These draft Amending Rules are subject to review and approval by the Energy Transformation Taskforce.

Explanatory Note
In accordance with proposed new section 2.2C, each Network Operator will be responsible for developing a Market Procedure described in proposed new clause 2.27A.10 (in respect to the approach to be followed by the relevant Network Operator in developing Limit Advice). The proposed amendments to clause 1.4.1(n) are consequential changes as a result of the new function.

It is expected that throughout these proposed rules, further amendments will be made through a separate workstream to remove any superfluous references to System Management in the Market Rules, to reflect that System Management/System Operator/System Manager are subsumed into AEMO.

1.4. Other rules of interpretation

1.4.1. In these Market Rules, unless the contrary intention appears:

…

(n) (amendments): if the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or a Network Operator has the power to make, prescribe, determine, compile, establish or develop a document, instrument, matter or thing, then the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or the Network Operator (but only in respect to any Market Procedures the Network Operator is required to develop and maintain under these Market Rules), as applicable, also has the power to amend, replace or revoke the whole or part of that document, instrument, matter or thing exercisable in like manner and subject to like conditions (if any);

…

Explanatory Note
In accordance with proposed new section 2.2C, each Network Operator will be responsible for developing a Market Procedure described in proposed new clause 2.27A.10 (in respect to the approach to be followed by the relevant Network Operator in developing Limit Advice). The proposed amendments to clause 1.5.1 are consequential changes as a result of the new function.

1.5. Subservient Documents

1.5.1. The following documents are subservient to the Market Rules:

(a) Market Procedures; and

(b) any other document or instrument issued, made or given by the Rule Change Panel, AEMO, or the Economic Regulation Authority or a Network Operator (but only in respect to any Market Procedures the Network Operator is required to develop and maintain under these Market Rules) under the Market Rules.

…
Explanatory Note
In accordance with proposed new section 2.2C, each Network Operator will be responsible for developing a Market Procedure described in proposed clause 2.27A.10 (in respect to the approach to be followed by the relevant Network Operator in developing Limit Advice). Proposed new clause 1.7.3A is a consequential change as a result of the new function.

1.7.3A. Where a Network Operator (in respect to any Market Procedures the Network Operator is required to develop and maintain under these Market Rules) is required by these Market Rules to publish or release a document or information, then:

(a) the Network Operator must make that document or information available on its web site, in a place which is generally accessible by members of the class of persons entitled to access that document or information given AEMO's determination of its confidentiality status in accordance with clause 10.2; and

(b) if these Market Rules require that document or information to be published on the Market Web Site:

i. the relevant Network Operator must promptly notify AEMO when the document or information is published on the Network Operator's web site;

ii. AEMO must, at a minimum, promptly publish a link to the relevant area of the Network Operator's web site on the Market Web Site; and

iii. the Network Operator is deemed to have published or released the document or information once the Network Operator has published the document or information on its own web site, and has notified AEMO.

Explanatory Note
Proposed new clause 1.32.1 specifies the constraint-related preparatory activities that are required to be undertaken by AEMO and each Network Operator, and may be undertaken by the Economic Regulation Authority, prior to commencement of the new Wholesale Electricity Market. These activities include:

- formulation of Constraint Equations;
- publication of the Constraints Library (which will contain Constraint Equations and Constraint Sets);
- provision of Limit Advice by each Network Operator to AEMO; and
- development of certain Transitional Procedures, which will become Market Procedures upon commencement of the new Wholesale Electricity Market.

1.32. Specific Transitional Provisions - Network Congestion and Constraints

1.32.1. To facilitate the implementation of Wholesale Electricity Market and Constrained Network Access Reform, prior to the New WEM Commencement Day:

(a) AEMO must, without limiting clause 1.20.2:

i. develop the procedures described in clauses 2.27A.9 and 2.27B.8;
ii. consult with Rule Participants and other relevant stakeholders in developing the procedures described in clauses 2.27A.9 and 2.27B.8;

iii. formulate Constraint Equations:

1. in accordance with the relevant procedure required to be developed by AEMO under clause 1.32.1(a)(i); and

2. using the Reference Node to apply from the New WEM Commencement Day; and

iv. publish the Constraints Library and any other information relating to Constraints that AEMO determines, acting reasonably, should be published prior to the New WEM Commencement Day; and

