

Wholesale Electricity Market

Procedure change report: AEPC_2024_06

September 2024

WEM Procedure: Supplementary Capacity





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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: Supplementary Capacity (**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 9 August 2024, AEMO published the Procedure Change Proposal (AEPC_2024_06) 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 6 September 2024.

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 following amendments to the WEM Rules¹ arising from a review by the Coordinator into potential improvements in the procurement and activation of supplementary capacity².

In response to the Amending Rules, gazetted on 26 July 2024, the amended Procedure will:

- no longer specify the method for determining the maximum contract value per hour of availability for any Supplementary Capacity Contract.
- align provisions relating to assessment of tenders with the Amended Rules, which now includes a new clause 4.24.8A.

The amended Procedure will also incorporate minor edits to update version information, and to correct a typographical error in Table 3.

¹ Available at: <https://www.wa.gov.au/government/document-collections/wholesale-electricity-market-amendment-supplementary-capacity-no-3-rules-2024>

² Available at: <https://www.wa.gov.au/government/document-collections/2024-supplementary-capacity-review>



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/consultations/current-and-closed-consultations/aepec_2024_06 under the *Procedure Change Proposal documents* heading.

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 within one Business Day of publishing the Procedure Change Proposal and call for submissions.

AEMO advised the MAC members that it did not consider that the MAC should be convened in relation to the Procedure Change Proposal. A response was not received from the MAC Chair and a MAC Meeting was not convened. However, the MAC was provided with an update on the Procedure Change Proposal at its meeting on 5 September 2024.

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 4 September 2024.

No questions or concerns were raised by stakeholders on the proposed changes during the APCWG meeting.

The papers and minutes from the APCWG meeting can be found on the WEM Website at <https://aemo.com.au/en/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_06) and issued a call for submissions on 9 August 2024. The submission period closed at COB on 6 September 2024.

AEMO received no submissions from stakeholders on the proposed amendments. Therefore, no revisions to the draft procedure have been made, with the exception of a minor typographical edit outlined in section 4 below.



4 Further changes to the Procedure

4.1 Changes after consultation

AEMO has made a minor typographical change to improve clarity in the Procedure, by changing 'Reduction' to 'reduction' in Table 3 to reflect that 'load reduction' is not a defined term under the WEM Rules.

5 AEMO's assessment

5.1 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.

5.2 Proposed date and time of the commencement of the Procedure

AEMO proposes the amended Procedure commence at 8.00am (AWST) on 10 September 2024 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 <https://aemo.com.au/en/energy-systems/electricity/wholesale-electricity-market-wem/procedures-policies-and-guides/procedures> within the *Reserve capacity market procedures* section.