

Wholesale Electricity Market

Procedure change report:

January 2025

WEM Procedure: Direction of Registered Facilities in Scarcity Conditions





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1 Background

1.1 Regulatory requirements

The publication of this Procedure Change Report and the accompanying Wholesale Electricity Market Procedure (**WEM Procedure**) completes the Procedure Change Process conducted by AEMO to consider proposed amendments to the WEM Procedure: Direction of Registered Facilities in Scarcity Conditions (**Procedure**) under the Wholesale Electricity Market Rules (**WEM Rules**).

AEMO has published this Procedure Change Report in accordance with the Procedure Change Process outlined in section 2.10 of the WEM Rules.

1.2 Procedure change process and timetable

On 11 December 2024, AEMO published the Procedure Change Proposal (AEPC_2024_19) and issued a call for submissions. The proposal was progressed using the Procedure Change Process outlined in section 2.10 of the WEM Rules with submissions required by 24 January 2025.

2 Proposed procedure change


This section details the changes that AEMO proposed when the call for submissions was published.

2.1 Detail of the proposed procedure change

AEMO has amended the Procedure to comply with Amending Rules made by the Minister via the *Wholesale Electricity Market Amendment (FCESS Cost Review) Rules 2024, Schedule 3*, which commence 1 February 2025. The amendments replace clause 7.7.14 of the WEM Rules (the head of power for the Procedure), necessitating changes to the Procedure. The processes currently covered by the Procedure are expanded to include the process AEMO will use to determine which Registered Facility to direct to synchronise to provide Rate of Change of Frequency (RoCoF) Control Service under clause 3.4.4(d)¹ of the WEM Rules. A Low Reserve Condition does not necessarily need to be in place for AEMO to make a direction under clause 3.4.4(d) of the WEM Rules.

Changes are also made to the Procedure to remedy an omission in its original drafting. The changes allow AEMO, when assessing the availability of Registered Facilities for direction, to preference Registered Facilities with a sufficient MW quantity of Capacity Credits to meet AEMO's direction. Other minor changes are made to the Procedure to better align

¹ Clause 3.4.4 of the WEM Rules pertains to the actions AEMO may take to restore and maintain Power System Security or Power System Reliability, which include directing a Facility to adjust output or operate in a particular way per its Registered Generator Performance Standards, and otherwise in accordance with information available to AEMO.



existing wording with the newly inserted provisions, to update references to related clauses or procedures, and to correct minor grammatical or typological errors to improve descriptive accuracy.

2.2 Proposed drafting

AEMO published a draft of the proposed Procedure for consultation. A clean version and a version with changes marked up are available on AEMO's website at <https://aemo.com.au/energy-systems/electricity/wholesale-electricity-market-wem/procedures-policies-and-guides/procedures/ongoing-procedure-change-proposals>.

3 Consultation process

3.1 Market Advisory Committee and Working Group

3.1.1 Market Advisory Committee

In accordance with the Coordinator's WEM Procedure: Procedure Administration, AEMO notified all members of the Market Advisory Committee (MAC) of the publication of the Procedure Change Proposal on 11 December 2024, which is within one Business Day of publishing the Procedure Change Proposal.

AEMO advised the MAC members that it does not consider that the MAC should be convened in relation to the Procedure Change Proposal. A response was not received from the MAC and a MAC Meeting was not convened.

3.1.2 AEMO Procedure Change Working Group

An overview of the proposed amended Procedure was presented at the AEMO Procedure Change Working Group (APCWG) meeting held on 16 December 2024.

The Department of Energy, Mines, Industry Regulation and Safety (Jenny Laidlaw) queried what AEMO meant by "least impact on the market" in regard to choosing the most appropriate Registered Facility to provide the Rate of Change of Frequency (RoCoF) Control Service. AEMO responded it will consider the minimum amount of directions that would be required, to the least number of facilities, at the lowest cost to the market in providing the service. AEMO clarified that it will assess both the cost (via the merit order) and the total number of directions (to each Registered Facility) and will co-optimize across these two factors, depending on the prevailing circumstances, to resolve the issue. This co-optimization is done outside of the formal algorithm.

