

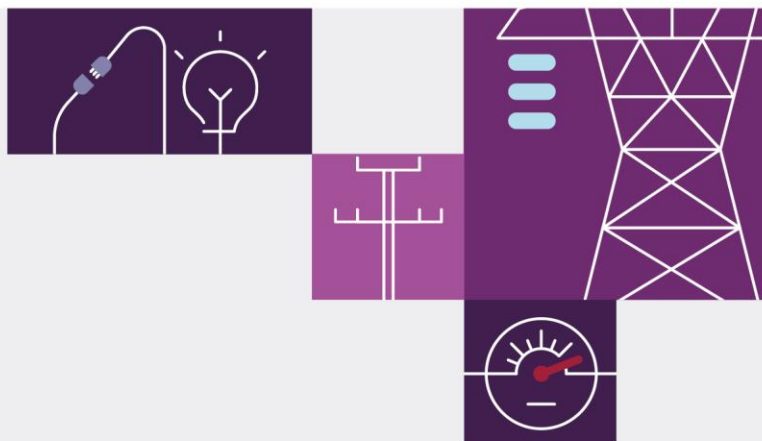
# Wholesale Electricity Market

## Procedure change report: AEPC\_2024\_10

September 2024

WEM Procedure: Reserve Capacity Testing





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# Executive summary

## Purpose

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: Reserve Capacity Testing (**Procedure**) under the Wholesale Electricity Market Rules (**WEM Rules**).

## Proposed amendments

The proposed amendments to the Procedure include:

- Information about how AEMO will provide notification to Market Participants when conducting a Reserve Capacity Test.
- Information about how AEMO will conduct Verification Tests.
- Minor administrative amendments to improve alignment with the WEM Rules.

## Consultation

AEMO published the Procedure Change Proposal and issued a call for submissions on 26 August 2024. AEMO held an AEMO Procedure Change Working Group meeting on 4 September 2024. AGL/Perth Energy noted a minor error with a reference to paragraph 5.2.11 in the document.

AEMO has updated the reference based on the feedback and amended the WEM Procedure.

The submission period closed on 24 September 2024 with no submissions received.

## AEMO's decision

AEMO considers the revised Procedure is consistent with the WEM Rules, would better achieve Wholesale Market Objective (a), and is consistent with all other objectives.

The revised Procedure is also consistent with the *Electricity Industry Act 2004* (WA), the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* (WA) (**WEM Regulations**), and the WEM Rules.

As such, AEMO's decision is to accept the Procedure, as amended following the consultation period.

## Next steps

The revised WEM Procedure: Reserve Capacity Testing will commence at 8:00 am on 1 October 2024.



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# 1 Background

## 1.1 Regulatory requirements

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

## 1.2 Context

AEMO has initiated this Procedure Change Proposal to provide clarity on the Reserve Capacity Testing communication protocol following the retirement of Operating Instructions since new market start on 1 October 2023. Amendments to the WEM Procedure include:

- information about the form of notification AEMO provides to Market Participants for Reserve Capacity Tests; and
- minor administrative amendments to improve alignment with the WEM Rules.

## 1.3 Procedure change process and timetable

On 26 August 2024, AEMO published the Procedure Change Proposal (PCP) and issued a call for submissions. The proposal was progressed using the Procedure Change Process specified in section 2.10 of the WEM Rules with submissions required by 24 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

The WEM Procedure has been updated to state the form of notification AEMO provides to Market Participants for Reserve Capacity Tests. This includes specifying the Trading Intervals the Reserve Capacity Test is to be conducted over.

### 2.1.1 Other changes

The proposed amended WEM Procedure also contains minor administrative amendments, including updates to the WEM Procedure version history and scope, and to improve alignment with the WEM Rules.

## 2.2 Proposed drafting

AEMO published drafts of the proposed Procedure for consultation. Clean and change-marked versions are available at: [https://aemo.com.au/consultations/current-and-closed-consultations/aepc\\_2024\\_10](https://aemo.com.au/consultations/current-and-closed-consultations/aepc_2024_10)

# 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.

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 and a MAC Meeting was not convened. However, the MAC was provided with an update on the Procedure Change Proposal at their meeting on 5 September 2024.

### 3.1.2 AEMO Procedure Change Working Group

An overview of the proposed amended WEM Procedure was presented at the APCWG meeting held on 4 September 2024. AGL/Perth Energy noted that there was an incorrect reference to paragraph 5.2.11. AEMO noted the comment and advised that the Procedure will be updated accordingly.

The papers and minutes from the meeting can be found 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 the consultation period

AEMO published the PCP and issued a call for submissions on 26 August 2024. The submission period closed on 24 September 2024 and no submissions were received.



## 4 AEMO's assessment

### 4.1 Consistency with Electricity Industry Act, WEM Regulations, and WEM Rules

The revised Procedure has been reviewed by AEMO to ensure compliance with the relevant provisions in the:

- *Electricity Industry Act 2004* (WA).
- WEM Regulations.
- WEM Rules.

### 4.2 Consistency with Wholesale Market Objectives

AEMO considers the revised Procedure is consistent with the WEM Rules, would better achieve Wholesale Market Objectives (a), and is consistent with all other Wholesale Market Objectives.

### 4.3 AEMO's decision

AEMO's decision is to accept the Procedure, as amended during the consultation process.

AEMO has made this decision on the basis that:

- The revised Procedure is consistent with:
  - The *Electricity Industry Act 2004*, WEM Regulations 2004, and WEM Rules.
  - The Wholesale Market Objectives and may better address objectives (a) and (d).
- AEMO received one submission on the proposed amendments and incorporated the feedback.

### 4.4 Implementation of the Procedure

The amended Procedure will commence at 8:00 am on 1 October 2024.

The revised WEM Procedure: Reserve Capacity Testing is available at [https://aemo.com.au/consultations/current-and-closed-consultations/aepc\\_2024\\_10](https://aemo.com.au/consultations/current-and-closed-consultations/aepc_2024_10).