

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

Standard Rule Change Process

29 March 2019

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## 1. Rule Change Process and Timeline

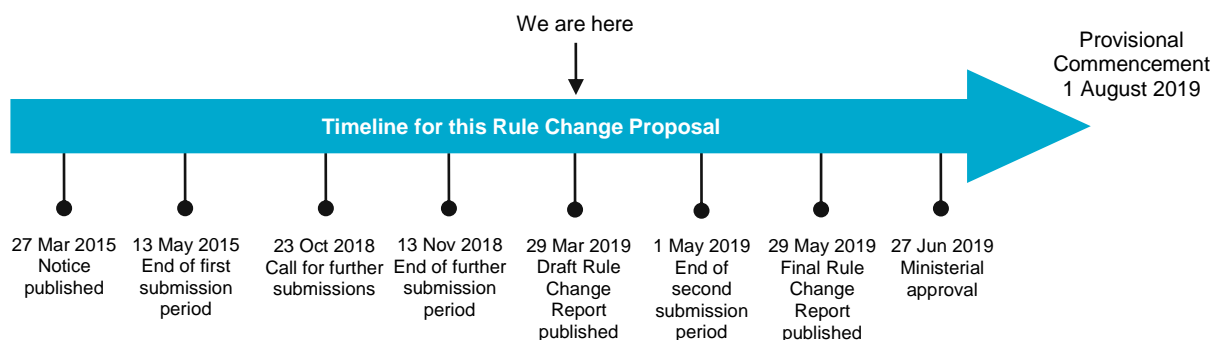
On 27 March 2015, the Independent Market Operator (**IMO**) submitted a Rule Change Proposal titled “Formalisation of the Process for Maintenance Applications” (RC\_2015\_03).

The Market Rules allow a Market Customer to apply to AEMO to replace or disregard a period unrepresentative of a Load’s usual consumption for the purposes of determining the Relevant Demand (**RD**) of a Demand Side Programme (**DSP**), and a Load’s status as a Non-Temperature Dependent Load (**NTDL**). The objective of the Rule Change Proposal is to streamline and formalise the processes relating to these applications.

The Rule Change Proposal is being processed via the Standard Rule Change Process described in section 2.7 of the Market Rules. The timeframes for the first submission period and the preparation of the Draft Rule Change Report were extended by the IMO under clause 2.5.10; and the timeframe for the preparation of the Draft Rule Change Report was further extended by the Rule Change Panel under clauses 1.18.3(b) and 2.5.10. Further details of the extensions are available on the Rule Change Panel’s website.

On 23 October 2018, the Rule Change Panel published a call for further submissions on the basis that a significant period of time had passed since the IMO consulted on the Rule Change Proposal, during which time the Market Rules had undergone numerous changes.

The key dates for progressing the Rule Change Proposal, as amended in the extension notices, are:



The commencement date is provisional and may be subject to change in the Final Rule Change Report.

The Rule Change Panel’s proposed decision is to accept the Rule Change Proposal in a modified form, as set out in section 6 of this Draft Rule Change Report.

All documents related to the Rule Change Proposal can be found on the Rule Change Panel’s website at [https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc\\_2015\\_03](https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2015_03).

## 2. Call for Second Round Submissions

The Rule Change Panel invites interested stakeholders to make submissions on this Draft Rule Change Report.

Submissions must be delivered to the Rule Change Panel by **5:00 PM** on **Wednesday, 1 May 2019**.

The Rule Change Panel prefers to receive submissions by email, using the submission form available at: <https://www.erawa.com.au/rule-change-panel/make-a-rule-change-submission> sent to [support@rcpwa.com.au](mailto:support@rcpwa.com.au).

Submissions may also be sent to the Rule Change Panel by post, addressed to:

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

### 3. Proposed Amendments

#### 3.1 The Rule Change Proposal

The Market Rules allow a Market Customer to provide evidence to AEMO that a Load reduced its consumption during one or more Trading Intervals due to:

- for a DSP, a request from System Management (i.e. a Dispatch Instruction or Operating Instruction);
- for a DSP or NTDL, a ‘maintenance’ event; or
- for a NTDL, a Trading Interval falling on a Trading Day that is not a Business Day.

The outcome of AEMO’s assessment of such evidence will affect AEMO’s determination of the RD<sup>1</sup> of a DSP and a Load’s status as a NTDL. The objective of the Rule Change Proposal is to streamline and formalise the processes relating to these consumption deviation applications (**CDAs**).

In the Rule Change Proposal, the IMO proposed to make a number of amendments to the Market Rules to amend the processes for CDAs. The proposed amendments are outlined in Table 1.

**Table 1: Summary of Proposed Changes and Associated Reasons**

Proposed Change	IMO’s Reason for Proposed Change
Formalise the process for CDAs, including by introducing a head of power for the IMO to develop a Market Procedure specifying the process that AEMO and Market Customers must follow.	The IMO considered that a requirement to follow a formalised process when submitting a CDA, and to document that process in a Market Procedure, would provide for more certainty and efficiency in the process of determining the RD for a DSP and a Load’s NTDL status.
Introduce an Application Fee payable for each submitted CDA.	The IMO noted that it incurred significant administrative costs as a result of the volume of CDAs submitted and that the cost of processing the applications was primarily recovered from Market Participants not utilising CDAs.
Introduce timeframes by which CDAs must be made.	Introducing timeframes by which a CDA must be submitted by a Market Customer would give the IMO sufficient time to process the applications.

<sup>1</sup> The methodology for determining the RD of a DSP has changed since the Rule Change Proposal was submitted and is now determined in accordance with clause 4.26.2CA and Appendix 10 of the Market Rules.

Proposed Change	IMO's Reason for Proposed Change
Administrative changes.	The IMO proposed a number of administrative changes to improve the clarity of the Market Rules by improving the drafting and streamlining the process to reflect the logical sequence of a CDA.

Since the formal submission of the Rule Change Proposal:

- the Market Rules have changed significantly;
- the market operator function has transferred from the IMO to AEMO; and
- system management functions have transferred from Western Power to AEMO.

Therefore, the Rule Change Panel has applied the proposed changes to the current Market Rules as amended by Rule Change Proposal RC\_2017\_06: Reduction of the prudential exposure in the Reserve Capacity Mechanism, which will commence on 1 June 2019, and to account for the changes made to the Market Rules since the submission of the Rule Change Proposal.

The Rule Change Panel notes that the reasons for the proposed changes are, in most cases, unaffected by changes made to the Market Rules since the submission of the Rule Change Proposal and the transfer of the market operator function from the IMO to AEMO.

Full details of the Rule Change Proposal are available at the Rule Change Panel's website.

## 3.2 The IMO's Initial Assessment of the Proposal

The IMO decided to progress the Rule Change Proposal on the basis of its preliminary assessment that the proposed amendments were likely to better achieve Wholesale Market Objectives (c) and (d), and were consistent with the other Wholesale Market Objectives.

## 4. Consultation

### 4.1 Market Advisory Committee

The Rule Change Proposal was discussed with the MAC on 18 March 2015 as a Pre-Rule Change Proposal. MAC members agreed for the IMO to progress the Rule Change Proposal under the Standard Rule Change Process.

The following is an extract of the Minutes of the MAC meeting which summarises the key aspects of the discussion on the Rule Change Proposal.

- Mr Michael Zammit<sup>2</sup> supported the proposed changes and suggested the IMO involve affected Market Customers in the development of the Market Procedure.
- Mr Simon Middleton<sup>3</sup> asked if the proposed changes were introducing obligations for DSPs similar to the existing obligations for Scheduled Generators to register Outages. The Chair clarified that this was not the case. The Chair noted that under the current Market Rules, Market Customers had the option to apply to the IMO to replace or disregard a period unrepresentative of the consumption of a Load for the purposes of

<sup>2</sup> Representing Market Customers.

<sup>3</sup> Appointed by the Minister as an observer.

determining the RD for a DSP or assessing a Load's status as a NTDL. The proposed changes would formalise these existing processes.

- Mr Geoff Gaston<sup>4</sup> asked if one application could cover several maintenance events or if every maintenance event required a separate application. Ms Laura Koziol of the IMO explained that one application could cover all maintenance undertaken during relevant Trading Intervals for either determining RD or NTDL status.
- Mr Gaston asked if the calculations for the determination of RD and NTDL status could be included in the new Market Procedure or another document. Ms Kate Ryan<sup>5</sup> noted that the RD was calculated by a tool within the Market Participant Interface and that the tool was available for Market Customers to also use.
- Mr Zammit sought clarification regarding the IMO's plans for consultation on the Market Procedure. Ms Ryan clarified that some engagement had already occurred, and the IMO would consult with Market Customers on the Market Procedure through the IMO Procedure Change and Development Working Group as well as through the formal submission process.
- Mr Peter Huxtable<sup>6</sup> sought confirmation that the invoicing of the new Application Fee would be a simple process and not involve unnecessary costs. Ms Ryan confirmed that a simple invoice would be used for the new Application Fee.
- Ms Wendy Ng<sup>7</sup> asked if the IMO knew why there had been an increase in the number of applications. Mr Zammit answered that there had been an increase in the number of Associated Loads and that many of these Loads shut down or undertake maintenance during the relevant periods. The Chair noted that Market Customers were using the options available in the Market Rules to provide better outcomes for their customers. Ms Ryan also noted that the applications included numerous repeat applications where the initial application had not met the IMO's requirements.