(b) each Network Operator must:

i. develop the procedure described in clause 2.27A.10;

ii. consult with Rule Participants and other relevant stakeholders in developing the procedure described in clause 2.27A.10;

iii. provide Limit Advice, developed in accordance with the procedure required to be developed by each Network Operator in accordance with clause 1.32.1(b)(i), to AEMO in sufficient time for AEMO to complete the activities described in clauses 1.32.1(a)(iii) and 1.32.1(a)(iv);

iv. provide any clarifications, updates or further information on Limit Advice, or further Limit Advice, as may be reasonably requested by AEMO; and

v. do anything else reasonably necessary or desirable to enable AEMO to undertake the activities described in section 1.20 and clause 1.32.1(a); and

(c) the Economic Regulation Authority may do anything reasonably necessary or desirable to prepare for its function of monitoring compliance with the obligations in sections 2.27A and 2.27B.

1.32.2. Each procedure that is required to be developed under clauses 1.32.1(a)(i) and 1.32.1(b)(i) is a Transitional Procedure which:

(a) without limiting clauses 1.32.1(a)(ii) and 1.32.1(b)(ii), may, but is not required to, be developed in accordance with the Procedure Change Process; and

(b) is, from the New WEM Commencement Day, deemed to be the relevant Market Procedure required to be developed under section 2.27A or 2.27B.

Explanatory Note
Proposed new section 1.32 refers to provisions in proposed new sections 2.27A and 2.27B. Therefore, proposed new sections 2.27A and 2.27B will be made and commenced in early 2020. However, except to the extent of the obligations specified in section 1.32, the obligations under sections 2.27A and 2.27B and, for completeness, proposed new section 2.27C, will not be operative, in practical terms, until commencement of the new Wholesale Electricity Market.
1.32.3. Except in respect to the obligations under this section 1.32, prior to the New WEM Commencement Day, AEMO and each Network Operator are not required to:

(a) comply with the obligations in sections 2.27A and 2.27B; or

(b) respond to any requests issued by the Economic Regulation Authority under clause 2.27C.7.

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Explanatory Note

The Reference Node is used in the calculation of Transmission Loss Factors. In accordance with section 2.27, by 1 June each year, each Network Operator is required to recalculate Loss Factors for its connection points and provide updated Transmission Loss Factors and Distribution Loss Factors to AEMO which are then published by AEMO.

The Reference Node from commencement of the new Wholesale Electricity Market will be the Southern Terminal 330 kV bus-bar. Accordingly, proposed new section 1.33 requires Transmission Loss Factors and Distribution Loss Factors to be recalculated by each Network Operator relative to the new Reference Node (as appropriate) and provide them to AEMO by 1 June 2022. AEMO is required to publish the revised values, which will apply from commencement of the new Wholesale Electricity Market, within five business days of receiving them. This will allow Rule Participants sufficient time to identify and update any submission or forecast data that is dependent on Loss Factors prior to commencement of the new Wholesale Electricity Market.

1.33. Calculation of Loss Factors – change of Reference Node

1.33.1. Without limiting clauses 2.27.6 and 2.27.7:

(a) by 1 June immediately prior to the New WEM Commencement Day, each Network Operator must, in accordance with the Market Procedure specified in clause 2.27.17:

i. recalculate the Loss Factors for its connection points using the Reference Node to apply from the New WEM Commencement Day; and

ii. provide the updated Transmission Loss Factors and Distribution Loss Factors (as applicable) for each Loss Factor Class in the Network Operator’s classification system to AEMO; and

(b) AEMO must publish the Transmission Loss Factors and Distribution Loss Factors provided by a Network Operator in accordance with clause 1.33.1(a) within five Business Days after receiving them.

1.33.2. For the purposes of clause 2.27.8, the Transmission Loss Factors and Distribution Loss Factors that are recalculated and published in accordance with clause 1.33.1 apply from the New WEM Commencement Day.

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Explanatory Note

Sections 2.1A to 2.2B describe the functions conferred on specific entities under applicable regulations or by the Market Rules.

Generally, the functions are described in broad terms, and are not a specific list of the activities or obligations required to be undertaken or performed by each relevant entity. Accordingly, most of the new constraint-related activities and obligations to be undertaken or performed by AEMO will fall within...
its functions to operate the markets described in clause 2.1A.2(a) (albeit, it is anticipated that parts of this clause will be amended in other workstreams to refer to the ‘new’ name of specific markets), or under the "catch all" provision at clause 2.1A.2(m).

However, developing and maintaining a Congestion Information Resource in accordance with proposed new section 2.27B is a new function to be conferred on AEMO and is described in proposed new clause 2.1A.2(lB).

