

WHOLESALE ELECTRICITY MARKET

Submission to Procedure Change Proposal

Settlement
AEPC_2020_07

Submitted by	
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Submission

Clause 2.10.7 of the Wholesale Electricity Market 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

Synergy welcomes the opportunity to provide feedback on the call for submissions: AEPC_2020_07 – Settlement (**Procedure**).

Synergy considers the proposed amendments to the Procedure are largely reflective of the changes approved under Rule Change Proposal RC_2019_04. Synergy is therefore supportive of the proposed changes, however, raises the following administrative considerations for the Australian Energy Market Operator’s (**AEMO**)’s review.

General: Synergy notes that the Wholesale Electricity Market (**WEM**) Rules have been revised several times since Procedure Change Proposal was first consulted on at the AEMO Procedure Change Working Group (**APCWG**) meeting on 30 November 2020. Synergy suggests the WEM Procedure should be amended to reflect the formatting of new WEM Procedures released as part of the New Energy Transformation Strategy, which involves:

- a) usage of ‘paragraph’ and ‘part’ instead of ‘sections’ (e.g. paragraph 2.3.5);
- b) correction of redundant terminology, e.g. ‘WEM Procedure’ as opposed to ‘Market Procedure’ (e.g. paragraph 1.1.1); and
- c) the replacement of portions of part 1.1 and part 1.2 of the WEM Procedure to reflect the new formats (take for example, the Credible Contingency Events WEM Procedure¹)
 - a. e.g. paragraph 1.1.3 references clause 2.9.7 which is now ‘[blank]’ under the February 2021² WEM Rules.

Synergy also suggests a broad overview of the entire Procedure (including paragraphs outside of the proposed tracked changes) against the current WEM Rules to ensure consistency (e.g. paragraph 4.3.2(f) references a ‘System Management Fee’ which is now a ‘System Operations Fee’ under the current WEM Rules).

Version release history: Suggested usage of ‘WEM Procedure’ as opposed to ‘Market Procedure’.

<u>7.0</u>	<u>TBA</u>	<u>Amendments to Market Procedure resulting from AEPC_2020_07 relating to Rule Change Proposal RC_2019_04: Administrative Improvements to Settlements</u>
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Footer: Synergy notes that the commencement date should be 2021, not 2020

~~DD July MMMM 2019/2020~~

Table 1: Synergy suggests the use of ‘section’ to refer to sections of the WEM Rules as opposed the current blanket approach of using ‘clauses’ for all references to the WEM Rules. Synergy notes this issue prevails throughout the Procedure. Further, ‘Settlement Cycle Timeline’ has been defined in Table 1, so should be capitalised when referenced in the Procedure. This error occurs predominantly in part 4 of the Procedure.

¹ <https://www.wa.gov.au/government/publications/draft-wem-procedure-credible-contingency-events>
² <https://www.erawa.com.au/cproot/21723/2/Wholesale-Electricity-Market-Rules-1-February-2021.pdf>

Paragraph 2.3: Formatting error

- 2.3. STEM Settlement process** AEMO must set settlement cycle timeline [clause_9.17.1]. The sett

2.3 STEM Settlement process

2.3.1 AEMO must set settle ...

Paragraph 3.3.5(c): Minor suggested amendment

- 3.3.5(c) the Network Control Service settlement data described in clause 5.9 of the WEM Rules; and

Paragraphs 3.3.6 and 3.3.7: Amendments to align with clauses 9.18.1 and 9.22.1 of the WEM Rules respectively

- 3.3.6 AEMO must issue a Non-STEM Settlement Statement for the Trading Month to relevant Rule Participants by ...
- 3.3.7 AEMO must issue a Non-STEM Settlement Invoice for the Trading Month to relevant Rule Participants on ...

Paragraph 4.3.2: Inconsistency with the current WEM Rules

- 4.3.2 ...
- (f) revised Market Fees rate, System OperationManagement Fee rate or Regulator Fee rate;
 - (g) any adjustment required for GST purposes under clause 9.1.2 of the WEM Rules;
 - (h) any revised value that AEMO reasonably considers to be in compliance with the WEM Rules and accurate; and,

Paragraph 9.1.3: Under the WEM Rules, there is no obligation for Rule Participants to contact AEMO in the event that AEMO fails to acknowledge the receipt of the Notice of Disagreement. Synergy considers this new obligation unnecessary and suggests its removal.

- 9.1.3 AEMO must acknowledge receipt of the Notice of Disagreement from the Rule Participant within one Business Day [clause 9.20.2]. This acknowledgement must be delivered via email. ~~If the Rule Participant does not receive this acknowledgment, they should contact AEMO to confirm that the Notice of Disagreement was delivered successfully.~~

Paragraph 9.1.8: Suggested amendments to align with clause 9.16.4(f) of the WEM Rules

- 9.1.8 A Rule Participant must not issue a Notice of Disagreement with respect to a Non-STEM Settlement Statement or adjusted Non-STEM Settlement Statement after 5.00 PM on the first Business Day of the eleventh month following the month in which the Trading Month being settled commenced [clauses 9.16.2(f) and 9.16.4(f)].

Paragraph 9.1.9: Synergy notes the timeframe for the information request is not stipulated under the WEM Rules, however, should be reasonable and not be less than three Business Days.

- 9.1.9. AEMO may, if it reasonably considers it is required to assess or resolve a Notice of Disagreement, request clarification or further information regarding any aspect of a Notice of Disagreement submitted by a Rule Participant [clause 9.20.4A]. The Rule Participant must provide the requested information within the timeframe specified by AEMO, **which should not be less than three Business Days**, in its request.

Paragraph 9.1.13: Clause 9.20.7 of the WEM Rules applies to Rule Participants, not Market Participants

- 9.1.13 Subject to step 9.1.14 of this Procedure, AEMO must, as soon as practicable, but within 20 Business Days of receipt of a Notice of Disagreement under step 9.1.1 of this Procedure, provide a response to the **RuleMarket** Participant in writing. This response must detail the actions AEMO will undertake in response to the Notice of Disagreement, including those prescribed in clauses 9.20.7(a) to (c) of the WEM Rules [clause 9.20.7].

Paragraph 3.1.4: Synergy suggests the following corrections

- 3.1.4. Applicants must indicate in the Request for Facility Creation form which type of **F**facility they wish to create. This can either be:
- a) a Normal Non-**a**Aggregated Facility: in the case of **N**on-aggregated single **F**facilities; or
 - b) an Aggregated Facility: in the case where an aggregated parent **F**facility is created for use in the Facility Aggregation process (refer to Procedure **paragraph step 66.1**).

Paragraphs 3.2.15, 4.1.10: Referencing errors

- 3.2.15. Where AEMO approves determines an Application in accordance with step **33.2.14**, ...
- 4.1.10 Where AEMO accepts an Application in accordance with step **44.1.9**, ...

Paragraph 9.2.4: Synergy is unclear as to whether clause 9.21.1 is the correct reference for paragraph 9.2.4 of the Procedure and requests AEMO to review this reference

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

Synergy considers the proposed changes to the WEM Procedure are largely consistent with the Wholesale Market Objectives because it clarifies Market Participants' obligations under the WEM Rules.

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.

The proposed changes have no foreseeable impacts on Synergy IT and business systems.

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

Synergy is able to implement the proposed changes immediately, noting that the Amending Rules introduced by RC_2019_04 is already in effect, having commenced on 2 July 2020.