Further details of the relevant MAC meeting are available in the MAC meeting papers and minutes available on the Rule Change Panel's website at <https://www.erawa.com.au/rule-change-panel/market-advisory-committee/market-advisory-committee-meetings>.

## 4.2 Submissions Received during the First Submission Period

The first submission period for the Rule Change Proposal was held between 30 March 2015 and 13 May 2015. The IMO received submissions from Community Electricity, EnerNOC and Perth Energy.

The submissions generally expressed support for the proposed Amending Rules for reasons including that the proposed changes are consistent with a user-pays principle, clarify and formalise the relevant process, and give guidance on CDAs to Market Customers.

EnerNOC expressed support for the Rule Change Proposal on the basis it will provide further clarity to industry, and improve the efficiency in collating and presenting the information. EnerNOC noted it was keen to review the relevant Market Procedure to be developed under the proposed Amending Rules, and that the key in ensuring a successful implementation will be formalisation of principles governing the application process, clarity on the supporting

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<sup>4</sup> Representing Market Customers.

<sup>5</sup> Representing the IMO.

<sup>6</sup> Representing Contestable Customers.

<sup>7</sup> Representing Market Generators.

evidence requirements, and a set of criteria by which applications will be assessed.

EnerNOC raised concerns regarding the requirement in the proposed Amending Rules that a reduction in the level of consumption must be “solely attributable” to maintenance. For example, if the Load experienced a mechanical failure, the maintenance activity is a secondary driver of the Load reduction. EnerNOC proposed that the test for whether a substitution event should be allowed should consider whether the event that caused the need for maintenance, and the subsequent maintenance activity, were likely to reoccur during the next year’s peak Trading Intervals.

EnerNOC raised concerns that the proposed drafting makes the submission of a CDA subject to a reduction in consumption. EnerNOC asserted that this implies that there must be an actual drop in the Load to submit a CDA. EnerNOC expressed its opinion that a CDA should be allowed to be submitted for both an actual reduction in the Load, as well as a deviation from where the Load should be. For example, if maintenance occurred at the time when a plant typically commenced production, there would not be a reduction in the Load, instead the plant would be operating at a lower level than it normally would have.

EnerNOC expressed the following concerns with respect to the deadline for submitting a CDA for a DSP:

- a delay in publishing the 32 peak Trading Intervals relevant to a DSP’s RD may lead to significant timing issues in particular for aggregators with a large number of participating Loads;
- the proposed deadline for submitting a CDA will not be achievable for Loads that are associated with a DSP after the deadline; and
- if there was a mid-year revision of the 32 peak Trading Intervals the DSP would not be able to submit a CDA, which could have a significant impact on the DSP’s RD.

EnerNOC also sought clarification on whether there would be an additional fee for a CDA where the IMO requested further information from the applicant.

The assessment by submitting parties as to whether the Rule Change Proposal would better achieve the Wholesale Market Objectives is summarised in Table 2.

**Table 2: Submitting Parties’ Assessment as to whether the Rule Change Proposal would better achieve the Wholesale Market Objectives**

Submitter	Wholesale Market Objective Assessment
Community Electricity	Community Electricity considers that the Rule Change Proposal will: <ul style="list-style-type: none"> <li>• promote Wholesale Market Objective (c) [non-discrimination] by more properly allocating costs to users;</li> <li>• promote Wholesale Market Objective (a) [efficiency] by allocating costs to users; and</li> <li>• promote Wholesale Market Objective (d) [minimising costs] through clarifying the requirements of a successful application and thereby avoiding fruitless administration.</li> </ul>
EnerNOC	If the issues raised in its submission are addressed, EnerNOC agrees with the IMO’s assessment that the proposed changes will support Wholesale Market Objectives (c) and (d).

Submitter	Wholesale Market Objective Assessment
Perth Energy	Subject to its comments about DSPs, Perth Energy considers the proposed changes will improve the transparency of the Market Rules and improve on cost allocation and fairness with the allowance for the IMO to charge its reasonable costs for processing these applications. Perth Energy also considers the proposed changes will improve the overall efficiency of the market, both through the improved transparency of the process allowed for by explicitly describing its requirements in a Market Procedure, and also through the incentives introduced by charging applicants for the reasonable costs incurred by the IMO in processing their applications. Perth Energy considers the proposed changes on balance are likely to positively impact the ability to achieve Wholesale Market Objectives (a) and (d). Perth Energy has not identified any impacts on the remaining Wholesale Market Objectives.

Copies of all submissions received during the first submission period are available on the Rule Change Panel's website.

### 4.3 The Rule Change Panel's Response to Submissions Received during the First Submission Period

The Rule Change Panel's response to each of the specific issues raised in the first submission period is presented in Appendix A of this report. See also section 5.2 of this report for a general discussion of the Rule Change Proposal, which addresses the main issues raised in submissions and the Rule Change Panel's response to these issues.

### 4.4 Call for Further Submissions

On 23 October 2018, the Rule Change Panel published a call for further submissions on the Rule Change Proposal because:

- a significant amount of time had passed since the IMO consulted on the Rule Change Proposal; and
- the Market Rules had undergone numerous changes since the publication of the Rule Change Proposal.

The call for further submissions sought further submissions on the Rule Change Proposal from interested stakeholders. The call for further submissions is available on the Rule Change Panel's website.

### 4.5 Submissions Received During the Further Submission Period

The further submission period was held between 24 October 2018 and 13 November 2018. The Rule Change Panel received submissions from AEMO, Alinta Energy and Simcoa Operations Pty Ltd.

AEMO expressed support for the proposed Amending Rules and considered they will enable AEMO to clearly define the CDA process for RD and NTDL assessments, lower AEMO's operational costs by reducing the number of incomplete or erroneous submissions, and allow for cost recovery through a causer pays model.

The submission from Alinta expressed support for formalising and prescribing the process for CDAs, including introducing a head of power for AEMO to document the process in a Market Procedure.



However, Alinta expressed the view that an application fee for submitting a CDA may not be required if the process for CDAs is sufficiently detailed and communicated effectively; but if an application fee is introduced, then it should only be payable if AEMO needs to request further information or clarify the information provided with a CDA.

Simcoa expressed support for a transparent process that defines the method for making a maintenance application with respect to DSPs and NTDLs, but opposed the proposed introduction of a head of power for AEMO to develop the process by which CDAs are prepared, submitted and decided upon. RCP Support engaged with Simcoa regarding its objection. Simcoa clarified that it was concerned that AEMO could decide to:

- convert its current 'Guideline for Consumption Deviation Application for Demand Side Programmes' into a Market Procedure; and
- extend the Market Procedure to also apply to the assessment of CDAs relating to NTDLs.

Simcoa also clarified in its further discussions with RCP Support that it was supportive of the introduction of a head of power for AEMO to develop a Market Procedure on the basis that the development of, and amendments to, Market Procedures under the Market Rules must be undertaken via the Procedure Change Process which requires stakeholder consultation.

Simcoa noted that it opposed, in principle, the imposition of fees for the submission of CDAs. Simcoa opposed the idea that a Market Customer that wanted to submit a CDA for a Load that was both an Associated Load and a Load that is to be assessed for NTDL status, would have to submit the CDA twice and pay two application fees, even if the CDAs affected the same Trading Intervals.

Simcoa also, in general, objected to being required to submit separate CDAs that contain the same set of information for a DSP and an NTDL because each CDA needs to be made in slightly different formats at different times.

Simcoa expressed concerns regarding the proposed timeline by which a CDA relating to RD must be submitted. RCP Support clarified with Simcoa that its concerns were based on the following:

- the meter data would not be available for the complete relevant reference period by the proposed deadline;
- the deadline would not allow sufficient time for Market Customers to resubmit a CDA if the initial CDA was rejected by AEMO; and
- the relevant Trading Intervals for the calculation of RD could change.

Simcoa also raised several issues relating to the current methodology in the Market Rules for determining a DSP's RD.

The assessment by submitting parties as to whether the Rule Change Proposal would better achieve the Wholesale Market Objectives is summarised in Table 3.