Clause 2.1A.2 is also proposed to be amended (in the place marked) for consistency with the drafting style of the Market Rules.

The new constraint-related compliance and review functions to be undertaken or performed by the Economic Regulation Authority fall within the description of its existing functions in section 2.2A.

### 2.1A. Australian Energy Market Operator

2.1A.1. AEMO is conferred functions in respect of the Wholesale Electricity Market under the WEM Regulations and AEMO Regulations.

2.1A.2. The WEM Regulations also provide for the Market Rules to confer additional functions on AEMO. The functions conferred on AEMO are:

(a) to operate the Reserve Capacity Mechanism, the Short Term Energy Market, the LFAS Market, and the Balancing Market;

... (d) to do anything that AEMO determines to be conducive or incidental to the performance of the functions set out in this clause 2.1A.2;

... (h) to develop Market Procedures, and amendments and replacements for them, where required by these Market Rules;

... (lA) to contribute to the development and improve the effectiveness of the operation and administration of the Wholesale Electricity Market, by:

i. developing Rule Change Proposals;

ii. providing support and assistance to other parties to develop Rule Change Proposals;

iii. providing information to the Rule Change Panel as required to support the Rule Change Panel’s functions under the Market Rules; and

iv. providing information to the Economic Regulation Authority as required to support the reviews carried out by the Economic Regulation Authority under the Market Rules;

(lB) to develop and maintain a Congestion Information Resource; and

(m) to carry out any other functions conferred, and perform any obligations imposed, on it under these Market Rules.

...
developing Limit Advice). Accordingly, proposed new section 2.2C confers the new function on each Network Operator.

### 2.2C. Network Operators

#### 2.2C.1. The WEM Regulations provide for the Market Rules to confer functions on registered participants of a specified class. The functions conferred on each Network Operator are to:

- (a) develop Market Procedures, and amendments to and replacements of them, as required by these Market Rules;
- (b) do anything that the Network Operator determines to be conducive or incidental to the performance of the functions set out in this clause 2.2C.1; and
- (c) carry out any other functions conferred, and perform any other obligations imposed, on it under these Market Rules.

**Explanatory Note**
The function of AEMO to develop and maintain a Congestion Information Resource (proposed new clause 2.1A.2(lB)) and the obligation of each Network Operator to provide Limit Advice to AEMO (proposed new clause 2.27A.1) are to be Protected Provisions.

#### 2.8.13. The following clauses are Protected Provisions:

- (b) clauses 2.1 to 2.25, 2.27A.1, 2.28, 2.31.1, 2.31.3, 2.31.6, 2.34.1 and 2.36.1;

**Explanatory Note**
In accordance with proposed new section 2.2C, each Network Operator will be responsible for developing a Market Procedure described in proposed new clause 2.27A.10 (in respect to the approach to be followed by the relevant Network Operator in developing Limit Advice). Proposed new clause 2.9.2CA is a consequential change as a result of the new function.

#### 2.9.2CA. Each Network Operator must manage the development of, amendment to, and replacement of, Market Procedures which these Market Rules require be developed by a Network Operator.

**Explanatory Note**
In accordance with proposed new section 2.2C, each Network Operator will be responsible for developing a Market Procedure described in proposed clause 2.27A.10 (in respect to the approach to be followed by the relevant Network Operator in developing Limit Advice). The proposed amendments to the below clauses in section 2.10, and proposed new clauses 2.10.5CA and 2.10.12D, are consequential changes as a result of the new function. Drafting improvements are proposed to clauses 2.10.2 and 2.10.2A(a) for clarity. Clause 2.10.18 is also proposed to be amended to correct an existing typographical error.
2.10.1. The Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or a Network Operator, as applicable, may initiate the Procedure Change Process by developing a Procedure Change Proposal.

2.10.2. Rule Participants may notify the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or a Network Operator, as applicable, where they consider an amendment to or replacement of a Market Procedure would be appropriate.

2.10.2A. Within 20 Business Days of receipt of a notification under clause 2.10.2, the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or the Network Operator, as applicable, must:

(a) determine whether an the suggested amendment to or replacement of a Market Procedure is appropriate; and

(b) publish on the Market Web Site details of whether a Procedure Change Proposal will be progressed with respect to the suggested amendment to or replacement of a Market Procedure and the reasons for that decision.

2.10.3. If an Amending Rule requires the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or a Network Operator to develop new Market Procedures or to amend or replace existing Market Procedures, then the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or the Network Operator, as applicable, is responsible for the development of, amendment of or replacement for, Market Procedures so as to comply with the Amending Rule.

