

## CALL FOR SUBMISSIONS ON PROCEDURE CHANGE PROPOSAL

Wholesale Electricity Market Rules – Clause 2.10

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### AEPC\_2019\_03: REDUCTION OF PRUDENTIAL EXPOSURE IN THE RESERVE CAPACITY MECHANISM

Date of notice: 18 March 2019

This notice informs all Rule Participants and interested parties (**Consulted Persons**) that AEMO has published a Procedure Change Proposal in respect of the rule change proposal: Reduction of prudential exposure in the Reserve Capacity Mechanism (**RC\_2017\_06**) affecting the following Market Procedures: Individual Reserve Capacity Requirements, Capacity Credit Allocation and Prudential Requirements, and is conducting a consultation process on this proposal.

This consultation is being conducted in accordance with the Procedure Change Process detailed in section 2.10 of the Wholesale Electricity Market (WEM) Rules.

#### Matter under consultation

The matters are related to clauses 4.28.12, 9.4.3 (this head of power will be moved to clause 9.4.18 on 1 June 2019) and 2.43.1 of the WEM Rules which require AEMO to detail its processes related to the:

- provision of information to AEMO and calculation of Individual Reserve Capacity Requirements under section 4.28 of the WEM Rules;
- Capacity Credit Allocations under section 9.4 of the WEM Rules; and
- calculation of the Outstanding Amount under clause 2.40.1 of the WEM Rules.

AEMO has also taken the opportunity to update the Market Procedure: Prudential Requirements to reflect its templates and process for Market Participants to provide Credit Support under a Security Deposit Deeds or corresponding Security Deposit Direction, and make administrative changes to improve the integrity of the procedures.

Further details are provided in the Procedure Change Proposal published with this notice. The proposed amended Market Procedures are published with this notice and the Procedure Change Proposal.

## The consultation process

The consultation process is outlined below. Dates are indicative only and subject to change.

PROCESS STAGE	INDICATIVE DATE
Closing date for submissions in response to the Procedure Change Proposal	15 April 2019
Publication of Procedure Change Report	29 April 2019
Proposed commencement of Market Procedures:	
Capacity Credit Allocations V3	1 May 2019
Capacity Credit Allocations V4	1 June 2019
Individual Reserve Capacity Requirements	1 June 2019
Prudential Requirements	27 June 2019

## Invitation to Make Submissions

AEMO invites written submissions on this Procedure Change Proposal, including any alternative or additional proposals you consider may improve the procedure or better meet the Wholesale Market Objectives in section 122(2) of the *Electricity Industry Act 2004* (and clause 1.2.1 of the WEM Rules).

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so.

## Meetings

In your submission, you may request a meeting with AEMO to discuss the Procedure Change Proposal, stating why you consider a meeting is necessary or desirable.

If appropriate, meetings may be held jointly with other Consulted Persons. Subject to confidentiality restrictions, AEMO will generally make details of matters discussed at a meeting available to other Consulted Persons, and may publish them.

## Closing date and time

Submissions in response to this Procedure Change Proposal should be sent by email to [wa@aemo.com.au](mailto:wa@aemo.com.au), by 5:00 PM (Perth time) on **15 April 2019**.

All submissions must be forwarded in electronic format (both pdf and Word). Please send any queries about this consultation to the same email address.

All correspondence in relation to this Procedure Change Proposal must be entitled "AEPC\_2019\_03 Reduction of the prudential exposure in the Reserve Capacity Mechanism - [Name of the submitting company or individual]".

Submissions should use the Procedure Change Submission form available at:

<http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Procedures/Procedurechanges>.

AEMO is not obliged to consider submissions received after the closing date and time. Any late submissions should explain the reason for lateness and the detriment to you if AEMO does not consider your submission.

### **Publication**

All submissions will be published on AEMO's website, other than confidential content.