**Table 3: Submitting Parties’ assessment as to whether this Rule Change Proposal would better achieve the Wholesale Market Objectives**

Submitter	Wholesale Market Objective Assessment
AEMO	AEMO agrees with the Wholesale Market Objectives assessment in the Independent Market Operator’s Rule Change Proposal submitted on 25 March 2015.
Alinta Energy	<p>In the assessment of the original proposal against the Wholesale Market Objectives the IMO noted that it considered:</p> <p><i>...that the proposed amendments to allocate the costs of processing consumption deviation applications to the applicant will provide for a more equitable cost allocation where the costs are born by and can be managed by the causer.</i></p> <p>Alinta notes that, under the original proposal, the only way for the causer to manage the costs is to not submit a consumption deviation application. Alinta suggested that its alternative proposal,<sup>8</sup> provides a real mechanism by which the applicant can manage its costs i.e. ensuring that its application is compliant with the Market Rule and/or Market Procedure requirements. Alinta considers that its suggested refinements would better reflect the Wholesale Market Objectives.</p>
Simcoa	RCP Support engaged with Simcoa to clarify Simcoa’s assessment of the proposed changes against the Wholesale Market Objectives. Simcoa clarified its view that the proposed changes will better achieve the Market Objectives, but only to the extent that the changes introduce the obligation for AEMO to document the processes to be followed by AEMO and Market Customers for CDA’s in a Market Procedure.

Copies of all submissions received during the further submission period are available on the Rule Change Panel’s website.

**4.6 The Rule Change Panel’s Response to Submissions Received During the Call for Further Submissions**

The Rule Change Panel’s response to each of the specific issues raised in the further submission period is presented in Appendix B of this report. See also section 5.2 of this report for a general discussion of the Rule Change Proposal, which addresses the main issues raised in submissions and the Rule Change Panel’s response to these issues.

**4.7 Public Forums and Workshops**

The Rule Change Panel did not hold a public forum or workshop for the Rule Change Proposal.

<sup>8</sup> In its submission, Alinta proposed that, in respect to an application fee, a participant can make an initial CDA without attracting an application fee. However, if the CDA is not compliant with the requirements in the Market Rules and/or the Market Procedures, which results in AEMO having to request further information and/or clarify the provided information, then the applicant should be required to pay a processing fee.

## 5. The Rule Change Panel's Draft Assessment

### 5.1 Assessment Criteria

In preparing its Draft Rule Change Report, the Rule Change Panel must assess the Rule Change Proposal in light of clauses 2.4.2 and 2.4.3 of the Market Rules.

Clause 2.4.2 of the Market Rules states that the Rule Change Panel “*must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives*”.

Clause 2.4.3 of the Market Rules states that, when deciding whether to make Amending Rules, the Rule Change Panel must have regard to:

- any applicable statement of policy principles the Minister has issued to the Rule Change Panel under clause 2.5.2 of the Market Rules;
- the practicality and cost of implementing the proposal;
- the views expressed in submissions and by the MAC; and
- any technical studies that the Rule Change Panel considers necessary to assist in assessing the Rule Change Proposal.

In making its draft decision, the Rule Change Panel has had regard to each of the matters described in clauses 2.4.2 and 2.4.3 of the Market Rules as follows:

- the Rule Change Panel's assessment of the Rule Change Proposal against the Wholesale Market Objectives is available in section 5.4 of this report;
- the Rule Change Panel notes that there has not been any applicable statement of policy principles from the Minister in respect of the Rule Change Proposal;
- the Rule Change Panel's assessment of the practicality and cost of implementing the Rule Change Proposal is available in section 5.6 of this report;
- a summary of the views expressed in submissions and by the MAC is available in section 4 of this report. The Rule Change Panel's response to these views is available in section 5, Appendix A and Appendix B of this report; and
- the Rule Change Panel does not believe a technical study in respect of the Rule Change Proposal is required and therefore has not commissioned one.

The Rule Change Panel's assessment is presented in the following sections.

### 5.2 Assessment of the Proposed Changes

As outlined in section 3.1 of this report, the Rule Change Panel has assessed the proposed changes in the context of the current Market Rules (as amended by Rule Change Proposal RC\_2017\_06: Reduction of the prudential exposure in the Reserve Capacity Mechanism, which is scheduled to commence on 1 June 2019), which have changed significantly since the submission of the Rule Change Proposal.

#### 5.2.1 Formalisation of the Process to Submit a Consumption Deviation Application

The IMO proposed to formalise the process for CDAs, including by introducing a head of power for AEMO to develop a Market Procedure specifying the process that AEMO and Market Customers must follow.

The Rule Change Panel agrees with the IMO that formalising the process for submitting a CDA will provide for more certainty and efficiency in the process of determining the RD for a DSP and a Load's NTDL status.

The process for CDAs relating to the calculation of RD for DSPs is currently outlined in AEMO's 'Guideline for Consumption Deviation Application for Demand Side Programmes'. The process for CDAs relating to the assessment of a Load's NTDL status is currently outlined in the Market Procedure, 'Individual Reserve Capacity Requirements'.

However, the Rule Change Panel notes that there is currently no clear head of power in the Market Rules for the process for CDAs to be documented in a Market Procedure.

The Rule Change Panel considers that prescriptive processes setting out how an obligation or requirement in the Market Rules is to be performed, complied with or assessed should typically be set out in a Market Procedure, to the extent possible, and not in the Market Rules.

The Rule Change Panel considers that a Market Procedure documenting the process a Market Customer is required to follow when submitting a CDA:

- will provide clarity to Market Customers regarding the:
  - process, and the information and evidence to be provided in support of a CDA;
  - processes AEMO must follow when it receives a CDA;
  - criteria AEMO must consider when deciding whether to accept or reject a CDA; and
- should reduce the risk of AEMO rejecting a CDA due to a Market Customer not being fully aware of the process or the information and evidence required to be submitted in support of a CDA.

The Rule Change Panel notes that the Market Procedure will be subject to the governance framework in the Market Rules with respect to the development of, and amendments to, Market Procedures, which includes the requirement for consultation. The Rule Change Panel considers that matters that could affect the financial outcomes of Market Participants, such as AEMO's assessment of the RD of a DSP, should not be set out in a guideline that has no formal standing under the Market Rules.

Therefore, the Rule Change Panel supports the proposed formalisation of the process for CDAs, and the introduction of a head of power for AEMO to document the process in a Market Procedure. All six submissions received in the first and further submission periods generally expressed support to formalise the process for CDAs.

### 5.2.2 Application Fee

The IMO proposed to introduce the requirement for a Market Customer to pay an Application Fee when submitting a CDA.

The Rule Change Panel agrees with the IMO that the introduction of an Application Fee<sup>9</sup> for processing a CDA would provide for a more equitable recovery of the costs associated with

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<sup>9</sup> Under the Market Rules, Application Fees are required to be paid for applications referred to in clauses 2.33.1(a) (registration of a Rule Participant), 2.33.2(a) (de-registration of a Rule Participant), 2.33.3(a) (registration of a Facility), 2.33.4(a) (de-registration of a Facility), 2.33.5(a) (transfer of a Facility) and 4.9.3(c) (conditional certification for a further Reserve Capacity Cycle, or subsequent applications for Early Certified Reserve Capacity for a Facility for the same Reserve Capacity Cycle).

processing the application, by recovering the costs from the causer and beneficiary of the application.

Alinta expressed the view that an Application Fee for submitting a CDA may not be required if the process for CDAs is sufficiently detailed and communicated effectively; but if an Application Fee is introduced, then it should only be payable if AEMO needs to request further information or clarify the information provided with a CDA.

In its response to the call for further submissions, Simcoa objected to the introduction of a fee for the processing of a CDA to obtain, in its view, a right of the Market Participant in providing a service to the market. Simcoa also opposed the idea that a Market Customer that wanted to put in a CDA for a Load that was both an Associated Load and a Load that is to be assessed for NTDL status, would have to pay two application fees, even if the CDAs affected the same Trading Intervals.

The Rule Change Panel notes that, under the current Market Rules, a Market Customer can choose how many CDAs it submits, and how often it resubmits a CDA that has been previously rejected. Subject to complying with the proposed relevant deadlines (see section 5.2.3 of this report), this will still be the case under the proposed Amending Rules. Therefore, the Market Customer has, and will continue to have, a direct influence on the costs it pays for the assessment of CDAs. The Rule Change Panel considers that imposing an Application Fee will incentivise the most economic use of CDAs as the participant in control of the costs will be exposed to the costs.

The Rule Change Panel notes that AEMO has confirmed that Market Customers are currently able to submit a CDA containing multiple events that affected the Load's consumption for multiple Trading Intervals, as long as they all relate to the same Load.<sup>10</sup> AEMO has also confirmed that it has not identified any reasons against this practice continuing.