2.10.5CA. A Network Operator must publish Procedure Change Proposals that the Network Operator develops.

2.10.7. At the same time as it publishes a Procedure Change Proposal notice, the Rule Change Panel, AEMO, or the Economic Regulation Authority or the Network Operator, as applicable, must publish a call for submissions on that proposal. The due date for submissions must be 20 Business Days from the date the call for submissions is published. Any person may make a submission to the Rule Change Panel, AEMO, or the Economic Regulation Authority or the Network Operator, as applicable, relating to a Procedure Change Proposal. A Procedure Change Submission may be made using the Procedure Change Submission form maintained on the Market Web Site in accordance with clause 2.9.4.

2.10.9. The Rule Change Panel must convene a meeting of the Market Advisory Committee concerning any Procedure Change Proposal before the due date for submissions in relation to the Procedure Change Proposal if:

(a) the Rule Change Panel, AEMO, or the Economic Regulation Authority or a Network Operator (but only in respect to any Market Procedures the Network Operator).
Operator is required to develop and maintain under these Market Rules) considers that advice on the Procedure Change Proposal is required from the Market Advisory Committee; or

(b) two or more members of the Market Advisory Committee have informed the Rule Change Panel in writing that they consider that advice on the Procedure Change Proposal is required from the Market Advisory Committee.

... 2.10.12D. A Network Operator must publish Procedure Change Reports that the Network Operator prepares.

2.10.13. The Procedure Change Report must contain:

...  

(g) in the case of a Procedure Change Proposal developed by AEMO (including in its capacity as System Management), a proposed date and time for the Market Procedure or amendment or replacement to commence, which must, in AEMO’s opinion, allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it; and

(h) in the case of a Procedure Change Proposal developed by the Economic Regulation Authority, a proposed date and time for the Market Procedure or amendment or replacement to commence, which must, in the Economic Regulation Authority’s opinion, allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it; and

(i) in the case of a Procedure Change Proposal developed by a Network Operator, a proposed date and time for the Market Procedure or amendment or replacement to commence, which must, in the Network Operator’s opinion, allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it.

... 2.10.17. If the Rule Change Panel, AEMO, or the Economic Regulation Authority or a Network Operator, as applicable, considers, at any time after publishing a Procedure Change Proposal, that it is necessary to extend the normal timeframes for processing the Procedure Change Proposal because:

(a) issues of sufficient complexity or difficulty have been identified relating to the Procedure Change Proposal; or

(b) further public consultation on an issue associated with the Procedure Change Proposal is required; or

(c) the Procedure Change Proposal cannot be dealt with adequately without an extension because of any other special circumstance,

then the Rule Change Panel, AEMO or the Economic Regulation Authority or the Network Operator, as applicable, may modify the times and time periods under clause
2.10.7 in respect of the Procedure Change Proposal and publish details of the modified times and time periods.

2.10.18. The Rule Change Panel, AEMO, or the Economic Regulation Authority or a Network Operator, as applicable, must publish a notice of an extension determined in accordance with clause 2.10.17 and must update any information already published in accordance with clause 2.10.7.

Explanatory Note
In accordance with proposed new section 2.2C, each Network Operator will be responsible for developing a Market Procedure described in proposed clause 2.27A.10 (in respect to the approach to be followed by the relevant Network Operator in developing Limit Advice). The proposed amendments to the below clauses in section 2.11 are consequential changes as a result of the new function.

2.11.1. A Rule Participant may apply to the Electricity Review Board for a Procedural Review of a decision by the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or a Network Operator, as applicable, contemplated by clauses 2.10.2A(a) or 2.10.13 within the time specified in regulation 44 of the WEM Regulations, on the grounds that the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or the Network Operator, as applicable, has not followed the process set out in section 2.10 or the Market Procedure specified in clause 2.9.5.

2.11.2. Following an application for a Procedural Review under clause 2.11.1, if the Electricity Review Board finds that the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or a Network Operator has not followed the process set out in section 2.10 or the Market Procedure specified in clause 2.9.5, the Electricity Review Board may set aside the Rule Change Panel's decision, AEMO's decision, System Management's decision, or the Economic Regulation Authority's decision or the Network Operator's decision and direct the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or the Network Operator to reconsider the relevant Procedure Change Proposal in accordance with section 2.10 and the Market Procedure specified in clause 2.9.5.

