

## Wholesale Electricity Market Rule Change Proposal Submission

### Draft Rule Change Report: Formalisation of the Process for Maintenance Applications (RC\_2015\_03)

#### Submitted by

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Submissions on Rule Change Proposals can be sent by:

Email to: [rcp.secretariat@rcpwa.com.au](mailto:rcp.secretariat@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 Draft Rule Change Report: Formalisation of the Process for Maintenance Applications (RC\_2015\_03) (**Draft Rule Change Report**).

AEMO supports the proposed changes in the Draft Rule Change Report, but wishes to highlight the following matters.

#### Manifest Error:

Following AEMO's preliminary investigations in conjunction with the RCP, AEMO was not aware of any practical reason for the obligation for a Market Customer to provide information on System Management requests to AEMO. On further investigation and reflection, AEMO has revised its view and believes that this requirement must remain in place, due to the manner in which Demand Side Programmes (**DSPs**) are dispatched.

As DSPs are dispatched at a Facility level, AEMO does not have visibility of which Associated

Load reduces its consumption to comply with the Dispatch Instruction (except in the instance where there is only one Load associated with the DSP). It is possible that only some loads in a DSP are curtailed in response to a Dispatch Instruction, including where a DSP contains more curtailment capacity than the number of Capacity Credits, or where the DSP is dispatched for a lower quantity than its Capacity Credits.

If the Relevant Demand calculation is to continue to use AEMO's estimate for Trading Intervals during which a Load was subject to dispatch, Step 2(c) of Appendix 10 must remain as currently drafted in the Wholesale Electricity Market Rules dated 1 January 2019. This will enable Market Customers undertaking the Consumption Deviation Application (**CDA**) process to advise AEMO of any Trading Intervals where an Associated Load's consumption was reduced at the request of System Management and, therefore, have this reflected in its Relevant Demand.

As a consequence of this not in fact being a manifest error, the proposed new Clause 4.26.2CC(b) should be amended to enable a fee to be charged.

### **Application of Clauses 4.26.2CF and 4.28.9F**

While AEMO understands the intent of these clauses, AEMO considers that they can only be applied to a CDA with a single maintenance event, or where there are multiple events but they are all captured in both CDAs, and does not appropriately cater for CDAs with multiple maintenance events that are not identical across both CDAs. AEMO outlines this issue below by way of an example. For the purposes of the example below, AEMO has only examined clause 4.26.2CF. However, the same issue arises in Clause 4.28.9F.

Clause 4.26.2CF states:

#### 4.26.2CF. Where:

- (a) AEMO has accepted a Consumption Deviation Application submitted under clause 4.28.9A in accordance with the Market Procedure referred to in clause 4.28.9E; and
  - (b) the same Market Customer submits a Consumption Deviation Application in respect of the same Load in accordance with clause 4.26.2CB(a).
- then, an Application Fee is not payable in respect of the subsequent Consumption Deviation Application submitted under clause 4.26.2CB(a) provided that:
- (c) the maintenance event specified in the subsequent Consumption Deviation Application is the same as a maintenance event specified in an earlier Consumption Deviation Application accepted by AEMO; and
  - (d) all of the Trading Intervals affected by the maintenance event specified in the subsequent Consumption Deviation Application were specified in that earlier Consumption Deviation Application.

Assume **Load X** has 2 maintenance events; **Event A** and **Event B**

**Example 1:** How do the fee or fees apply to Load X for the Non-Temperature Dependent Load (NTDL) CDA if the submissions below are made in the following order:

- Relevant Demand (**RD**) CDA for load X containing Event A and B
- NTDL CDA (4.28.9A) for load X containing Event B

**Example 2:** How do the fee or fees apply to Load X for the NTDL CDA if the submissions below are made in the following order:

- RD CDA for Load X containing Event A
- NTDL CDA for load X containing Event A and B

AEMO requests drafting amendments to Clauses 4.26.2CF and 4.28.9F to enable clarification of how the situations like those outlined above should be resolved.

AEMO's preferred solution would be the application fee to apply in all cases except where both submissions for a particular load contain exactly the same maintenance events over the same Trading Intervals, however alternative solutions may be able to be catered for.

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

While AEMO agrees with the Wholesale Market Objectives assessment in section 5.4 of the Draft Rule Change Report, AEMO considers the complexity associated with the administration of the application fee (clause 4.26.2CF and 4.28.9F) will result in a more inefficient market outcome. This is evident with the requirement to manually compare two submissions from the same load to determine the appropriate application fee to charge.

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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.**

AEMO does not anticipate any additional costs to comply with this rule change, as it will undertake the procedural changes required by this rule change as a business-as-usual activity.

To administer this fee, AEMO anticipates a slight increase in its overheads due to the complexity associated with how and when this fee applies. AEMO will include this in its determination of the application fee and does not anticipate any additional staffing requirements as a result of this rule change.

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

As indicated in AEMO's submission during the further submission period, AEMO will be required to create a new Market Procedure and modify an existing one to ensure it remains compliant with its obligations under the Wholesale Electricity Market Rules.

AEMO has assessed the procedure change schedule and has identified that additional time will be required to facilitate the Procedure Change Process. AEMO requests that the commencement date for this rule change be extended by one month to **1 September 2019** to enable this.