

## Wholesale Electricity Market Rule Change Proposal Submission

### RC\_2014\_09 Managing Market Information

#### Submitted by

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Submissions on Rule Change Proposals can be sent by:

Email to: [support@rcpwa.com.au](mailto:support@rcpwa.com.au)

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

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

The former Independent Market Operator (IMO) submitted the rule change proposal: Managing Market Information in March 2015 with a view to change from market information being confidential unless otherwise proven should be made publicly available, to being publicly available unless otherwise proven to be confidential. This change in the underlying philosophy was designed to maximise the release of market information to increase transparency in the market and thereby competition.

The IMO proposed to progress the assessment of the impact of the release of each element of market information in order to assign an appropriate confidentiality status for information considered to be confidential. It proposed that the outcomes of this process would be documented in a procedure.

The first round of consultation on the rule change proposal was 16 March to 13 May 2015. As part of this round of consultation, Perth Energy made a submission supporting the proposed changes.

The Rule Change Panel has considered the rule change proposal, and decided that the proposed changes merit assessment and on 21 January 2019, released a 'call for further submissions'.

As part of this call for further submissions, the Rule Change Panel has asked to "better understand the problems with the current framework for managing market related information in the Market Rules that the Rule Change Proposal is seeking to address."<sup>1</sup>

We reiterate our support for the proposed changes to be implemented on the basis that:

- the current confidentiality provisions in the Wholesale Electricity Market (WEM) Rules are complex and cumbersome which may lead to confusion and unnecessarily restrict availability of information which could potentially aid in achieving more efficient outcomes in the WEM;
- the use of high level principles as the basis for determination of whether information is public or confidential as opposed to the case by case prescription in the current version of the WEM Rules would provide greater flexibility and thereby deliver more predictable and consistent categorisation;
- the consolidation of six categories of information to two removes unnecessary complexity from the WEM Rules;
- the publication of more information would improve the transparency and competitiveness of the market and thereby make it more efficient;
- increased transparency would assist the Economic Regulation Authority in fulfilling its compliance and enforcement functions, under the assumption that transparency is the greatest deterrent to non-compliance;
- the more information that is published, the more timely the identification of problems and/or opportunities in the market; and
- the deferral of the proposed changes has already delayed the benefits to the market by 5 years, and as a new market design is still another three years away, we cannot wait any longer to provide the much-needed transparency of market information to improve economic outcomes.

Perth Energy broadly agrees that the entities identified by the IMO may from time to time need access to information that would be classified as confidential in order to perform their duties. However, we expect that also these entities would only be given access to confidential information when a genuine and formally justified need exists rather than having carte blanche access.

Our responses to the Rule Change Panel's specific questions are as follows:

**Are some of the problems with the current framework are caused by the current approach of setting the confidentiality status of market related information by reference to a specific clause in the Market Rules, instead of for each category of market related information?**

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<sup>1</sup> Page 5, Rule Change Panel, RC\_2014\_09: Call for Further Submissions, 21 January 2019

The confidentiality status of each piece of market information is required to be assessed and stated. The categorisation of market information without identifying exactly what information is in each category is likely to cause more uncertainty and complexity. On this basis Perth Energy does not consider the suggested grouping of information into categories adds any valuable.

We agree with the IMO's proposed approach to enshrine the principles for determining whether information is confidential in the WEM Rules, with a process for assessment of new, or re-assessment of existing information included in a Market Procedure.

Perth Energy highlights the importance of the process started by the IMO of working through each piece of information to assess whether it should be treated as public or confidential.

We suggest this process be conducted in tandem with the assessment of information that can be provided to the ERA under the proposed changes in RC\_2018\_05: ERA access to market information and SRMC investigation process. In its submission, Perth Energy and other Market Participants raised concerns about the ERA being provided unfettered access to market information without consideration of the impact. A systematic and thorough review of each piece of information and the confidential nature of that information should be considered in conjunction with Market Participants as was initially proposed by the IMO as part of this rule change proposal and RC\_2018\_05.

**Do stakeholders consider that some of the problems identified in the Rule Change Proposal with the current framework could be addressed by introducing timeframes in the Market Rules for AEMO to:**

- a) set the confidentiality status of new or amended market related information; and**
- b) regularly publish an amended confidentiality status list, and/or amend the confidentiality list whenever it sets the confidentiality status of new or amended market related information?**

Perth Energy agrees the inclusion of a timeframe by which AEMO must assess new information, or conduct an assessment requested, and subsequently update the list of confidential information would ensure that the list was adequately maintained and therefore provides an accurate reflection of confidential information at any point.

**Do stakeholders consider that amending the Market Procedure to document the process AEMO follows in setting and publishing the confidentiality status of market related information will address or reduce some of the perceived problems with the current framework?**

Perth Energy does not consider that the inclusion of a process to outline the procedural steps that AEMO must take in setting the confidentiality status of market information, in a Market Procedure would adequately address the issues raised by the IMO in its rule change proposal.

The update of the Market Procedure alone would not deliver the fundamental change in principle designed to increase transparency.

Perth Energy remains supportive of the framework in its entirety (including the IMO's proposed updated Market Procedure) and considers the implementation of the concept as it was initially intended is paramount to increasing transparency and therefore competition in the market.

**What demand-side information do stakeholders consider should be public but the Market Rules, as currently drafted, prevent from being made public?**

Perth Energy notes that the WEM Rules are largely silent on the treatment of any demand-side information. On this basis, the market operator (both the IMO and AEMO) has taken a conservative view, and failed to publish demand-side (retail information).

Perth Energy consider that the proposed principles to maximise transparency should equally apply to retail information, with a systematic and thorough assessment of all information to be undertaken.

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

Perth Energy believes that with the improved clarity it should be possible to make more market information available to a wider audience in a more timely manner compared to the current practice. Having relevant and readily available data provided is key to achieving efficient outcomes in most markets, including the WEM. For this reason, Perth Energy believes the proposed amendments are likely to improve the efficiency of the WEM and improve competition to the ultimate benefit of consumers in the South West Interconnected System.

Perth Energy also believes the proposed changes are likely to bring a more balanced approach to the way that information relating to supply and demand side is treated.

For all of these reasons we believe that the proposed framework in its entirety (including the IMO's proposed updated Market Procedure) are likely to positively impact the ability to achieve Wholesale Market Objectives (a), (b) and (d).

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**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.**

There will be no impacts for Perth Energy resulting from the proposed changes.

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

There will be no impacts for Perth Energy resulting from the proposed changes.

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