



TRANCHE 1 AMENDING RULES

SUMMARY OF CHANGES

Background

The final draft Tranche 1 Amending Rules are a combination of work undertaken through several related projects, each of which have been the subject of prior industry consultation. To assist stakeholders in reading the final draft changes, a summary of noteworthy changes since previous consultation processes is provided below.

Overview by topic

Development of WEM Procedures for Tranche 1

Amendments have been made to (cl 1.38.6(c)) to allow for transitional procedures to be amended outside of the Procedure Change process for a period of 6 months after the commencement date.

Transitional Rules for Generator Performance Standards- Chapter 1

Made through new sections under Chapter 1, these WEM Rules set out the framework for Existing Transmission Connected Generating Systems to transition to the compliance and monitoring framework under Chapter 3A. These WEM Rules predominately concern the development and approval of Registered Generator Performance Standards and Generator Monitoring Plans. Amendments since the closure of the previous public consultation process on 28 September 2020 include:

- The definition of 'Access Standard' was amended to clarify that it includes any existing conditions (i.e. Trigger Events) (s1.40);
- Clauses 1.39.4 and 1.39.9 have been amended to account for Market Participants with multiple generating facilities. The change means that such generators do not have to demonstrate progress for each separate generator in order to be considered for an extension to the deadline, but rather, that overall progress has been made;
- Clause 1.39.13(a) (previously 1.AA.13(a)) has been removed, with clause 1.39.13 amended to accommodate the removal of the sub-clause. The change means that Existing Transmission Connected Generating Systems undertaking a relevant Generator Modification will do so under the Technical Rules framework, until such time that they have a Generator Monitoring Plan and Registered Generator Performance Standards;
- Clause 1.40.8 (previously 1.AB.8) has been amended to account for a generator's remaining life when negotiating proposed alternative standards;
- Clauses 1.40.24 to 1.40.27 (previously 1.AB.24 – 1.AB.27) have been amended to provide clarity as to the instances where testing can be undertaken to assist in agreeing on a proposed alternative standard. This may occur at any time, but must be by mutual agreement between the generator, AEMO and the Network Operator. Testing may include

the interrogation of data that may be undertaken by AEMO and/or the Network Operator. Each party must bear their own costs of testing or data interrogation;

- Clause 1.41.3 (previously 1.AC.3) has been amended to improve clarity;
- Clause 1.41.11 (previously 1.AC.10) has been amended to require AEMO to respond in a reasonable timeframe to generators submitting a proposed Generator Monitoring Plan; and
- Sub-clause 1.42.21(d) has been added to allow for disputes to be terminated if a party does not make payment for the arbitration services under section 1.42 (previously under clause 1.AD.21).

Generator performance standards compliance and monitoring- Chapter 3A

This new Chapter sets out the process by which new Transmission Connected Generating Systems are to negotiate standards for the connection to the South West Interconnected System (SWIS), as well as establishing a framework for the ongoing monitoring and compliance against agreed standards. Changes made since the closure of the last public consultation process on 28 September include:

- A new clause has been added to section 1.37 to ensure that the Economic Regulation Authority (ERA) is notified in instances where Chapter 3A applies to a New Network Operator. This change ensures that the ERA is aware of any new compliance responsibilities;
- 'Generator Performance Standard' has been removed as a defined term on the basis that it is often a general term used in related instruments and therefore may cause confusion for the reader;
- The acronym 'GPS' has been removed from several definitions in response to industry feedback that the acronym may cause confusion;
- Clause 3A.3.7 has been removed. It previously provided general guidance that there are other laws that may apply to exempt generators. This change responds to industry concerns that the previous wording may imply that non-compliance with the Technical Rules could be actioned under the WEM Rules (which is not the case);
- Clause 3A.5.8 has been amended to make it clear that the process for negotiating generator performance standards does not apply to mutually-agreed modifications to Trigger Events;
- Clause 3A.5.18(b) has been removed as it is adequately captured under clause 3A.5.18(c) (now 3A.5.18(b));
- Processes under section 3A.13 have been clarified to make it clear that the Network Operator must respond to a generator's request in relation to Potential Relevant Generator Modifications;
- Amendments have been made to clause 3A.14.1(a) to clarify that generators with Relevant Generator Modifications are only required to negotiate standards that relate to the Relevant Generator Modification. This responds to industry concerns that generators may otherwise be required to re-negotiate all standards, including those unaffected by the modification;
- Amendments to clauses 3A.6.8 and 3A.6.12 clarify that AEMO is required to notify the generator when it approves or rejects a proposed monitoring plan;
- Clause 3A.7.6 has been removed as this is captured under the definition of Rule Participant Network Restricted in clause 3A.7.7;
- Previous clauses 3A.8.10 and 3A.8.11 have been combined (into one clause 3A.8.10) to reduce the number of clauses. The change does not affect the intent of the clause;
- Clause 3A.9.2 has been amended to require AEMO to first request an explanation from generators for suspected non-compliance, after which it may require testing if not satisfied with the response. New clause 3A.9.3 requires a generator to provide the explanation within 5 business days, unless a longer timeframe is agreed;