2.11.4. If at any time, the Rule Change Panel, AEMO, or the Economic Regulation Authority or a Network Operator considers that Rule Participants will not have sufficient time to implement any necessary changes required by the Market Procedure that the Rule Change Panel, AEMO, or the Economic Regulation Authority or the Network Operator, as applicable, are required to publish, or amendment or replacement of the Market Procedure, then the Rule Change Panel, AEMO, or the Economic Regulation Authority or the Network Operator, as applicable, may extend the time and date when that Market Procedure, amendment or replacement commences by publishing notice of the revised time and date when the amendment of or replacement for that Market Procedure commences.
Explanatory Note

In accordance with proposed new section 2.2C, each Network Operator will be responsible for developing a Market Procedure described in proposed clause 2.27A.10 (in respect to the approach to be followed by the relevant Network Operator in developing Limit Advice). Proposed new clauses 2.21.7 and 2.21.8 are consequential changes as a result of the new function, and for consistency with the obligations of other entities required to consult on matters specified in section 2.21 of the Market Rules.

2.21.7. Each Network Operator must consult on such matters with such persons and over such timeframes as are specified in these Market Rules.

2.21.8. Each Network Operator must:
   (a) conduct its consultation processes in good faith; and
   (b) ensure that these consultation processes allow a reasonable opportunity for relevant stakeholders to present their views.

...

Explanatory Note

Clause 2.22A.1 describes the services provided by AEMO for the purposes of section 2.22A (Determination of AEMO's budget). Proposed new clause 2.22A.1(e) describes the additional services to be provided by AEMO.

2.22A Determination of AEMO's budget

2.22A.1. For the purposes of this section 2.22A, the services provided by AEMO are:

   (a) market operation services, including AEMO's operation of the Reserve Capacity Mechanism, STEM, Balancing Market and LFAS Market and settlement and information release functions;
   (b) system planning services, including AEMO's performance of the Long Term PASA function;
   (c) market administration services, including AEMO's performance of the Procedure Change Process, support for the Rule Change Panel in carrying out its functions under these Market Rules, participation in the Market Advisory Committee and other consultation, support for monitoring and reviews by the Economic Regulation Authority, audit, registration related functions and other functions under these Market Rules; and
   (d) system management services, being AEMO's (in its capacity as System Management) performance of System Management Functions; and
   (e) Constraint-related and Network congestion services, including AEMO maintaining a Congestion Information Resource.
2.27A. Network Congestion and Constraint Equations

2.27A.1. A Network Operator must, in accordance with this section 2.27A, provide Limit Advice in respect to its Network to AEMO.

2.27A.2. Limit Advice includes:

(a) Limit Equations in respect of Network Limits, excluding Limit Equations for Essential System Services or, if, in respect of a particular Network element a mathematical expression is not appropriate, the Network Limit for that particular Network element;

(b) supporting information and data specified in the Market Procedure referred to in clause 2.27A.9(a); and

(c) any clarification or further information provided to AEMO in accordance with clause 2.27A.4(a).

2.27A.3. A Network Operator must provide Limit Advice to AEMO in the form and by the dates and times specified in the Market Procedure referred to in clause 2.27A.9(a).

2.27A.4. AEMO may, if it reasonably considers it is required to enable it to carry out its obligations specified in clause 2.27A.6, request:

(a) clarification or further information regarding any aspect of Limit Advice, or further Limit Advice, from the Network Operator who provided it to AEMO; and

(b) additional Limit Advice from a Network Operator.

and each Network Operator must comply with any such request in accordance with the Market Procedures referred to in clauses 2.27A.9(a) and 2.27A.9(d).

2.27A.5. A Network Operator must, in respect of Limit Advice:
(a) use its reasonable endeavours to ensure that all necessary Limit Advice is complete, current and accurate at the time it is provided to AEMO;

(b) promptly notify AEMO if it forms the view that any Limit Advice is no longer complete, current or accurate, including where Limit Advice is no longer required; and

(c) update Limit Advice in accordance with the Market Procedure referred to in clause 2.27A.9(a).

2.27A.6. AEMO must:

(a) formulate Constraint Equations in accordance with the Market Procedure referred to in clause 2.27A.9(b);

(b) develop the Constraints Library in accordance with the Market Procedure referred to in clause 2.27A.9(c) and publish it on the Market Web Site;

(c) use its reasonable endeavours to ensure that all necessary Constraint Equations are complete, current and accurate; and

(d) update Constraint Equations and publish updates to the Constraints Library in accordance with the Market Procedures referred to in clauses 2.27A.9(b) and 2.27A.9(c).

