

WHOLESALE ELECTRICITY MARKET

Submission to Procedure Change Proposal

Declaration of Bilateral Trade and Reserve Capacity Auction AEPC_2020_10

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_10 - Declaration of Bilateral Trades and the Reserve Capacity Auction (Procedure).

Synergy considers that the proposed amendments to the Procedure are reflective of the pricing amendments for Reserve Capacity that were gazetted on the 11 February 2020 and commends AEMO's efforts to provide clarification on requirements for new Facilities and Planned Facility Upgrades when applying for Committed Status under Appendix A of the Procedure.

Although broadly supportive of these amendments, Synergy wishes to raise the following considerations and queries for AEMO's review.

Definition of Proposed Status:

Proposed Status is a newly defined term in the Procedure and is associated with 'all facilities that are *not in operation* or assigned a Committed Status'.

Synergy queries what the intent is behind using the term '*operation*' given that it differs from step A.1.1 which states that 'all Facilities must be allocated Proposed Status unless it is otherwise determined by AEMO that they have a Committed Status or *Commercial Operation* status'.

Step A.1.6(f): Synergy would like to understand what is implied by a 'long-term written' leasing agreement.

Step A.1.6(j): The introduction of step A.1.6(j) enables AEMO to request a Market Participant to provide any additional information that AEMO deems relevant which appears too broad and fails to account for the costs that this additional information may impose on Market Participants.

Synergy considers it beneficial for Market Participants if AEMO could provide examples of what additional information may be deemed relevant under step A.1.6(j) and suggests that AEMO incorporates drafting changes to ensure information requested is:

- a) reasonably required by AEMO; and
- b) reasonably available such that Market Participants are only obligated to use reasonable endeavours to provide information that may not exist, may not be easily accessible or may be costly to produce.

Administrative Improvements:

Step 3.1.11(c): Correction to the cross reference in line with clause 4.14.7 of the WEM Rules.

...if AEMO cannot establish what a Market Participant's intentions are with respect to all or part of its Certified Reserve Capacity within the time allowed for resolving discrepancies by step ~~3.1.10(a)~~ 3.1.11(a) of this Procedure, then the relevant part of that Market Participant's Certified Reserve Capacity will be treated as being unavailable to the market...

Step 4.1.2: Sub-steps should start from (a) instead of (c). Synergy also recommends that the order of steps 4.1.2 and 4.1.3 be swapped to align with WEM Rules 4.15.1 and 4.15.2.

- 4.1.2. If the criteria in step 4.1.1 of this Procedure are satisfied, then by the date and time specified in clause 4.1.16(c) of the WEM Rules, AEMO must publish a notice in accordance with clause 4.15.2 of the WEM Rules specifying:
- (c) that the Reserve Capacity Auction will be held;

Step 4.2.3(b): Should be 'or' to align with clause 4.17.4 of the WEM Rules.

- 4.2.3. AEMO may reject a Reserve Capacity Offer if [clause 4.17.4]:
- (a) the offer is inconsistent with the requirements of the WEM Rules, including clause 4.14.10 of the WEM Rules;
 - (b) the offer does not contain any of the information specified in section 4.18 of the WEM Rules; and
 - (c) the offer is not in the form required by step 4.2.2 of this Procedure.

- 4.17.4. AEMO may reject a Reserve Capacity Offer if:
- (a) the offer is inconsistent with the requirements of these Market Rules, including clause 4.14.10;
 - (b) the offer does not contain any of the information specified in section 4.18; or
 - (c) the offer is not in the form required by clause 4.17.2.

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 Market Procedure would be broadly 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.