations under paragraph 4.9.3, AEMO must place the completed Security Deposit deed in a bank safe box, as soon as practicable.

4.10. Replacing a Credit Support Arrangement

- 4.10.1. A Rule Participant may replace the Credit Support arrangement provided with another form of Credit Support (for example, replacing a Security Deposit with a guarantee or bank undertaking) by notifying AEMO of its intention, in writing, prior to the replacement.
- 4.10.2. A Rule Participant must include the following in its notification provided under paragraph 4.10.1:
- (a) the form of replacement Credit Support arrangement to be provided;
 - (b) evidence that the replacement Credit Support arrangement will meet the requirements of clause 2.38.4 and this Procedure; and
 - (c) the date on which documents facilitating the replacement Credit Support arrangement will be provided to AEMO, where the date must be at least 10 Business Days before the expiry date of the existing Credit Support held by AEMO.

4.11. Returning a Credit Support Arrangement

- 4.11.1. A Rule Participant may request the return of a Credit Support arrangement by notifying AEMO, in writing, and including the following information:
- (a) the amount of Credit Support to be returned;
 - (b) the form of Credit Support to be returned; and
 - (c) the proposed time and date of the return of the Credit Support.
- 4.11.2. AEMO will review a request under paragraph 4.11.1, as soon as practicable and advise the Rule Participant of its decision.
- 4.11.3. Where AEMO approves a request to return a Credit Support arrangement, AEMO will consult with the Rule Participant to arrange for the return of the Credit Support arrangement.
- 4.11.4. Where a Security Deposit is to be returned to a Rule Participant, AEMO may deduct unpaid fees incurred in registering security interest(s) under paragraph 4.9.3, required to be paid under paragraph 4.9.4, from the balance of the Security Deposit before returning the remainder to the Rule Participant.

4.12. Holding Security Deposits and Associated Costs

4.12.1. Where AEMO receives Credit Support in the form of a Security Deposit, it will:

- (a) invest any Security Deposit payments on behalf of the relevant Rule Participant; and
- (b) maintain individual accounts for Security Deposits separate from any accounts holding AEMO operating funds.

4.12.2. AEMO must credit any interest earned in accordance with clause 2.38.5.

4.12.3. AEMO may provide written advice to a Rule Participant on a monthly basis regarding the interest earned at the Bank Bill Rate and the deduction of any accrued costs and fees.

5. Acceptable Credit Criteria

5.1. Completing the Acceptable Credit Criteria Form

5.1.1. Where a Rule Participant elects to provide a Credit Support via a guarantee or bank undertaking, and the entity intending to provide the Credit Support is not included on the current list of entities meeting the Acceptable Credit Criteria, the Rule Participant must arrange for the completion and execution of an Acceptable Credit Criteria form, evidencing that the entity providing the Credit Support meets the Acceptable Credit Criteria outlined in clause 2.38.6, by either:

- (a) a solicitor representing the Rule Participant, who is not affiliated in any other way with the Rule Participant (i.e. an external solicitor or law firm) and is approved by AEMO; or
- (b) a solicitor representing the entity providing the Credit Support, who is not affiliated in any other way with the Rule Participant or entity providing the Credit Support (i.e. an external solicitor or law firm) and is approved by AEMO.

5.1.2. In completing the Acceptable Credit Criteria form under paragraph 5.1.1, a Rule Participant is responsible for arranging all necessary investigations to enable a person meeting the criteria in paragraph 5.1.1(a) or paragraph 5.1.1(b) to sign the Acceptable Credit Criteria form.

5.1.3. Before submitting an Acceptable Credit Criteria form, a Rule Participant may submit a request, in writing, to AEMO to confirm whether its chosen solicitor or law firm under paragraph 5.1.1 is acceptable to AEMO.

5.1.4. AEMO will respond in writing to a request, received under paragraph 5.1.3, within one Business Day of receiving the request.