The Rule Change Panel agrees, in principle, with Simcoa that, for a Load that is both an Associated Load and a Load assessed for NTDL status (the Market Rules, and related systems, require separate CDAs to be submitted as they are separate calculations), only one Application Fee should apply. The Rule Change Panel considers that only one Application Fee should be payable where:

- AEMO has accepted a CDA;
- the same Market Customer submits a subsequent CDA in respect of the same Load;
- the maintenance event specified in the subsequent CDA is the same as the maintenance event specified in the earlier accepted CDA; and
- all of the Trading Intervals affected by the maintenance event in the subsequent CDA were specified in the earlier accepted CDA.

Therefore, the Rule Change Panel proposes to further amend the proposed Amending Rules accordingly.

The Rule Change Panel considers that the introduction of an Application Fee will:

- allow for the efficient and equitable allocation of costs to the parties that cause the cost to be incurred (the Rule Change Panel also notes that those parties have the ability to manage the costs they pay);

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<sup>10</sup> This is reflected in the current CDA Guideline for DSPs.

- reduce the costs to Market Participants that do not directly benefit from a successful assessment; and
- provide an incentive for Market Customers to submit CDAs that are compliant with the Market Procedure; and may help to mitigate the number of non-compliant submissions that create additional work for AEMO, and result in additional costs.

Therefore, the Rule Change Panel supports the introduction of an Application Fee, except for CDAs where the reason for a deviation in the level of consumption is due to a request from System Management, as outlined in section 5.6.3 of this report.

The Rule Change Panel notes that AEMO is responsible for setting the level of the Application Fee for processing a CDA in accordance with clause 2.24.7 of the Market Rules. This clause requires that the level of each Application Fee:

- (a) must reflect the estimated average costs to AEMO of processing that type of application;
- (b) must be consistent with the Allowable Revenue approved by the Economic Regulation Authority; and
- (c) may be different for different classes of Rule Participant and different classes of facility.

### 5.2.3 Introduction of Deadlines for the Submission of CDAs

The current Market Rules do not contain any deadlines by which CDAs must be submitted.

The Rule Change Proposal seeks to introduce deadlines by which CDAs must be submitted to ensure AEMO<sup>11</sup> has sufficient time to assess the CDAs before the outcomes of the assessments are applied to other processes and calculations under the Market Rules.

EnerNOC (in its first period submission) and Simcoa (in its response to the call for further submissions), both raised issues regarding the proposed introduction of deadlines for the submission of CDAs, including the particular proposed deadlines.

The Rule Change Panel considers that AEMO must be given sufficient time to assess CDAs before the outcome of the assessments are applied to other processes and calculations under the Market Rules, and that the introduction of deadlines is reasonable. Therefore, the Rule Change Panel agrees with the proposal to introduce deadlines by which CDAs must be submitted.

However, the Rule Change Panel notes that the Rule Change Proposal does not propose a deadline by which AEMO must assess a CDA. While the Market Rules contain an inherent deadline for AEMO to assess CDAs for NTDLs, the absence of a deadline for assessing CDAs relating to the calculation of a DSP's RD may result in unnecessary uncertainty for the submitting Market Customer and could lead to adverse outcomes for the Market Customer. The Rule Change Panel considers that the introduction of a deadline for AEMO to assess CDAs relating to the calculation of a DSP's RD will increase certainty in the process for Market Customers.

The Rule Change Panel's assessment of the different deadlines in the proposed Amending Rules is provided in the remainder of this section 5.2.3.

The deadlines are proposed to be different for CDAs relating to the calculation of a DSP's RD and CDAs relating to the assessment of a Load's NTDL status.

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<sup>11</sup> At the time the Rule Change Proposal was submitted, the IMO had the function to assess CDAs. This function was subsequently transferred to AEMO with the transfer of the market operator functions.

The Rule Change Panel supports the approach to assign different deadlines for the submission of CDAs relating to the calculation of a DSP's RD, and CDAs relating to the assessment of a Load's NTDL status on the basis that they are different processes with different timelines and occurrences under the Market Rules, and refer to different reference periods.

## DSPs

The IMO proposed to set the deadline for the submission of CDAs relating to a DSP's RD to 31 October in the Capacity Year to which the RD applies.

RCP Support engaged with AEMO regarding the appropriateness of the suggested deadline. AEMO clarified that the proposed deadline will ensure that AEMO has enough time to assess the CDAs for the DSP's Verification Test that must be undertaken between 1 October and 30 November (section 4.25A of the Market Rules).

In its response to the call for further submissions, Simcoa expressed concerns that the Trading Intervals comprising the 200 Calendar Hours relevant to the calculation of a DSP's RD, are determined for each Trading Day and may be subject to change after 31 October based on updated meter data. Therefore, the proposed deadline may result in Market Customers choosing to prepare CDAs for all maintenance events during the full Capacity Year prior to the Capacity Year to which the RD applies, instead of only preparing CDAs for the Trading Intervals comprising the 200 Calendar Hours. The Rule Change Panel agrees with Simcoa that the uncertainty of the Trading Intervals comprising the 200 Calendar Hours and the proposed deadline for the submission of CDAs, may lead to additional administrative burden, including:

- Market Customers having to predict which Trading Intervals in the prior Capacity Year will be relevant over the full Capacity Year where they choose to only submit CDAs for those relevant Trading Intervals, and not wanting to risk missing any of the relevant Trading Intervals in its CDAs; and
- Market Customers may include Trading Intervals in a CDA that later turn out to be irrelevant for the calculation of RD.<sup>12</sup>

The Rule Change Panel notes that this issue is inherent in the current methodology for determining the RD for DSPs, and as Simcoa states in its response to the call for further submissions,<sup>13</sup> this is an existing issue. The Rule Change Panel considers that this issue could be addressed if the 200 Calendar Hours used for the calculation of RD were locked-in before the deadline for CDA submissions. However, this would constitute a change to the

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<sup>12</sup> In its first period submission, EnerNOC raised similar concerns. At the time of the submission, the calculation of RD was based on 32 Trading Intervals during the Hot Season of the previous Capacity Year. EnerNOC raised concerns that it was possible that the relevant 32 Trading Intervals could get revised after the deadline, leaving Market Customers no recourse to submit applications for any Trading Intervals that had not previously been part of the 32 Trading Intervals.

<sup>13</sup> In its response to the call for further submissions, Simcoa states that:

*In the 2017/18 Capacity year, for example, 45 of the 200 hours occurred in the period 1 August through to 12 September. Simcoa, having been penalised the year before with the submission which resulted in a reduction in the Relevant Demand due to the submission not being approved prior to the issuance of Capacity Credits due to an extended period for the providing documentation to the satisfaction of AEMO, submitted a CDA 15/09/2018 for the period 1 October 2017 through to 1 August 2018. This was the last meter data Simcoa had received when the CDA preparation process commenced. AEMO published the Relevant Demand at a much-reduced level on 1st October, which became effective on 3rd October. The reason for the reduced level was that 45 of the top 200 hours had occurred in the period between when the CDA data was analysed and the end of September.*

current methodology for determining the RD for DSPs which is outside of the scope of the Rule Change Proposal.

The Rule Change Panel notes that, by 31 October, a Market Customer will be aware of all maintenance events that occurred during the previous Capacity Year even though not all meter data for the relevant period is available. Therefore, a Market Customer could submit a CDA in respect of each of those maintenance events by the deadline.

The Rule Change Panel supports the proposal to introduce a deadline of 31 October of the Capacity Year to which the RD applies, as the date by which CDAs must be submitted to AEMO.

In its response to the call for further submissions, EnerNOC expressed concerns that the proposed deadline was not achievable for new Associated Loads that are enrolled after the deadline. The Rule Change Panel agrees with EnerNOC and proposes to introduce an additional deadline for submission of CDAs for new Associated Loads, namely 30 days after commencement of the association of the Associated Load with the relevant DSP. However, the Rule Change Panel proposes that the additional deadline will only apply for Loads that have not been associated with any other DSP registered with the relevant Market Customer during the relevant Capacity Year.

In its response to the call for further submissions Simcoa also asserted that introducing a deadline would lead to insufficient time being available for a Market Customer to resubmit a CDA if AEMO has rejected the CDA. The Rule Change Panel notes that its proposal to introduce a deadline for AEMO to assess a CDA relating to the calculation of a DSP's RD will address this issue to the extent possible, having regard to the uncertainty of the Trading Intervals comprising the relevant 200 Calendar Hours.

The Rule Change Panel notes that the Rule Change Proposal does not propose a deadline by which AEMO must assess a CDA. This may result in unnecessary uncertainty for the submitting Market Customer, and could lead to adverse outcomes for the Market Customer. For example, a Market Customer could submit a CDA long before the deadline for submissions, and AEMO could reject the CDA after the deadline leaving the Market Customer with no time to resubmit the CDA. Without a deadline on AEMO for assessing CDAs, Market customers will not know the date by which they will need to submit a CDA if they want it to be assessed by a particular date (e.g. before the proposed deadline or the start of the Capacity Year), and have the opportunity to resubmit the CDA before the applicable deadline if the CDA is rejected by AEMO. The Rule Change Panel considers that the introduction of a deadline for AEMO to assess CDAs relating to the calculation of a DSP's RD will increase certainty in the process for Market Customers, including that the CDA will be assessed by the time it needs to be for the outcome to be applied to other processes and calculations under the Market Rules.