- Clauses 3A.10.1 and 3A.11.1 have been amended to ensure that they apply to existing generators (once they have an approved Monitoring Plan and standards in place);
- Minor changes have been made to clauses under sections 3A.10, 3A.11 and 3A.12 to ensure that AEMO is not required to report against non-compliance for breach of standards for generators in the interim approval to generate notification phase. This is because non-compliance with generator performance standards in this stage is not itself a breach of the WEM Rules (rather, it is a breach if generators fail to notify or address non-compliance);
- Clause 3A.10.3 has been amended to require AEMO to consider non-compliance (or suspected non-compliance) reported by Western Power. Following, if AEMO reasonably considers that a generator is non-compliant, then it must report this to the ERA under clause 3A.10.6(a);
- 3A.11.2(b) has been amended to require Rectification Plans to include the expected time at which the generator will become compliant. Previously, this clause did not include the word 'expected'. The change allows for instances where a precise time is difficult to determine at the time of submitting the Rectification Plan;
- Clause 3A.11.11 has been amended to improve clarity in notifying generators who submit requests to amended Rectification Plans;
- Clause 3A.12.1 has been amended to extend immunity in relation to non-compliance where:
 - the Market Participant is in the process of developing a Rectification Plan, and has advised of its intention to develop a Rectification Plan; and
 - while AEMO is considering a submitted Rectification Plan; and
- Clause 3A.13.8 has been amended to improve clarity around notifying Market Participants where a Relevant Generator Modification is not declared.

Technical Requirements for Transmission Connected Generating Units- Appendix 12

- In response to industry concerns, the definition of 'Rated Maximum Active Power' under Appendix 12 has been clarified. Subsequent minor consequential amendments have been made to sections of Appendix 12 where this term is used, in order to remove language that is now covered under the definition;
- New clauses A12.5.1.5 and A12.6.1.5 have been included to provide clarification; and
- Clauses A12.16.3.5 and A12.16.3.6 have been deleted. These clauses place requirements on the Network Operator and will now be included within the Communication Standard.

Contingency Events- Section 3.8A

This new section brings the framework for contingency events under the WEM Rules. Noteworthy changes made since the closure of the last public consultation process on 28 August 2020 include:

- Clause 3.8A.1(a) has been amended to refer to 'energy producing units' instead of 'generating units', consistent with clause 3.8A.2(a);
- Clause 3.8A.4 defining Multiple Contingency Events has been removed. An alternative definition has been provided in Chapter 11 to improve clarity; and
- Clause 3.8A.4(f) has been included to require AEMO to include, within a WEM Procedure, a description of Contingency Events that are generally considered Credible Contingency Events.

Frequency Operating Standards- Chapter 3B and Appendix 12

This Chapter brings the framework for Frequency Operating Standards under the WEM Rules. Changes made since the closure of the last public consultation process on 28 September 2020 include:

- The term 'Microgrid' has been amended to 'Disconnected Microgrid'. This reflects the relatively narrow scope in which the term is used, allowing for new future definitions of 'microgrid' with a wider scope. The definition itself is unchanged.
- The definition of the term 'Accumulated Time Error' has been clarified in clause 3B.3.1 and Chapter 11 to address concerns that the previous wording could have been mis-interpreted.
- SWIS frequency outcomes have been clarified with regard to Contingency Events and Multiple Contingency Events with the inclusion of new clauses 3B.3.3; 3B.3.8; and 3B.3.13, as well as the amendment of previous clause 3B.9 (now 3B.11). The term 'Multiple Contingency Event Frequency Band' has also been replaced with 'Extreme Frequency Tolerance Band' (see clause 3B.2.5). While changes to provide clarity have been made, the Frequency Operating Standards themselves are unchanged (see Appendix 13).
- 'Reasonable endeavours' has been applied to the Extreme Frequency Tolerance Band (formerly the Multiple Contingency Event Frequency Band).