5.1.5. A completed Acceptable Credit Criteria form will be acceptable to AEMO where the form:

- (a) has an affirmative response to each of the subclauses (as aligned with clause 2.38.6);
- (b) has been completed with the full details of the entity to which it applies; and
- (c) has been signed by a solicitor or on behalf of a law firm that is approved by AEMO.

5.1.6. A Rule Participant must submit a completed Acceptable Credit Criteria form together with its Credit Support arrangement.

5.1.7. AEMO will assess the completed Acceptable Credit Criteria form submitted under paragraph 5.1.6 in accordance with paragraph 5.1.5 as soon as practicable.

- 5.1.8. AEMO will advise the Rule Participant of the outcome of its assessment under 5.1.7 within one Business Day of completing the assessment.

5.2. Maintaining the List of Entities Meeting the Acceptable Credit Criteria

- 5.2.1. Where AEMO assesses an Acceptable Credit Criteria form received from a Rule Participant under paragraph 5.1.7 and deems the entity to meet the Acceptable Credit Criteria, then AEMO must include that entity in the list of entities meeting the Acceptable Credit Criteria, prepared under clause 2.38.7, as soon as practicable.
- 5.2.2. AEMO will conduct a review under clause 2.38.8, at least once every three months, to determine whether the entities included on the list under clause 2.38.7 continue to have acceptable credit ratings, as required by clause 2.38.6(f).
- 5.2.3. Where AEMO determines that changes are required as a result of its review under paragraph 5.2.2, it will update the date on the document containing the list to reflect the date on which the last monitoring occurred and make any required changes in the list as soon as practicable.
- 5.2.4. Where AEMO determines that changes are not required as a result of its review under paragraph 5.2.2 and it is satisfied that the list contains the most current information, it will update the date on the document containing the list to reflect the date on which the last monitoring occurred.
- 5.2.5. Where AEMO removes an entity from the list of entities meeting the Acceptable Credit Criteria under clause 2.38.9 and paragraph 5.2.3, it must notify affected Rule Participants, in writing, within one Business Day.
- 5.2.6. If a Rule Participant's Credit Support is affected by a change made under clause 2.38.9 and paragraph 5.2.3, it must provide valid replacement Credit Support in accordance with paragraph 4.3.1(b).

6. Prudential Security

6.1. Outstanding Amount

- 6.1.1. When calculating the Outstanding Amount under clause 2.40.1, AEMO:
- (a) will use the actual amounts for which Settlement Statements have been issued by AEMO, where available; and
 - (b) may use an estimate, where any input data is unavailable at the time of calculation, which is either:
 - (i) a value determined using the relevant estimation method detailed in the document published in accordance with paragraph 6.1.3; or
 - (ii) if no relevant estimation methodology is specified in the document published under paragraph 6.1.3, zero.

- 6.1.2. AEMO will document how it calculates a Rule Participant's Outstanding Amount, including methods it will use to estimate amounts where input data is not available, in accordance with the WEM Rules and this Procedure.
- 6.1.3. AEMO will publish the document created under paragraph 6.1.2 on the WEM Website, and will update it from time to time in response to any changes to the WEM Rules and WEM Procedures.
- 6.1.4. In accordance with clause 2.40.1, AEMO will calculate the Outstanding Amount $OA(p)$ for a Market Participant or Network Operator p for all past complete Trading Days (relative to the time of calculation) as:

$$OA(p) = INP(p) + CEE(p) - PP(p)$$

where the variables are as defined in Table 5.

Table 5 Outstanding Amount Defined Terms

Variable	Units	Definition
$OA(p)$	\$ (inc GST)	The net amount that Rule Participant p owes AEMO at any point in time.
$INP(p)$	\$ (inc GST)	In respect of amounts for which Settlement Statements have already been issued, the relevant Invoices not paid by a Rule Participant p at the time of calculation, determined as the aggregate amount payable to AEMO by the Rule Participant, less the aggregate amount payable by AEMO to the Rule Participant in accordance with clauses 2.40.1(a) and 2.40.1(b).
$CEE(p)$	\$ (inc GST)	The cumulative estimated exposure (that is, as per clauses 2.40.1(a) and 2.40.1(b), amounts payable for all past periods for which no Settlement Statement has yet been issued) at the time of calculation for a Rule Participant p as determined under paragraph 6.1.6.
$PP(p)$	\$	The prepayment balance of Rule Participant p at the time of calculation determined as the aggregate of any amounts paid by the Rule Participant to AEMO for the purpose of reducing Outstanding Amount and increasing the Trading Margin in accordance with clause 2.40.1(c) and paragraph 6.2.

