



Wholesale Electricity Market

Procedure Change Proposal No:
AEPC_2024_19

Direction of Registered Facilities in Scarcity
Conditions

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Australian Energy Market Operator Ltd ABN 94 072 010 327

Notice of call for submissions on Procedure Change Proposal

Clause 2.10.7 of the Wholesale Electricity Market Rules (WEM Rules)

Closing date for submissions on Procedure Change Proposal

24 January 2025

This notice informs all Rule Participants and interested parties that AEMO has published a Procedure Change Proposal in respect of the WEM Procedure: Direction of Registered Facilities in Scarcity Conditions. AEMO invites submissions on this Procedure Change Proposal, including any alternative options or drafting you consider may improve the proposed WEM Procedure or better meet the Wholesale Market Objectives set out in section 122(2) of the *Electricity Industry Act 2004* (WA) (and clause 1.2.1 of the WEM Rules).

A Procedure Change Submission may be made using the Procedure Change Submission form maintained on the Coordinator's Website in accordance with clause 2.9.4 of the WEM Rules and also the WEM Website. All submissions must be provided in PDF or Microsoft Word format by email to wa.marketdevelopment@aemo.com.au by 5.00pm (Perth time). Please send any queries about this consultation to the same email address.

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 person making the submission if AEMO does not consider their submission.

All submissions will be published on the WEM Website, with the exception of any content that is identified as confidential. A person making a submission must identify any parts of the submission that they believe should remain confidential, and explain why that content cannot be published. AEMO may still publish the information if it does not consider it to be confidential, but will consult with the relevant parties before doing so.

Procedure change summary

Procedure Name:	Direction of Registered Facilities in Scarcity Conditions
<p>What is proposed to be changed?</p>	<p>The proposed amendments:</p> <ul style="list-style-type: none"> • set out the process AEMO will use to determine which Registered Facility to direct to synchronise to provide RoCoF Control Service under clause 3.4.4(d) of the WEM Rules; • insert a new sub-paragraph to 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 the direction; and • better align the wording of existing with new drafting; and • update references to related clauses and procedures and correct minor grammatical or typographical errors to improve descriptive accuracy.
<p>Why are the changes being made?</p>	<p>The proposed changes to the Procedure are required due to amendments to clause 7.7.14 of the WEM Rules (the head of power of this Procedure), via the <i>Wholesale Electricity Market Amendment (FCESS Cost Review) Rules 2024, Schedule 3</i> which commence on 1 February 2025.</p>
<p>What are the anticipated outcomes and impact?</p>	<p>The changes will provide transparency of the circumstances in which AEMO will direct a Registered Facility (or Registered Facilities) to synchronise to provide RoCoF Control Service, and provide clarity on the process AEMO it will use, and the factors that AEMO will take into account, when assessing and selecting the Registered Facility (or Registered Facilities) to direct.</p>
<p>How do the changes achieve the WEM Objectives?</p>	<p>These changes achieve WEM Objective (a) by facilitating the resolution of threats to Power System Security to ensure that following a Credible Contingency event, the SWIS will remain in (or will return to) a Secure Operating State.</p>

Contents

Notice of call for submissions on Procedure Change Proposal	2
Procedure change summary	3
Contents	4
1. Procedure Change Process	5
1.1. Initiating the Procedure Change Process	5
1.2. WEM Procedure Development	5
1.3. Procedure Change Proposal timeline	5
2. Background	6
2.1. Regulatory requirements	6
2.2. Context for this consultation	6
3. Proposed procedure change	7
3.1. Detail of the proposed procedure change	7
3.2. Proposed drafting	9
4. Other matters	9
5. Summary of matters for consultation	9
6. Procedure Change Submissions deadline	9

1. Procedure Change Process

1.1. Initiating the Procedure Change Process

In accordance with clause 2.10.1 of the WEM Rules, AEMO may initiate the Procedure Change Process by developing a Procedure Change Proposal.

AEMO has published this Procedure Change Proposal in accordance with clause 2.10.5A.

1.2. WEM Procedure Development

In accordance with clause 2.10.3 of the WEM Rules, if an Amending Rule requires AEMO to develop new WEM Procedures or to amend or replace existing WEM Procedures, then AEMO is responsible for the development, amendment, or replacement of WEM Procedures so as to comply with the Amending Rule.

Clause 2.9.3 of the WEM Rules states that WEM Procedures:

- (a) must:
 - (i) be developed, amended or replaced in accordance with the process in the WEM Rules;
 - (ii) be consistent with the Wholesale Market Objectives; and
 - (iii) be consistent with the WEM Rules, the *Electricity Industry Act* and the WEM Regulations; and
- (b) may be amended or replaced in accordance with section 2.10 of the WEM Rules and must be amended or replaced in accordance with section 2.10 of the WEM Rules where a change is required to maintain consistency with Amending Rules.