2.27A.7. A Constraint Equation that is updated by AEMO under clause 2.27A.6(d) is effective from the date and time determined by AEMO.

2.27A.8. The principles that must be taken into account by:

(a) each Network Operator in developing Limit Advice; and

(b) AEMO in formulating Constraint Equations, are:

(c) the long-term interests of consumers; and

(d) good electricity industry practice.

2.27A.9. AEMO must document in a Market Procedure:

(a) in respect of Limit Advice:

   i. the information and data to be provided by each Network Operator to AEMO in support of Limit Advice; and

   ii. the processes to be followed for the provision of and updates to Limit Advice and any other information referred to in clause 2.27A.4 from each Network Operator to AEMO, including:

      1. the format, form and manner in which Limit Advice must be provided; and

      2. where these Market Rules do not provide a timeframe for the provision of information relating to Limit Advice to AEMO, the time by which such information must be provided;

(b) the processes to be followed by AEMO and the matters it must consider in formulating and updating Constraint Equations, including:
i. the approach to be taken by AEMO in applying:
   1. an Operating Margin; and
   2. the principles described in clause 2.27A.8; and

ii. the conventions for assigning a unique identifier to Constraint
   Equations and Constraint Sets;

(c) the processes to be followed by AEMO in developing and updating the
   Constraints Library; and

(d) any other processes or procedures relating to Constraints or Network
   congestion that AEMO considers are reasonably required to enable it to carry
   out its functions under the Market Rules.

2.27A.10. Each Network Operator must document in a Market Procedure the processes to be
followed by the Network Operator and the matters it must consider in developing and
updating Limit Advice, including the approach to be taken by the Network Operator in
applying:

(a) a Limit Margin; and

(b) the principles described in clause 2.27A.8.

Explanatory Note
Proposed new section 2.27B sets out the framework for a new Congestion Information Resource,
including that AEMO:

- develops and maintains a Congestion Information Resource on the Market Web Site, and
- specifies the information to be published in that resource; and
- prepares an annual congestion report with respect to the matters described in proposed new
  clause 2.27B.6.

2.27B. Congestion Information Resource

2.27B.1. The objective of the Congestion Information Resource is to provide information in a
cost-effective manner to Rule Participants and other interested stakeholders to
enable them to understand patterns of Network congestion and the market impact of
Network congestion.

2.27B.2. To implement the Congestion Information Resource Objective, AEMO must:

(a) develop and maintain a Congestion Information Resource in accordance with
    this section 2.27B; and

(b) publish each item of information in the Congestion Information Resource on
    the Market Web Site.

2.27B.3. The Congestion Information Resource must include:

(a) the Constraints Library;

(b) as soon as practicable after a Trading Interval, each Constraint Equation that
    bound during the Trading Interval;

(c) each report described in clause 2.27B.6;
(d) any other information that AEMO, in its reasonable opinion, considers relevant to implement the Congestion Information Resource Objective; and

(e) any other information specified in the Market Procedure referred to in clause 2.27B.8.

2.27B.4. AEMO must maintain and keep up to date the information in the Congestion Information Resource (excluding, for the avoidance of doubt, an annual congestion report described in clause 2.27B.6):

(a) consistently with the Congestion Information Resource Objective; and

(b) in accordance with the processes and by the dates and times specified in the Market Procedure referred to in clause 2.27B.8.

2.27B.5. Each Network Operator must do all things reasonably necessary to support AEMO in carrying out its obligations under this section 2.27B, including providing AEMO with any information or data that AEMO reasonably requires.

2.27B.6. AEMO must prepare an annual congestion report by 31 March each year. A report must contain:

(a) information on Network congestion for at least the period of 12 months commencing at the start of the Trading Day which commences on 1 October and ending on the end of the Trading Day ending on 1 October of the following calendar year immediately preceding the due date of the report specified in this clause 2.27B.6, including:
   i. analysis of the Constraint Equations that bound during a Trading Interval, including the duration and frequency; and
   ii. assessment of the market impact of Network congestion;

(b) information that is known to AEMO at the time of preparing the annual congestion report in accordance with this section 2.27B that is likely to affect, or could result in, Network congestion including:
   i. new connections to the Network;
   ii. augmentations of the Network;
   iii. decommissioning of a generating system, Load or any Network infrastructure; and
   iv. changes to Network assets;

(c) any other information that AEMO, in its reasonable opinion, considers relevant to implement the Congestion Information Resource Objective; and

(d) any other information or matters specified in the Market Procedure referred to in clause 2.27B.8.