Therefore, for a CDA relating to the calculation of a DSP's RD, the Rule Change Panel proposes to introduce a deadline for AEMO to assess a CDA and decide to accept or reject it. The deadline is proposed to be 10 Business Days after AEMO receives a CDA. Further, the deadline is proposed to be reset if AEMO requests further information.

### **NTDLs**

The IMO proposed to set the deadline for submitting CDAs relating to the assessment of a Load's NTDL status at the same time Market Customers are required to provide the identity of the Loads the Market Customer nominates as NTDLs to AEMO.

The Rule Change Panel notes that:



- the NTDL status of a Load is relevant for AEMO’s monthly calculation of the Indicative Individual Reserve Capacity Requirement (Indicative IRCR);
- a Load’s NTDL status may be assessed once at the start of the Capacity Year (for Loads that qualify for annual assessment), or monthly during the Capacity Year, depending on the NTDL status of the Load in the relevant previous months; and
- the different assessments are based on the meter data in different reference periods.

The IMO proposed different deadlines depending on the month for which the assessment is relevant. The IMO’s proposed deadlines depend on the IRCR it relates to, and AEMO’s deadline for calculating the relevant Indicative IRCR is outlined in Table 4.

**Table 4: IMO’s Proposed Timelines for CDA Submissions Related to NTDL Assessment and AEMO’s Timeline for Calculating the Relevant Indicative IRCR**

Relevant IRCR	AEMO’s deadline for calculating the relevant Indicative IRCR	IMO’s proposed deadline for relevant CDA submissions	Relevant reference period for meter data
October	10 Business Days before the start of October	20 August of the previous Capacity Year	November to July of the previous Capacity Year or July depending on NTDL status in previous months
Any month n but October	10 Business Days before the start of month n	25 Business Days before the start of month n	n-3.

The Rule Change Panel notes that the proposed deadlines are set at a time when the Market Customer will be aware of all maintenance events that occurred during the relevant reference period even though not all meter data for the relevant period may be available. However, a later deadline will not leave sufficient time for AEMO to assess the CDA before the calculation of the relevant Indicative IRCR, which would make the CDA submission futile.

The Rule Change Panel supports the introduction of the proposed deadlines for Market Customers to submit CDAs for the assessment of the NTDL status of a Load.

#### 5.2.4 Minor, Administrative and Other Amendments

The IMO also proposed a number of minor amendments to improve the clarity and integrity of the Market Rules. The Rule Change Panel’s assessment of the proposed minor amendments is provided in Table 5.

**Table 5: Minor Amendments Proposed by the IMO and the Rule Change Panel’s Assessment**

Proposed Amendment	The Rule Change Panel’s Assessment
<p>Introduce a new Glossary definition of ‘Consumption Deviation Application’ to clarify the meaning of the term, and use this term in the new and amended clauses to improve the clarity of the Market Rules.</p>	<p>The Rule Change Panel supports the inclusion of the defined term ‘Consumption Deviation Application’ and proposes further changes to the definition to reflect the proposed additional amendments described in section 5.2.</p>
<p>Introduce new clauses 4.26.2CB and 4.28.9A of the Market Rules to clarify the requirements for the submission of CDAs in regard to the determination of RD for DSPs and a Load’s NTDL status.</p>	<p>The Rule Change Panel agrees with the IMO’s proposal and supports the introduction of clauses 4.26.2CB and 4.28.9A.</p>
<p>Move and clarify the description of a CDA from clause 4.26.2C(b)(iii) to new clauses 4.26.2CB and 4.26.2CC of the Market Rules in regards to the determination of RD and from Appendix 5A to new clauses 4.28.9A and 4.28.9C in regards to the determination of a Load’s NTDL status to reflect the logical sequence of a CDA and the determination of RD and a Load’s NTDL status.</p>	<p>Clause 4.26.2C has been deleted since the Rule Change Proposal was submitted. However, the proposed amendment to subclause 4.26.2C(b)(iii) now applies to Step 2(c) of Appendix 10. The Rule Change Panel agrees with the IMO’s proposal and supports the further clarification of the description of CDAs in Step 2(c) of Appendix 10 in regard to RD; and to new clauses 4.28.9A and 4.28.9C in regard to the determination of a Load’s NTDL status.</p>
<p>Improve the drafting in clauses 4.26.2C and 4.28.8.</p>	<p>Clause 4.26.2C has been deleted since the Rule Change Proposal was submitted. Therefore, the proposed amendments to this clause are no longer applicable, except for the proposed amendment to subclause 4.26.2C(b)(iii), which now applies to Step 2(c) of Appendix 10. The Rule Change Panel agrees with the IMO’s proposal and supports the drafting improvements to Step 2(c) of Appendix 10 and clause 4.28.8.</p>
<p>Amend clause 4.26.2CA to more clearly articulate which 32 Trading Intervals are used to determine RD.</p>	<p>Clause 4.26.2CA has changed since the Rule Change Proposal and the proposed amendments are no longer applicable.</p>

Proposed Amendment	The Rule Change Panel's Assessment
Amend Appendix 5A (NTDL Load Requirements) to more clearly distinguish between a Load and a Load's consumption and to align the language with the proposed amendments in clause 4.28.8.	The Rule Change Panel agrees with the IMO's proposal and supports the proposed changes to Appendix 5A, and proposes further changes to Appendix 5A to ensure the amendments are consistent with the Amending Rules in RC_2017_06.
Correction of minor and typographical errors.	The Rule Change Panel agrees with the IMO's proposal and supports the correction of minor and typographical errors.

EnerNOC raised concerns that the proposed Amending Rules imply that there must be an actual drop in the Load to submit a CDA. EnerNOC expressed its opinion that a CDA should be allowed to be submitted for both an actual reduction in the Load, as well as a deviation from where the Load should be. For example, if maintenance occurred at the time when a plant typically commenced production, there will not be a reduction in the Load, instead the plant would be operating at a lower level than it normally would.

The Rule Change Panel agrees with EnerNOC that there could be circumstances where a deviation in the Load's consumption due to a maintenance activity does not result in a reduction in the level of the Load's consumption.

Therefore, the Rule Change Panel proposes additional changes to the proposed Amending Rules to address this issue.

The Rule Change Panel notes that one of the permitted reasons for a deviation in the level of consumption of a Load is due to a Dispatch Instruction received by the Market Customer from System Management. However, System Management may issue other requests under the Market Rules. For example, System Management may issue an Operating Instruction for a Reserve Capacity Test of a DSP.

Therefore, the Rule Change Panel proposes to make additional changes to the proposed Amending Rules to address this issue.

The Rule Change Panel notes that proposed new clauses 4.26.2CB(a)(ii) and 4.28.9A(b) in the original proposed Amending Rules refer to the reasons for deviations in the level of consumption of a Load needing to be "solely attributable" to one, or more, of the reasons specified in those clauses. The Rule Change Panel considers that the intent of the Rule Change Proposal was to specify in those clauses the allowable reasons for a deviation in the level of consumption of a Load. Therefore, to remove any potential ambiguity and improve the clarity of the drafting, the Rule Change Panel proposes to amend those clauses to refer to deviations in the level of consumption of a Load being "due" to one, or more, of the reasons specified in those clauses. The Rule Change Panel notes that these amendments are also consistent with the terminology used in Step 2(c) of Appendix 10 (in the case of proposed new clause 4.26.2CB(a)(ii)), and Steps 1(b)(iii), 2(b)(iii) and 3(b)(iii) (in the case of proposed new clause 4.28.9A(b)) of the current Market Rules which refer to deviations in the level of consumption of a Load being "due" to one of the reasons specified in those clauses. AEMO has no objections to removing the word "solely" and considers the amendment is consistent with the intent of the proposed new clauses.

### 5.3 Additional Amendments to the Proposed Amending Rules

In the call for further submissions, the Rule Change Panel made some changes to the proposed drafting in the proposed Amending Rules to account for the changes made to the Market Rules since the submission of the Rule Change Proposal. These changes are noted in comment boxes throughout the proposed Amending Rules in section 7 of this report.

Following the call for further submissions, the Rule Change Panel has made some additional changes to the proposed Amending Rules. A summary of these changes is provided below. The additional changes are shown in Appendix C of this report. The Rule Change Panel has included comment boxes in Appendix C to provide context for the proposed additional changes.