The Wholesale Market Objectives are outlined in section 122(2) of the *Electricity Industry Act 2004 (WA)* and are repeated in clause 1.2.1 of the WEM Rules.

1.3. Procedure Change Proposal timeline

AEMO's indicative timeline for this consultation is outlined below. Dates may be adjusted depending on the number and complexity of issues raised in submissions and any meetings with stakeholders.

Process Stage	Indicative date
Publication of Procedure Change Proposal	11 December 2025
Closing date for submissions on Procedure Change Proposal	24 January 2025
Publication of Procedure Change Report	31 January 2025
Proposed commencement of new WEM Procedure	1 February 2025

Before the closing date for submissions, stakeholders may request a meeting with AEMO to discuss the issues and proposed changes raised in this Procedure Change Proposal.

2. Background

2.1. Regulatory requirements

The WEM Procedure: Direction of Registered Facilities in Scarcity Conditions is required to be developed by AEMO in accordance with clause 7.7.14 of the WEM Rules.

Clause 7.7.14 requires that:

AEMO must document in a WEM Procedure the process it will use to determine which Registered Facility to direct under clauses 7.7.3, 7.7.4 or 7.7.5.

On 1 February 2025, Amending Rules will commence that replaces clause 7.7.14. The amended clause 7.7.14 will require that:

AEMO must document in a WEM Procedure the process it will use to determine which Registered Facility to direct:

- (a) under clauses 7.7.3, 7.7.4 or 7.7.5; or
- (b) to synchronise to provide RoCoF Control Service under clauses 4.4.4(d).

The current version of the WEM Procedure commenced on 15 October 2021.

2.2. Context for this consultation

AEMO has commenced the Procedure Change Process to propose amendments to WEM Procedure: Direction of Registered Facilities in Scarcity Conditions (the Procedure) to comply with Amending Rules that commence 1 February 2025 (as described below).

On 1 October 2023, as part of reforms to arrangements for Power System Security and Reliability, the Minister made new rules via the *Wholesale Electricity Market Amendment (Tranches 2 and 3 Amendments) Rules 2020, Schedule C¹* which included the deletion and replacement of section 7.7 (among other sections) of the WEM Rules. Section 7.7 set-out new arrangements for Scarcity and Intervention to support the Central Dispatch Process and maintain Power System Security and Reliability. A new head of power was also inserted in clause 7.7.14 for a procedure (this Procedure) that requires AEMO to document its process for determining which Registered Facility will be subject to a direction under clauses 7.7.3 (to remedy an ESS shortfall²), 7.7.4 (to remedy an energy shortfall) or 7.7.5 (to synchronise to remedy an ESS shortfall)³. The Procedure commenced on 15 October 2024.

Further amendments to the WEM Rules made via the *Wholesale Electricity Market Amendment (FCESS Cost Review) Rules 2024, Schedule 3*, which commence 1 February 2025, replace clause 7.7.14 of the WEM Rules which necessitates consequential changes to the Procedure. The scope of the Procedure is expanded to require that AEMO also document the process it will use to determine which Registered Facility to direct to synchronise

¹ Schedule C commenced on 1 October 2023, in accordance with the notice in the *Gazette 2023/125*. See *Gazette 125 of 2023* (www.wa.gov.au)

² Where ESS is required, the Registered Facility will need to have been accredited to provide the relevant ESS in accordance with section 2.34A of the WEM Rules.

³ Clauses 7.7.3, 7.7.4 and 7.7.14 of the WEM Rules (along with clause 7.7.9 of the WEM Rules) were further amended via the *Wholesale Electricity Market Amendment (Tranche 6 Amendments) Rules 2022, Schedule E*. Schedule E commenced on 1 October 2023, in accordance with the notice in the *Gazette 2023/125* in *Gazette 125 of 2023* (www.wa.gov.au).

to provide Rate of Change of Frequency (RoCoF) Control Service under clause 3.4.4(d)⁴ 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. A new paragraph 4 is inserted to cover the additional process.

Changes are also proposed to the Procedure to remedy an omission in the Procedure's original drafting. A new sub-paragraph 2.1.3(l) is inserted that will 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. Some additional changes are made to the Procedure to better align the existing wording of the Procedure with drafting for new paragraph 4, and to provide improved descriptive accuracy.