- 6.1.5. Variable $INP(p)$ outlined in Table 5 may include a STEM Settlement Statement or Non-STEM Settlement Statement issued under the Pre-Amended Rules.
- 6.1.6. The cumulative estimated exposure for a Rule Participant p $CEE(p)$ is calculated as:

$$CEE(p) = \sum_{d \in EXPDAYS_{NSTEM}} EENSTEM(p, d) + \sum_{d \in EXPDAYS_{STEM}} EESTEM(p, d) + \sum_{d \in EXPDAYS_{WEM}} EEWEM(p, d)$$

where the variables are defined in Table 6.

Table 6 Cumulative Estimated Exposure Defined Terms

Variable	Units	Definition
$CEE(p)$	\$ (inc GST)	The cumulative estimated exposure (that is, as per clauses 2.40.1(a) and 2.40.1(b), amounts payable for all past periods for which no Settlement Statement has yet been issued) at the time of calculation for Rule Participant p determined as the aggregate amount payable to AEMO by the Rule Participant, less the aggregate amount payable by AEMO to the Rule Participant.
$EXPDAYS_{NSTEM}$	{ }	At the time of calculation, the complete set of past Trading Days for which AEMO has not published an initial Non-STEM Settlement Statement.

Variable	Units	Definition
$EENSTEM(p, d)$	\$ (inc GST)	The estimated exposure for Market Participant p attributed to Trading Day d calculated in accordance with paragraph 6.1.9.
$EXPDAYSTEM$	{ }	At the time of calculation, the complete set of past Trading Days for which AEMO has not published a STEM Settlement Statement.
$EESTEM(p, d)$	\$ (inc GST)	The estimated exposure for Market Participant p attributed to Trading Day d calculated in accordance with paragraph 6.1.9.
$EXPDAYSWEM$	{ }	At the time of calculation, the complete set of past Trading Days for which AEMO has not published an initial Settlement Statement.
$EEWEM(p, d)$	\$ (inc GST)	The estimated exposure for Rule Participant or p attributed to Trading Day d calculated in accordance with paragraph 6.1.7.

6.1.7. The formulation of $EEWEM(p, d)$ must be consistent with the calculations clauses 9.7 to 9.13.

6.1.8. AEMO may forecast a Rule Participant's estimated exposure for a partially complete Trading Day. However, this is an indication only, and will not be used in the calculation of the Outstanding Amount.

6.1.9. The formulation of $EENSTEM(p, d)$ and $EESTEM(p, d)$ must be consistent with the relevant calculations outlined in clauses 9.6 to 9.11, 9.13 and 9.15 of the Pre-Amended Rules.

6.1.10. Where inputs required for the determination of the Outstanding Amount are not available, and AEMO determines that these inputs would affect the accuracy of the Outstanding Amount calculation, then AEMO will estimate those inputs in accordance with the document published under paragraph 6.1.3.

6.2. Voluntary Prepayment

6.2.1. A Rule Participant may make a voluntary prepayment to AEMO at any time.

6.2.2. A voluntary prepayment is for the purposes of:

- (a) reducing the Rule Participant's Outstanding Amount and increasing its Trading Margin on each day during the period from the first Trading Day on which the next Outstanding Amount is calculated (after AEMO receives the Prepayment Amount) until the Trading Day on which the Prepayment Amount is fully applied towards amounts payable by the Rule Participant to AEMO as per clause 2.40.1(c); and
- (b) being applied to amounts payable by the Rule Participant to AEMO, as specified in the Invoice relating to a future Settlement Statement, which may include a STEM Settlement Statement or Non-STEM Settlement Statement issued under the Pre-Amended Rules.