- Clauses 4.26.2CB(a)(i) and (ii), 4.26.2CE(e), 4.28.9A, Glossary definition of 'Consumption Deviation Application' and Step 2(c) of Appendix 10 are further amended to reflect that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption.
- Clause 4.26.2CB(a)(ii)(1) is further amended to reflect that instructions from System Management are not limited to Dispatch Instructions. For example, System Management may issue an Operating Instruction for a Reserve Capacity Test of a DSP.
- Clause 4.28.9B is further amended to clarify that an Application Fee is payable to cover the costs of processing a CDA submitted under clause 4.28.9A.
- New clause 4.26.2CC sets out when a Market Customer is required to pay an Application Fee for a CDA submitted under clause 4.26.2CB(a). A consequential change has been made to clause 4.26.2CB (to delete original proposed subclause (b)).
- Clauses 4.26.2CB(a)(ii) and 4.28.9A(b) are amended to refer to deviations in the level of consumption of a Load being "due" to one or more of the reasons specified in those clauses.
- New clauses 4.26.2CF and 4.28.9F clarify when an Application Fee for a CDA that relates to a DSP and a NTDL is not payable (as outlined in section 5.2.2 of this report).
- New clauses 4.26.2CG and 4.28.9G give AEMO the power to request clarification or further information regarding a CDA.
- New clause 4.26.2CH introduces a requirement for AEMO to process a CDA relating to the calculation of a DSP's RD within 10 Business Days of receiving it (as outlined in section 5.2.3 of this report). A consequential amendment has also been made to clause 4.26.2CB(b) (to make that clause subject to the assessment deadline in clause 4.26.2CH).
- New clause 4.26.2CI introduces a deadline for submitting a CDA following the association of a Load to a DSP (as outlined in section 5.2.3 of this report). A consequential amendment has also been made to clause 4.26.2CD(a) (to make that clause subject to clause 4.26.2CI).
- Clause 4.28.9D is amended to specify the time by which a CDA submitted under clause 4.28.9A is to be assessed.
- Steps 1(b)(ii), 2(b)(ii) and 3(b)(ii) of Appendix 5A have been further amended to reinstate each reference to consumption of a Load being reduced at the request of System Management, to correct an oversight in the initial proposed Amending Rules.

- Multiple clauses have been amended to update the reference to other clauses, and to clarify and improve the drafting, including for consistency with the drafting approach in other proposed Amending Rules. These changes are identified in comment boxes in the proposed Amending Rules.

## 5.4 Wholesale Market Objectives

The Rule Change Panel considers that the proposed amendments, as modified following the further submission period, will better achieve Wholesale Market Objectives (a) and (d), and are consistent with the other Wholesale Market Objectives. This is because:

- requiring the process for CDAs to be documented in a Market Procedure specifying the requirements for the information and evidence to be provided by Market Customers in support of a CDA, and specifying the criteria for AEMO's decision on a CDA will decrease the overall cost of administering the Wholesale Electricity Market (**WEM**) by:
  - improving the efficiency of the process; and
  - reducing the risk of AEMO receiving non-compliant CDAs; and
- introducing an Application Fee will allocate AEMO's costs of processing CDAs to the applicant, and will incentivise Market Customers to submit compliant CDAs, which will improve the efficiency of the WEM and reduce the overall cost of administering the WEM.

## 5.5 Protected Provisions, Reviewable Decisions and Civil Penalties

It is proposed to amend clause 2.24.1, which is a Protected Provision. Under clause 2.8.3 of the Market Rules, the Amending Rules in the Rule Change Proposal must be approved by the Minister if they affect a Protected Provision.

The proposed Amending Rules do not amend any reviewable decisions or civil penalty provisions, nor does the Rule Change Panel consider that any of the proposed new Amending Rules should be reviewable decisions or civil penalty provisions.

## 5.6 Practicality and Cost of Implementation

### 5.6.1 Cost

In its response to the call for further submissions, AEMO stated that it expects the costs to develop and consult on a new Market Procedure, as required by proposed new clauses 4.26.2CE and 4.28.9E of the proposed Amending Rules, should not exceed \$20,000. However, AEMO noted that the costs are included in AEMO's business-as-usual activities and do not have additional impacts on Market Fees in the WEM.

AEMO has confirmed in its response to the call for further submissions that no system changes are anticipated as a result of the proposed changes in the call for further submissions. However, please refer to section 5.6.3 regarding AEMO's estimated costs in relation to the future removal of a manifest error in the proposed Amending Rules.

RCP Support engaged with Simcoa to clarify the implications that the proposed changes would have on Simcoa. Simcoa confirmed that it did not expect any additional costs due to the proposed changes, as long as the process for CDAs relating to the assessment of NTDL status would not be significantly different from the process for CDAs relating to the calculation of RD.

## 5.6.2 Practicality

In its response to the call for further submissions, AEMO stated that it expects to take approximately six months to complete the Procedure Change Process for the new Market Procedure that it is required to develop under the proposed Amending Rules.

In their first period submissions, Community Electricity and Perth Energy noted that the proposed changes have no implications for either of them.

In its first period submission, EnerNOC noted that it does not anticipate any material implementation costs, as no systems changes should be needed.

As outlined in section 5.6.1 of this report, Simcoa confirmed that it would not need any time to implement the proposed changes, as long as the process for CDAs relating to the assessment of NTDL status are not significantly different from the process for CDAs relating to the calculation of RD.

## 5.6.3 Manifest error to be removed by the Rule Change Panel at a future date

The Rule Change Panel considers that the obligation in Step 2(c) of Appendix 10 of the current Market Rules, which requires a Market Customer to provide evidence satisfactory to AEMO that the Associated Load was operating at below capacity due to its consumption being reduced at the request of System Management, is a manifest error and should be deleted from the Market Rules. The Rule Change Panel considers the obligation should have been deleted when System Management's functions were conferred on AEMO.

AEMO has confirmed that it cannot identify any practical reason why the obligation on a Market Customer to provide information on System Management requests to AEMO should be retained. However, AEMO has advised that:

- it cannot implement the system changes that would enable the obligation to be removed from the Market Rules for a considerable length of time due to other higher priority work;
- it will be evaluating the required system changes at a high level shortly and is not able to provide an indicative implementation date for the required system changes at this time; and
- implementing a work-around in this instance, namely where AEMO manually calculates the RD of a DSP each Trading Day, would result in significant costs, be resource intensive, and be prone to error.

Therefore, the Rule Change Panel does not intend to amend the proposed Amending Rules to delete the relevant obligation, which would remove the manifest error, or delay this Rule Change Proposal, for the following reasons:

- the inconvenience and cost to Market Customers to continue to comply with the relevant obligation (which is likely to be limited to submitting a CDA (or submitting it as part of another CDA) when the Load is performing a Reserve Capacity Test) until the required system changes are implemented are unlikely to outweigh the costs and the risks of AEMO implementing a manual work-around;
- the Rule Change Proposal, as proposed to be amended in section 7 of this report, will deliver benefits to the market so it should be commenced as soon as it is able to be commenced; and
- the Rule Change Panel is not able to specify a commencement date for the Amending Rules, or stage the commencement of particular Amending Rules, in the absence of AEMO confirming an implementation date for the required system changes.

The Rule Change Panel intends to develop a Rule Change Proposal to remove the manifest error when AEMO is in a position to implement the required system changes.

As part of the overall amendments to streamline the processes of CDAs in the proposed Amending Rules, the relevant obligation at Step 2(c) of Appendix 10 of the Market Rules is proposed to be moved to new clause 4.26.2CB of the proposed Amending Rules.

#### **5.6.4 Amendments to Associated Market Procedures and new Market Procedures**

The proposed Amending Rules require AEMO to:

- develop a new Market Procedure formalising the process for CDAs relating to the calculation of the RD for DSPs; and
- update the current Market Procedure: Individual Reserve Capacity Requirement, which currently provides some details regarding the process for CDAs relating to the assessment of a Load's NTDL status.

AEMO may also need to make changes to a range of market documents published by it, including market design summaries and user guides.

The Economic Regulation Authority is the Responsible Procedure Administrator for the ERA's Monitoring Protocol that may be affected by the proposed Amending Rules.

## **6. The Rule Change Panel's Draft Decision**

The Rule Change Panel's draft decision is to accept the Rule Change Proposal in a modified form, as set out in section 7 of this report.

### **6.1 Reason for the Rule Change Panel's Draft Decision**

The Rule Change Panel has made its draft decision on the basis that the proposed Amending Rules, as modified in section 7 of this report:

- will increase the clarity of the process for CDAs through:
  - the requirement for the process to be documented in a Market Procedure;
  - the introduction of timelines for submitting and processing CDAs;
- will incentivise Market Customers to submit compliant CDAs through the introduction of an Application Fee;
- will allow for the efficient and equitable allocation of AEMO's costs for processing CDAs through the introduction of an Application Fee;
- will reduce costs to Market Participants who do not directly benefit from a CDA through the introduction of an Application Fee;
- will reduce the risk of AEMO rejecting a CDA by clarifying the process;
- will allow the Market Rules to better achieve Wholesale Market Objectives (a) and (d); and will be consistent with the remaining Wholesale Market Objectives; and
- will create no significant practicality issues.