3. Proposed procedure change

The primary reason for amending the Procedure is to include the process AEMO will use to determine which Registered Facility to direct to synchronise to provide RoCoF Control Service under clause 3.4.4(d); the process is set out in new paragraph 4. Other amendments are proposed to:

- correct an omission in drafting in the original version of the Procedure by inserting in paragraph 2.1.3 a new factor within the list of factors to be considered by AEMO when assessing which Registered Facility to direct (including to synchronise) to remedy an ESS Shortfall during a Low Reserve Condition; and
- align the existing wording of the Procedure with drafting for new paragraph 4; and
- update references to related clauses or procedures, and to correct minor grammatical or typological errors to improve descriptive accuracy.

3.1. Detail of the proposed procedure change

3.1.1. Process to determine which Registered Facility to direct to synchronise to provide RoCoF Control Service

- New paragraph 4 inserted and header added.
- Explanatory note E[C] explains the concept of a 'shortfall' in RoCoF Control Service.
- Paragraph 4.1.1 specifies the conditions in which AEMO will direct a Market Participant to synchronise to provide (specifically) RoCoF Control Service:
 - AEMO needs to have determined, in accordance with undertaking its functions under Chapter 3 of the WEM Rules, that there will not be sufficient RoCoF Control Service to meet the requirement under clause 3.10.3(b).
 - Clause 3.10.3(b) requires AEMO to schedule and dispatch both sufficient Contingency Reserve and RoCoF Control Service to ensure that (in combination) these services, following a Credible Contingency Event, will enable the frequency in the SWIS to be maintained within the RoCoF Safe Limit.

⁴ 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.

- Paragraph 4.1.1(a) requires AEMO to assess the relevant power system conditions and Registered Facilities to determine their availability for direction to provide RoCoF Control Service.
 - The paragraph refers to paragraph 2.1.3, which specifies the factors AEMO will consider when making its determination on whether (one or more) Registered Facilities are available for direction.
 - A consequential change is made to paragraph 2.1.3 to add a reference to paragraph 4.1.1(a).
- Paragraph 4.1.1(b) requires AEMO to determine the most appropriate Registered Facility (or Registered Facilities) to direct that is feasible (based on a Registered Facility's capability), will ensure the SWIS is in (or will return to) a Secure Operating State and will minimize intervention (in terms of the number of directions made to the least number of Registered Facilities and impact to the market).
- Paragraph 4.1.2 enables AEMO to make a direction to a Market Participant to synchronise their Registered Facility in respect of the Registered Facility that has been assessed to be the most appropriate, to provide RoCoF Control Service.

3.1.2. Other amendments

- New paragraph 1.1.4 inserted to accommodate reference to clauses 7.7.14(a) and (b) and relevant explanatory text.
- Table 2 'Related documents' is inserted to enable the inclusion of WEM Procedure: Essential System Service Quantities with link to the WEM Website, which is relevant to the circumstances of provision of RoCoF Control Service, as explained in explanatory note E[C].
- Paragraph 2.1.1(e) is amended by replacing the words 'using its discretion based on' with 'its assessment of' to align with more appropriate wording used in new paragraph 4.1.1(b). The aligned wording is suitable within the context of both paragraphs.
- Paragraph 2.1.3 is amended by inserting new sub-paragraph 2.1.3(l), to allow AEMO to take into account:
 - as part of its assessment in paragraph 2.1.1(d) of each Registered Facility's availability for direction to provide ESS during an ESS Shortfall when a Low Reserve Condition is declared; and
 - as part of its assessment in paragraph 4.1.1(a) of each Registered Facility's availability for direction to synchronise to provide RoCoF Control Service,

whether a Registered Facility has sufficient Capacity Credits up to the MW quantity required to meet AEMO's direction.
- Explanatory note E[B], paragraph 2.1.3(d)(ii) and (k), and paragraph 3.1.2(b) are amended to improve descriptive accuracy.
- Paragraph 2.1.3(a) is amended to correct typographical errors.
- Appendix A is updated:
 - The reference to Table 2 becomes Table 3; and
 - Table 3 is updated to include separate references to clause 7.7.14(a) and 7.7.14(b).

3.2. Proposed drafting

AEMO has published a draft version of the WEM Procedure: Direction of Registered Facilities in Scarcity Conditions incorporating the changes AEMO proposes for consultation. Clean and marked-up versions are available at: <https://aemo.com.au/energy-systems/electricity/wholesale-electricity-market-wem/procedures-policies-and-guides/procedures/ongoing-procedure-change-proposals>

4. Other matters

There are no other matters.

5. Summary of matters for consultation

AEMO seeks comment and feedback on the following matters:

1. The proposed drafting for the Procedure, specifically how well the proposed drafting reflects the intent of clause 7.7.14(b) of the WEM Rules.
2. Whether there are likely to be any unintended issues stemming from the proposed drafting for the Procedure.

6. Procedure Change Submissions deadline

Submissions relating to this Procedure Change Proposal must be made in accordance with the accompanying notice of call for submissions by 5.00 pm (AWST) on 24 January 2025.