2.27B.7. In preparing a report described in clause 2.27B.6, AEMO must consult with each Network Operator.

2.27B.8. AEMO must document in a Market Procedure:

(a) the information to be published in the Congestion Information Resource;
(b) the processes to be followed by AEMO in maintaining, publishing and updating the information in the Congestion Information Resource;

(c) the processes to be followed by AEMO in preparing a report described in clause 2.27B.6; and

(d) the information that AEMO may reasonably require a Network Operator or other Rule Participant to provide to AEMO to assist it with carrying out its obligations under this section 2.27B, and:

i. the format, form and manner in which any such information must be provided; and

ii. the date and time by which any such information must be provided.

Explanatory Note

Proposed new section 2.27C requires the Economic Regulation Authority to undertake a periodic review of the matters described in proposed new clause 2.27C.2, and sets out the processes associated with such reviews.

2.27C. Economic Regulation Authority Constraints-Related Review

2.27C.1. The Economic Regulation Authority must review the effectiveness of:

(a) Limit Advice provided by each Network Operator to AEMO; and

(b) Constraint Equations formulated by AEMO, in meeting the principles described in clause 2.27A.8.

2.27C.2. The Economic Regulation Authority may determine the scope of each review to be conducted under clause 2.27C.1.

2.27C.3. A review must examine:

(a) the appropriateness of any Limit Margin applied by each Network Operator;

(b) the appropriateness of any Operating Margin applied by AEMO;

(c) the appropriateness of the Market Procedures described in clauses 2.27A.9(b)(i) and 2.27A.10; and

(d) any other matters which the Economic Regulation Authority considers relevant.

2.27C.4. In conducting a review under clause 2.27C.1, the Economic Regulation Authority must publish a draft report and invite submissions, and publish all submissions received, from Rule Participants and any other interested stakeholders.

2.27C.5. In conducting a review under clause 2.27C.1, the Economic Regulation Authority must publish a final report containing:

(a) the scope of the review as determined by the Economic Regulation Authority in accordance with clause 2.27C.2;

(b) the issues identified by the Economic Regulation Authority;
(c) the assumptions made by the Economic Regulation Authority in undertaking the review;
(d) the results of any technical and cost-benefit studies;
(e) a summary of any submissions on the draft report received by the Economic Regulation Authority from Rule Participants and other interested stakeholders in accordance with clause 2.27C.4;
(f) the Economic Regulation Authority’s responses to the issues raised in those submissions; and
(g) any other matters the Economic Regulation Authority considers relevant to the review.

2.27C.6. The Economic Regulation Authority must complete a review under clause 2.27C.1:
(a) for the first review, within two years of the New WEM Commencement Day; and
(b) for each subsequent review, at least once every three years from the completion of the preceding review under this section 2.27C.

2.27C.7. The Economic Regulation Authority may request, and AEMO and each Network Operator must provide, any information and documents, including methodologies, models, software, data sources and internal procedures, used by:
(a) the Network Operator, in respect to Limit Advice provided by the relevant Network Operator to AEMO; and
(b) AEMO, in respect to the Constraint Equations formulated by it.

that the Economic Regulation Authority reasonably considers relevant to a review conducted under clause 2.27C.1.

2.27C.8. Claims for confidentiality of information which may be published under clauses 2.27C.4 or 2.27C.5 must be dealt with in accordance with the provisions for reporting information in clause 10.2.

Explanatory Note

In accordance with proposed new section 2.2C, each Network Operator will be responsible for developing a Market Procedure described in proposed new clause 2.27A.10 (in respect to the approach to be followed by the relevant Network Operator in developing Limit Advice). The proposed amendments to clause 10.3.2 are consequential changes as a result of the new function.

Drafting improvements are also proposed to clause 10.3.2 to reflect the process in clause 1.7.3 that permits information and documents to be published on the Economic Regulation Authority’s website (including for the Rule Change Panel) and each Network Operator’s web site with a link to that information or document to be published on the Market Web Site.

10.3. The Market Web Site
10.3.2. Subject to clause 10.4.2, the Rule Change Panel, AEMO, or the Economic Regulation Authority or a Network Operator must not require a fee for information or documents released or published by the Rule Change Panel, AEMO, or the Economic Regulation Authority or the Network Operator via the Market Web Site, or via AEMO’s web site, the Economic Regulation Authority’s web site or the Network Operator’s web site in accordance with the Market Rules or Market Procedures.