The papers and minutes from the APCWG meeting can be found on the WEM Website at <https://aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/wem-aemo-procedure-change-working-group>

3.2 Submissions received during consultation period

AEMO published the Procedure Change Proposal AEPC_2024_19 and issued a call for submissions on 11 December 2024. The submission period closed on 24 January 2025.


AEMO received one formal submission from Alinta Energy and informal advice from Energy Policy WA on the proposed amendments. AEMO incorporated the feedback into the Procedure, where appropriate. A summary of the submission and advice, and of AEMO’s responses, are shown in the table below.

Table 1 Summary of Stakeholder Feedback

Respondent	Paragraph	Summary of feedback	AEMO Response
Alinta Energy	2.1.3, 4	In terms of the list of matters AEMO must consider under paragraph 2.1.3, and the matters to be considered under paragraph 4, there is no reference to the Registered Generator Performance Standards (GPS) applicable to the Facility when AEMO determines the Facility to direct for RoCoF in accordance with clause 3.4.4(d) of the WEM Rules. The GPS, or a reference to the Facility’s Equipment Limits, should be included in the Procedure.	AEMO must take into consideration the GPS applicable to the Facility as a general requirement under clause 7.7.14(b) of the WEM Rules, which is the Head of Power for the inclusion of RoCoF Control Service (in scarcity conditions) in the Procedure, as clause 7.7.14(b) directly calls out clause 3.4.4(d). Furthermore, paragraph 4.1.2 of the Procedure specifies that any direction made by AEMO to a Facility to provide RoCoF Control Service will be made for the purposes of clause 3.4.4(d).
Energy Policy WA	2.1.1(d), 2.1.1(e) and 2.1.3.	Clarify wording regarding AEMO’s selection of the Registered Facility or Registered Facilities to direct.	AEMO has updated the Procedure. References to AEMO making an assessment of the availability of a Registered Facility or Registered Facilities to direct is replaced with more definitive terminology, to reflect that AEMO will determine the most appropriate Registered Facility or Registered Facilities to direct and the series of actions to be undertaken to direct.

In addition to feedback on the Procedure, Alinta Energy provided some general commentary on RoCoF Control Service, noting that “[d]espite the creation of a RoCoF Control Service market there is a lack of notice and market signals to deliver a market solution”. AEMO notes Alinta Energy’s view that as the direction is part based on offers and market conditions, Power System Security may be achieved but potentially not also the WEM Objectives in terms of economic efficiency, the promotion of competition and the minimisation of the long-term costs to consumers.

AEMO also received informal feedback from Energy Policy WA of the need to clarify wording on how AEMO selects the Registered Facility or Registered Facilities to direct to provide RoCoF Control Service under the Procedure. AEMO has reflected Energy Policy WA’s feedback through amendments to the proposed wording of paragraphs 2.1.1(d) and 2.1.1(e),



which are now consolidated into a single paragraph 2.2.1(d), and through minor grammatical amendments to paragraph 2.1.3.

The abovementioned (formal) submission is available on the WEM Website <https://aemo.com.au/consultations/current-and-closed-consultations/aepc-2024-19>

4 AEMO's assessment

4.1 Consistency with *Electricity Industry Act 2004*, WEM Regulations, WEM Rules and Wholesale Market Objectives

AEMO considers that the revised Procedure is consistent with the:

- *Electricity Industry Act 2004* (WA);
- WEM Regulations;
- WEM Rules; and
- Wholesale Market Objectives.

4.2 Proposed date and time of the commencement of the Procedure

AEMO proposes the amended Procedure commence at 8.00am (AWST) on 1 February 2025, which in AEMO's opinion, allows sufficient time after the date of publication of this Procedure Change Report for Rule Participants to implement any changes required.

The revised Procedure can be found on the WEM Website at <https://aemo.com.au/energy-systems/electricity/wholesale-electricity-market-wem/procedures-policies-and-guides/procedures>.