6.2.3. A Rule Participant must provide a completed prepayment form via the 'Market Participant Interface' in WEMS, and cleared funds to AEMO in order for the prepayment to take effect.

6.2.4. AEMO will apply any prepayment amount towards amounts payable by a Market Participant to AEMO, as specified in the Invoice relating to a Settlement Statement, which may include a STEM Settlement Statement or Non-STEM Settlement Statement issued under the Pre-Amended Rules.

6.2.5. To the extent there is a residual amount available after the application of the prepayment under paragraph 6.2.4, this amount will be applied to subsequent Invoices for Settlement Statements.

6.2.6. AEMO may, in its absolute discretion, apply a fee in an Invoice to cover the administrative costs in facilitating voluntary prepayments.

6.3. Trading Margin

- 6.3.1. AEMO will calculate the Trading Margin for a Market Participant or Network Operator in accordance with clause 2.41.1.
- 6.3.2. Notwithstanding any other factors and analyses, a Rule Participant electing to make a submission in the market must take into account the factors set out in Appendix B for assessing the expected value of transactions to determine whether that transaction could result in the Rule Participant's Trading Margin being exceeded.
- 6.3.3. If a Rule Participant determines that the assessment conducted under paragraph 6.3.2 could result in its Trading Margin being exceeded, the Rule Participant must not make the submission in the market in accordance with clause 2.41.2.
- 6.3.4. AEMO may reject a submission from a Rule Participant, in accordance with clause 2.41.3, if AEMO's assessment, taking into account the factors listed in Appendix B, indicates that the transaction could result in the Rule Participant's Trading Margin being exceeded.

6.4. Margin Call

- 6.4.1. AEMO must specify the following in the Margin Call Notice:
 - (a) the Margin Call amount, which is determined under clause 2.42.3, to be the amount that will increase the Rule Participant's Trading Margin to zero, at the time the Margin Call Notice is issued;
 - (b) the date of the Margin Call Notice, which is determined as follows:
 - (i) where the Margin Call Notice is issued before noon (Australian Western Standard Time (AWST)), then the notice is deemed to have been issued the same day; and
 - (ii) where the Margin Call Notice is issued after noon AWST, then the notice is deemed to have been issued on the next Business Day; and
 - (c) the deadline by which the Rule Participant must respond to the Margin Call Notice and provide the Margin Call amount, which is before noon AWST on the next Business Day following the date of the Margin Call Notice.
- 6.4.2. A Rule Participant must respond to the Margin Call Notice, in accordance with clause 2.42.4, by:
 - (a) providing a Security Deposit in cleared funds to AEMO, equivalent to the amount of the Margin Call, and in accordance with paragraph 4.7 and clause 2.38.4(b); or
 - (b) providing additional Credit Support in the form of a guarantee or bank undertaking, equivalent to the amount of the Margin Call, and in accordance with paragraph 4.6 and clause 2.38.4(a).

- 6.4.3. AEMO may cancel a Margin Call Notice at any time under clause 2.42.5, by notifying the Rule Participant in writing.
- 6.4.4. Where AEMO reviews a Rule Participant's Credit Limit under clause 2.42.7, it will perform a re-determination in accordance with paragraph 3.

6.5. Prudential Risk Report

- 6.5.1. AEMO will establish a prudential risk report for each Rule Participant on the 'Market Participant Interface' in WEMS.
- 6.5.2. The prudential risk report created in accordance with paragraph 6.5.1 must have values for the Rule Participant's:
 - (a) unpaid Invoices, after offsetting cleared voluntary prepayments;
 - (b) Outstanding Amount; and
 - (c) Trading Margin.
- 6.5.3. AEMO will ensure that the prudential risk report, created under paragraph 6.5.1, for a Rule Participant is updated daily on the 'Market Participant Interface' in WEMS.

E[E] WEMS

Access to the Market Participant Interface in WEMS is only available, upon login, to authorised users nominated by a Rule Participant.

