

Wholesale Electricity Market Rule Change Proposal Submission

RC_2014_09 – Managing Market Information

Submitted by

Name:	Martin Maticka
Phone:	(08) 9469 9800
Email:	Martin.Maticka@aemo.com.au
Organisation:	Australian Energy Market Operator Limited
Address:	GPO Box 2008, Melbourne VIC, 3001
Date submitted:	1 March 2019

Submissions on Rule Change Proposals can be sent by:

Email to: support@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

1. Please provide your views on the proposal, including any objections or suggested revisions.

The Australian Energy Market Operator (**AEMO**) appreciates the opportunity to provide this submission to the Rule Change Panel in response to the Call for Further Submissions: Managing Market Information (RC_2014_09) (**CFFS**).

While AEMO generally supports the intent of the CFFS, AEMO is of the view that this Rule Change Proposal should not proceed for the following reasons:

Timing Constraints:

- With the broader changes being delivered in the Wholesale Electricity Market (**WEM**) reform (**WEM Reform**), AEMO considers that this is not the opportune time to implement this lower priority rule change. AEMO notes that this rule change was originally placed on hold due to the Electricity Market Review, a time of similar planning for legislative change and reform to that currently being undertaken.
- As a part of delivering WEM Reform, the PUO and AEMO will need to assess the appropriateness of the market data confidentiality framework in the context of the new information produced or exchanged under the WEM Rules, including supplementary information stored by AEMO that is not captured by the current (or proposed) confidentiality framework. This assessment is necessary, irrespective of whether the current framework is maintained, or a new one is introduced through this rule change process. As such, AEMO's position is that, in the interests of avoiding duplicate effort

and cost (which will ultimately be borne by Market Participants), this Rule Change Proposal should not proceed at this present time.

Proposed Confidentiality Framework Issues

AEMO considers that the confidentiality framework proposed in this CFFS is incomplete and does not appropriately consider several matters. In its preliminary assessment, AEMO has identified the following issues, noting that this is not a complete list:

- Information that is not 'produced or exchanged under the Market Rules' (Clause 10.2.1(a)) doesn't consider information such as email correspondence, telephone conversations, draft documents (including where the published document is considered public), personal notes, meeting minutes etc.
- The framework doesn't appropriately differentiate between a decision (e.g. appointment of an auditor under Clause 2.14.1, which is currently classified as public) and the information / documents used to reach the decision (e.g. AEMO views that its internal documentation used to appoint the auditor should remain confidential).
- Clause 10.2.3 does not appropriately consider all types of information, for instance, a Rule Participant who is the subject of the breach could potentially argue that it is entitled to know who lodged the notification of a breach under Clause 2.13.4 on the basis that it is 'a person to whom the market information relates' (Clause 10.2.3(a)). AEMO considers that this would not be an appropriate outcome.
- The principle that all information, not classified as confidential, is classified as public may result in information that should be confidential being inadvertently released. Reversing this principle (information is confidential unless it is classified as public) enables a safeguard against this risk.
- The proposed framework does not consider the issues associated with the necessary provision of market information to the Public Utilities Office.
- The obligation for AEMO to provide public data (that is not published) to any interested stakeholder may require dedicated resources to support this obligation. The provision of market information that is not published could be onerous and the relative effort will depend on the type of information requested. This may make the fee proposed in Clause 10.4.2 difficult to administer and not cost reflective.

As an interim measure (prior to completion of WEM Reform activities), AEMO considers that if there is sufficient industry support to classify certain information as public, a rule change could be raised that modifies Clause 10.5.1 to enable the provision of this information.

2. Please provide an assessment whether the change will better facilitate the achievement of the Wholesale Market Objectives.

AEMO agrees, in principle, with the intent of the Rule Change Proposal, however is of the view that the proposed amendments (as set out in the Rule Change Proposal and the CFFS) will not better achieve the Wholesale Market Objective (d).

In the absence of addressing the issues above, AEMO considers that the CFFS will result in a more inefficient confidentiality framework and will likely introduce several operational issues, as outlined in Section 1 above. It is AEMO's view that this framework will result in increased administration costs and considers the costs to implement this Rule Change Proposal to be avoidable, due to the impending WEM Reform.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any

costs involved in implementing these changes.

Should the Rule Change Proposal, as currently drafted in the CFFS, be approved, AEMO will be required to undertake a significant volume of work to define and classify each 'type of market information'. AEMO's has not budgeted for additional resources to undertake this task (nor resources for the ongoing support of this new regime) and may require assistance from external resources.

All market data currently published by AEMO will need to be reviewed and system changes may be required to ensure that no confidential data is inadvertently published under the new confidentiality regime.

In the absence of a fully developed framework, AEMO is of the view that any cost estimate it provides may not accurately reflect the true implementation cost. Based on the framework, as drafted, AEMO anticipates it may need to undertake an iterative process to refine the confidentiality framework through further amendments to the WEM Rules. From a relative standpoint, AEMO considers the implementation of this Rule Change Proposal as a large undertaking, requiring significant effort.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

Should the Rule Change Proposal be approved, as currently drafted in the CFFS, AEMO anticipates it will require up to twelve months to create and implement a new confidentiality framework and deliver the complementary procedural and system changes.

AEMO anticipates that it will be able to commence this work in 1H 2020 and deliver the necessary changes required by this Rule Change Proposal by 1H 2021.