Additional detail outlining the analysis behind the Rule Change Panel's decision is outlined in section 5 of this report.

## 6.2 Proposed Commencement

Subject to Ministerial approval, the proposed Amending Rules are proposed to commence at 8:00 AM on 1 August 2019.



## 7. Amending Rules

The Rule Change Panel proposes to implement the following Amending Rules (~~deleted text~~, added text). The Amending Rules are presented below in their entirety, marked up against the Market Rules as at 11 January 2019, and the Amending Rules in RC\_2017\_06, which will commence on 1 June 2019.

...

2.24.1. The fees charged by AEMO are:

...

- (b) Application Fees described in clauses 2.33.1(a), 2.33.2(a), 2.33.3(a), 2.33.4(a), 2.33.5(a) ~~and 4.9.3(c)~~, 4.26.2-CB(b) and 4.28.9B; and

...

...

Clause 4.26.2C has been deleted since the Rule Change Proposal was submitted. Therefore, the proposed amendments to this clause are no longer applicable, except for the proposed amendment to clause 4.26.2C(b)(iii) which now applies to step 2(c) of Appendix 10.

4.26.2C. [Blank]

Clause 4.26.2CA has changed since the Rule Change Proposal was submitted, including further amendments to the clause in RC\_2017\_06 which will commence on 1 June 2019. The proposed amendments are no longer applicable to this clause.

4.26.2CA. The Relevant Demand of a Demand Side Programme for a Trading Day *d* in a Capacity Year is the lesser of:

- (a) a value determined for the Demand Side Programme using the methodology set out in Appendix 10; and
- (b) the sum of Individual Reserve Capacity Requirement Contributions of the Associated Loads of the Demand Side Programme for the Trading Month in which Trading Day *d* falls.

Amended proposed changes to clause 4.26.2CB are to:

- reflect the transfer of the matters dealt with in deleted clause 4.26.2C to clause 4.26.2CA and Appendix 10;
- reflect that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption;
- reflect that instructions from System Management are not limited to Dispatch Instructions;

- correct an oversight in the initial proposed Amending Rules in that a Market Customer should be able to submit a CDA in any Trading Interval in the previous Capacity Year;
- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules;
- clarify that deviations in the level of consumption of a Load need to be 'due' to one, or more, of the reasons specified in the clause;
- make subclause (b) subject to the assessment deadline specified in clause 4.26.2CH; and
- update the references to other clauses.

4.26.2CB. For the purposes of step 2(c) of Appendix 10:

- (a) a Market Customer may submit a Consumption Deviation Application to AEMO in accordance with the Market Procedure referred to in clause 4.26.2CE, in respect of an Associated Load for the previous Capacity Year, if:
  - i. the level of consumption of the Associated Load was affected in a Trading Interval; and
  - ii. the Market Customer considers that the deviation in the level of consumption was due to:
    - 1. a request received from System Management; or
    - 2. a maintenance event; and
- (b) AEMO must accept or reject a Consumption Deviation Application submitted under clause 4.26.2CB(a) by the time specified in clause 4.26.2CH.

New clause 4.26.2CC specifies when an Application Fee is payable.

4.26.2CC. An Application Fee is:

- (a) subject to clause 4.26.2CF, payable by a Market Customer to cover the cost of processing a Consumption Deviation Application submitted under clause 4.26.2CB(a) where the reason specified in the Consumption Deviation Application for a deviation in the level of consumption of the Associated Load was due to a maintenance event; and
- (b) not payable by a Market Customer for a Consumption Deviation Application submitted under clause 4.26.2CB(a) where the reason specified in the Consumption Deviation Application for a deviation in the level of consumption was due to a request from System Management.

Amended proposed change to clause 4.26.2CD is to make subclause (a) subject to new clause 4.26.2CI which introduces a deadline for submitting CDAs following the association of a Load to a DSP, and to update the references to other clauses.

4.26.2CD. A Consumption Deviation Application submitted under clause 4.26.2CB(a) must:

- (a) subject to clause 4.26.2CI, be submitted as soon as practicable but, in any event, on or before 31 October in the Capacity Year to which the Relevant Demand applies; and
- (b) contain, or be accompanied by, the information specified in the Market Procedure referred to in clause 4.26.2CE.

Amended proposed changes to clause 4.26.2CE are to:

- reflect the transfer of the matters dealt with in deleted clause 4.26.2C to clause 4.26.2CA and Appendix 10;
- reflect that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption;
- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules; and
- update the references to other clauses.

4.26.2CE. AEMO must specify the following matters in a Market Procedure:

- (a) the process that a Market Customer must follow when submitting a Consumption Deviation Application for an Associated Load under clause 4.26.2CB(a);
- (b) the information and supporting evidence that a Market Customer must provide in its Consumption Deviation Application submitted under clause 4.26.2CB(a);
- (c) the process that AEMO must follow when it receives a Consumption Deviation Application submitted under clause 4.26.2CB(a);
- (d) the criteria that AEMO must consider when deciding whether to accept or reject a Consumption Deviation Application submitted under clause 4.26.2CB(a); and
- (e) for the purposes of step 2(c) of Appendix 10, the process that AEMO must follow when estimating what the consumption of an Associated Load would have been if it had not been affected by the matters set out in the Consumption Deviation Application.

Clause 4.26.2CF has been introduced to clarify when an Application Fee for a CDA that relates to a Load that is a DSP and a NTDL is not payable.

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.

New clause 4.26.2CG introduces a power for AEMO to request clarification or further information regarding a CDA.

4.26.2CG. If it considers it reasonably necessary to assess the Consumption Deviation Application, AEMO may request clarification or further information of any aspect of the Consumption Deviation Application submitted under clause 4.26.2CB(a). Any clarification or information received is deemed to be part of the Consumption Deviation Application.

Clause 4.26.2CH introduces a timeframe for AEMO to process a CDA submitted under clause 4.26.2CB(a).

4.26.2CH. AEMO must accept or reject a Consumption Deviation Application submitted by a Market Customer in accordance with clause 4.26.2CB(a) within 10 Business Days of the later of:

- (a) receipt of the Consumption Deviation Application; and
- (b) receipt of any clarification or information provided under clause 4.26.2CG.

Clause 4.26.2CI introduces a deadline for submitting CDAs following the association of a Load to a DSP.

4.26.2CI. A Consumption Deviation Application for a Load that was first associated with a Demand Side Programme under clause 2.29.5G, for the Market Customer submitting the Consumption Deviation Application, after the date and time referred to in clause 4.26.2CD, must be submitted on or before the date which is 30 days from commencement of the Association Period for that Associated Load.

...

Clause 4.28.8 reflects the clause as it appears in the Amending Rules in RC\_2017\_06 which will commence on 1 June 2019. The proposed amendments to 4.28.8(a) are to make the changes consistent with RC\_2017\_06.

4.28.8. To assist AEMO in determining Indicative Individual Reserve Capacity Requirements in accordance with clause 4.28.6 and Individual Reserve Capacity Requirements in accordance with clause 4.28.7 for the Capacity Year starting on 1 October of Year 3 of a Reserve Capacity Cycle, Market Customers must, by the date and time specified in clause 4.1.23, provide to AEMO:

- (a) the identity of all interval meters associated with that Market Customer which measure Loads that it nominates that the Market Customer wants AEMO to treat as Non-Temperature Dependent Loads;

...

...

Clause 4.28.8C reflects the clause as it appears in the Amending Rules in RC\_2017\_06 which will commence on 1 June 2019 (where it is introduced as a new clause). Proposed additional changes to clause 4.28.8C(a) are to make the wording consistent with the proposed amendments to clause 4.28.8(a), steps 1 and 2 of Appendix 5A and RC\_2017\_06.

4.28.8C. Subject to clause 4.28.11, a Market Customer may provide to AEMO:

- (a) the identity of additional interval meters (to those provided under clause 4.28.8) associated with the Market Customer which measure Loads that it nominates that the Market Customer wants AEMO to treat as Non-Temperature Dependent Loads for the remainder of the relevant Capacity Year; and

...

...

Amended proposed changes to clause 4.28.9A are to:

- reflect the introduction of new clause 4.28.8C by RC\_2017\_06 which will commence on 1 June 2019;
- reflect that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption;
- clarify that deviations in the level of consumption of a Load need to be 'due' to one, or more, of the reasons specified in the clause; and
- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules.

4.28.9A. A Market Customer may submit a Consumption Deviation Application to AEMO in accordance with the Market Procedure referred to in clause 4.28.9F, in respect of a Load that it has nominated as a Non-Temperature Dependent Load under clause 4.28.8(a) or clause 4.28.8C(a) and a Trading Interval, if:

- (a) the level of consumption of the Load was affected in the Trading Interval; and
- (b) the Market Customer considers that the deviation in the level of consumption was due to:
- i. the Trading Interval falling on a Trading Day that is not a Business Day; or
  - ii. a maintenance event.