Appendix A. Relevant clauses of the WEM Rules

Table 7 details:

- (a) the head of power clauses in the WEM Rules under which the Procedure has been developed; and
- (b) each clause in the WEM Rules requiring an obligation, process or requirement be documented in a WEM Procedure, where the obligation, process or requirement has been documented in this Procedure.

Table 7 Relevant clauses of the WEM Rules

Clause
2.43.1

Appendix B. Factors to be taken into account in determining the expected value of a transaction

B.1.1 These factors, published in accordance with clause 2.41.5, are intended to provide guidance to enable a Market Participant, Network Operator or AEMO to determine the expected value of a transaction that would:

- (a) enable a Market Participant or Network Operator to ascertain that a contemplated transaction could result in the Market Participant or Network Operator's Trading Margin being exceeded and, therefore, that the submission must not be made under clause 2.41.2; or
- (b) enable AEMO to ascertain that a contemplated transaction could result in the Market Participant or Network Operator's Trading Margin being exceeded and therefore that the submission may be rejected under clause 2.41.3.

B.1.2 Where a Market Participant or AEMO is assessing whether a transaction contemplated by a submission could result in a Market Participant's Trading Margin being exceeded, the Market Participant and AEMO must:

- (a) take into account all information that is readily available, making reasonable assumptions and estimates, where necessary, based on the Market Participant's usual commercial position and trading activities and any unusual circumstances that may exist at the time; and
- (b) arrive at a value, using reasonable estimates of the Market Participant's current and forecast WEM Settlement exposure, taking into account relevant prevailing, recent and/or anticipated circumstances (including but not limited to):
 - (i) Outstanding Amounts, as calculated under clause 2.40.1 and paragraph 6.1;
 - (ii) transactions in relation to WEM Settlement;
 - (iii) STEM Clearing Prices, Market Clearing Prices and Reserve Capacity Prices;
 - (iv) Essential System Services Settlement amounts;
 - (v) Forced Outages and the applicable refund factor determined in accordance with clause 4.26.1; and
 - (vi) material changes in WEM market conditions.

B.1.3 Where a Network Operator or AEMO is assessing whether a transaction contemplated by a submission could result in a Network Operator's Trading Margin being exceeded, Network Operator and AEMO must:

- (a) take into account all information that is readily available, making reasonable assumptions and estimates, where necessary, based on the Network Operator's usual commercial position and trading activities and any unusual circumstances that may exist at the time; and
- (b) arrive at a value, using reasonable estimates of the Network Operator's current and forecast WEM Settlement exposure, taking into account relevant prevailing, recent and/or anticipated circumstances (including but not limited to):
 - (i) Outstanding Amounts, as calculated in clause 2.40.1 and paragraph 6.1;

- (ii) transactions in relation to WEM Settlement;
- (iii) Essential System Services Settlement amounts;
- (iv) material changes in WEM market conditions.

B.1.4 In terms of assessing whether a proposed transaction contemplated by a submission could result in a Market Participant or Network Operator's Trading Margin being exceeded, AEMO will consider whether, for example:

- (a) a Market Participant or Network Operator used actual Outstanding Amounts and unpaid Invoices, when considering the contemplated submission, to assess current and expected liabilities arising from transactions in relation to WEM Settlement;
- (b) a Market Participant used recent actual or average daily, weekly or monthly prices over the preceding three-month period, when considering the contemplated submission, to assess current and expected liabilities arising from the STEM Prices, Market Clearing Prices and Reserve Capacity Prices;
- (c) a Market Participant or Network Operator used recent actual or average Essential System Services Settlement amounts over the preceding three-month period, when considering the contemplated submission,
- (d) a Market Participant used the prevailing the refund factor and actual time a Facility was on Forced Outage, when considering the contemplated submission, to assess current and expected Capacity Cost Refunds; or
- (e) a Market Participant or Network Operator took reasonable account of changes in WEM market conditions, including, but not limited to, fuel availability, system demand, market prices, or any circumstance that was having, or could reasonably be expected to have, a material effect on market conditions.