Explanatory Note
The proposed amendments to clause 10.5.2 are to prescribe the confidentiality status of information in the Congestion Information Resource as Public.

10.5.2. AEMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public:
(a) SCADA data by Facility;
...
(k) the cost referred to in clause 9.9.2(o); and
(l) the cost referred to in clause 9.9.2(p); and
(m) the information in the Congestion Information Resource.

Explanatory Note
The proposed amendments to clause 10.9.1 are to prescribe the confidentiality status of Limit Advice provided to AEMO in accordance with proposed new clause 2.27A.1 as System Management Confidential.

10.9. System Management Confidential Information
10.9.1. AEMO must set the class of confidentiality status for all information provided by a Network Operator under clauses 2.27A.1, 2.28.3B and clause 2.28.3C as System Management Confidential.

Explanatory Note
The glossary at Chapter 11 is to be amended to add the below proposed new definitions, and to amend the below existing definitions, which are associated with these proposed Amending Rules.

Glossary definitions (Chapter 11)

Congestion Information Resource: The information published by AEMO in accordance with clause 2.27B.3.

Congestion Information Resource Objective: Has the meaning given in clause 2.27B.1.
Constraint: Means:

(a) a Network Constraint; and
(b) a limitation or requirement affecting the capability of a Load or generating system such that it would represent a risk to Power System Security or Power System Reliability if the limitation or requirement was removed.

Constraint Equation: A mathematical representation of a Constraint on the SWIS.

Constraint Sets: Each group of Constraint Equations that respond to a particular condition or set of conditions.

Constraints Library: The collection of Constraint Equations and Constraint Sets that AEMO is required to develop and maintain in accordance with clause 2.27A.6(c).

Essential System Services: Each service that is required to maintain Power System Security and Power System Reliability, facilitate orderly trading in electricity and ensure that electricity supplies are of an acceptable quality.

Limit Advice: Has the meaning given in clause 2.27A.2.

Limit Equation: Means a mathematical expression defining the power transfer capability across a particular Network element or group of Network elements.

Limit Margin: A margin applied by a Network Operator when formulating a Limit Equation, or a Network Limit where a Limit Equation is not appropriate, to account for uncertainty.

Market Procedure: The procedures developed by the Rule Change Panel, AEMO, System Management, and the Economic Regulation Authority and a Network Operator, as applicable, in accordance with clause 2.9 (including the Power System Operation Procedures developed by System Management) as amended in accordance with the Procedure Change Process.

Network Constraint: A limitation or requirement affecting the capability in a part of the Network such that it would be unacceptable to transfer electricity across that part of the Network at a level or in a manner above that limit or requirement, or below a minimum limit or requirement.

Network Limit: A limitation or requirement on a Network that gives rise to a Network Constraint.

New WEM Commencement Day: The date and time published by the Minister in the Government Gazette.
Operating Margin: A margin applied by AEMO when formulating a Constraint Equation to account for uncertainty.

Procedure Change Proposal: A proposal developed by the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or a Network Operator to initiate a Procedure Change Process.

Procedure Change Report: A final report prepared by the Rule Change Panel, AEMO, System Management, or the Economic Regulation Authority or a Network Operator in relation to a Procedure Change Proposal, containing the information described in clause 2.10.13.

Reference Node: Is:
(a) up to the New Commencement Day, the Muja 330 kV bus-bar; and
(b) on and from the New WEM Commencement Day, the Southern Terminal 330 kV bus-bar.

(relative to which Loss Factors are defined and Constraint Equations are formulated).

Reviewable Decision: Decisions made by the Rule Change Panel, AEMO, or the Economic Regulation Authority or a Network Operator (but only in respect to any Market Procedures the Network Operator is required to develop and maintain under these Market Rules), in respect of which an eligible person may apply to the Electricity Review Board in accordance with section 125 of the Electricity Industry Act and the Regulations, and does not include any decisions of a class specified for this purpose in the Regulations under section 125 of that Act.

System Normal: The configuration of the SWIS where:
(a) all transmission elements are in service; or
(b) the Network is operating in its normal configuration.

Transitional Procedure: A procedure that, in accordance with these Market Rules, is:
(a) required to be developed prior to the New WEM Commencement Day; and
(b) deemed to be a Market Procedure from the New WEM Commencement Day, or such other date as specified in these Market Rules.