Amended proposed changes to clause 4.28.9B are to:

- make the clause subject to clause 4.28.9F; and
- specify that an Application Fee is payable by Market Customers.

4.28.9B. Subject to clause 4.28.9F, a Market Customer must pay an Application Fee for a Consumption Deviation Application submitted under clause 4.28.9A to cover the cost of processing the application.

Amended proposed changes to clause 4.28.9C are to reflect:

- the clause as it appears in the Amending Rules in RC\_2017\_06 which will commence on 1 June 2019;
- the replacement of the concepts of initial and updated Individual Reserve Capacity Requirement with the concept of a monthly Individual Reserve Capacity Requirement in RC\_2017\_06; and
- the timing for AEMO to publish the Indicative Individual Reserve Capacity Requirement for each Market Customer in RC\_2017\_06.

4.28.9C. A Consumption Deviation Application submitted under clause 4.28.9A must:

- (a) be submitted as soon as practicable, but in any event:
- i. for an application that relates to the Individual Reserve Capacity Requirement for October in the relevant Capacity Year, must be submitted by the date and time specified in clause 4.1.23; and
  - ii. for an application that relates to the Individual Reserve Capacity Requirement for a Trading Month, other than October, in the relevant Capacity Year, must be submitted by the date and time specified in clause 4.28.8C; and
- (b) contain, or be accompanied by, the information specified in the Market Procedure referred to in clause 4.28.9E.

Amended proposed changes to clause 4.28.9D are to:

- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules; and
- specify the time by which a CDA submitted under clause 4.28.9A is to be assessed.

4.28.9D. AEMO must accept or reject a Consumption Deviation Application submitted under clause 4.28.9A in accordance with the Market Procedure referred to in clause 4.28.9E no later than the time the information is needed for the calculation of the relevant Indicative Individual Reserve Capacity Requirement.

Amended proposed changes to clause 4.28.9E are to clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules.

4.28.9E. AEMO must specify the following matters in a Market Procedure:

- (a) the process that a Market Customer must follow when submitting a Consumption Deviation Application for a Load under clause 4.28.9A;
- (b) the information and supporting evidence that a Market Customer must provide in its Consumption Deviation Application submitted under clause 4.28.9A;
- (c) the process that AEMO must follow when it receives a Consumption Deviation Application submitted under clause 4.28.9A; and
- (d) the criteria that AEMO must consider when deciding whether to accept or reject a Consumption Deviation Application submitted under clause 4.28.9A.

Clause 4.28.9F has been introduced to clarify when an Application Fee for a CDA that relates to a Load that is a DSP and a NTDL is not payable.

4.28.9F. Where:

- (a) AEMO has accepted a Consumption Deviation Application submitted under clause 4.26.2CB(a) in accordance with the Market Procedure referred to in clause 4.26.2CE; and
- (b) the same Market Customer subsequently submits a Consumption Deviation Application in respect of the same Load in accordance with clause 4.28.9A,  
then, an Application Fee is not payable in respect of the subsequent Consumption Deviation Application submitted under clause 4.28.9A 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.

New clause 4.26.2CG introduces a power for AEMO to request clarification or further information regarding a CDA.

4.28.9G. If it considers it reasonably necessary to assess the Consumption Deviation Application, AEMO may request clarification or further information of any aspect of the Consumption Deviation Application submitted under clause 4.28.9A. Any

clarification or information received is deemed to be part of the Consumption Deviation Application.

## 11 Glossary

**Consumption Decrease Price:** A price specified in items (h)(vi)(1) or (2), (i)(xA)(3) or (i)(xA)(4) of Appendix 1, accepted by AEMO under section 6.11A, to apply in forming the Non-Balancing Dispatch Merit Order for a Trading Interval for a Dispatchable Load or Demand Side Programme and in the calculation of the Non-Balancing Facility Dispatch Instruction Payment for that Dispatchable Load or Demand Side Programme for that Trading Interval.

Amended proposed changes to the definition of “Consumption Deviation Application” are to:

- reflect that deviations in the level of consumption of a Load may not only be reductions in the level of consumption; and
- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules.

**Consumption Deviation Application:** An application submitted by a Market Customer to AEMO under clause 4.26.2CB(a) or clause 4.28.9A, notifying AEMO and providing evidence that the consumption of a Load was affected.

**Consumption Increase Price:** A price specified in items (i)(xA)(1) or (i)(xA)(2) of Appendix 1, which must be not less than the Minimum STEM Price, not more than the Alternative Maximum STEM Price to apply in forming the Non-Balancing Dispatch Merit Order for a Trading Interval for a Dispatchable Load and in the calculation of the Non-Balancing Facility Dispatch Instruction Payment for that Dispatchable Load for that Trading Interval, which varies for Peak Trading Intervals and Off-Peak Trading Intervals.

Amended proposed changes to Appendix 5A are to:

- reflect the Appendix in the Amending Rules in RC\_2017\_06 which will commence on 1 June 2019;
- make drafting changes to the first bullet point in steps 1 and 2 to ensure the amendments are consistent with RC\_2017\_06;
- reinstate each reference to consumption of a Load being reduced at the request of System Management at Steps 1(b)(ii), 2(b)(ii) and 3(b)(ii), to correct an oversight in the initial proposed Amending Rules; and move the proposed replacement text to a new subclause at each relevant Step;
- correct an oversight in the initial proposed Amending Rules in that a Market Customer should be able to submit a CDA in any Trading Interval in the previous Capacity Year; and



- make drafting improvements to paragraphs (a) and (b) in step 3 to ensure the two paragraphs are consistent with each other and to address a grammatical oversight in each paragraph.

## Appendix 5A: Non-Temperature Dependent Load Requirements

~~This Appendix specifies how AEMO must determine whether or not to accept a Load measured by an interval meter nominated in accordance with clauses 4.28.8(a) or 4.28.8C(a) as a Non-Temperature Dependent Load for the purposes of clause 4.28.9. This Appendix presents the method and requirements for accepting, in accordance with clause 4.28.9, a load measured by an interval meter nominated in accordance with clauses 4.28.8(a) or 4.28.8C(a) as a Non-Temperature Dependent Load.~~

For the purpose of this Appendix:

- ~~AEMO must use the current set of meter data (as at the time when it commences its calculations) the meter data to be used in any calculations is to be the most current set of meter data as at the time of commencing the calculations;~~ and
- the 4 Peak SWIS Trading Intervals in a Trading Month are the 4 Peak SWIS Trading Intervals determined and published by AEMO under clause 4.1.23B for that Trading Month.

AEMO must perform the following steps ~~(in sequential order) when determining whether or not in deciding whether~~ to accept, ~~in accordance with clause 4.28.9,~~ a ~~!~~Load measured by an interval meter nominated in accordance with clauses 4.28.8(a) or 4.28.8C(a) as a Non-Temperature Dependent Load ~~for the purposes of clause 4.28.9:~~

Step 1:

- If, in accordance with clause 4.28.8(a), ~~the Market Customer provides~~ AEMO ~~is provided by a Market Customer~~ in Trading Month n-2 with the identity of an interval meter associated with that Market Customer ~~which measures a Load~~ that it ~~nominates wants AEMO to treat~~ as a Non-Temperature Dependent Load from Trading Month n; ~~and~~
- If the identity of the interval meter is provided by the date and time specified in clause 4.1.23; and
- If the ~~!~~Load was treated as a Non-Temperature Dependent Load in Trading Month n-8,

then AEMO must accept the ~~!~~Load as a Non-Temperature Dependent Load if:

- (a) the median value of the metered consumption for ~~the that !Load, was in excess of 1.0 MWh,~~ calculated ~~forever~~ the set of Trading Intervals defined as the 4 Peak SWIS Trading Intervals in each of the Trading Months starting from the start of Trading Month n-11 to the end of Trading Month n-3, ~~exceeded 1.0 MWh;~~ and
- (b) the ~~metered consumption for the !Load~~ did not deviate downwards from the median ~~consumption value~~ in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of Trading Month n-11

to the end of Trading Month n-3, except during Trading Intervals ~~for which~~where:

- i. the metered consumption was 0 MWh; or
- ii. consumption was reduced at the request of System Management; or
- iii. ~~—~~AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D.
- iii. ~~—~~evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

Step 2:

- If, in accordance with clauses 4.28.8(a) or 4.28.8C(a), the Market Customer provides AEMO ~~is provided by a Market Customer~~ in Trading Month n-2 with the identity of an interval meter associated with that Market Customer which measures a Load that it ~~wants AEMO to treat~~nominates as a Non-Temperature Dependent Load from Trading Month n; ~~and~~
- If the Load ~~was~~is not treated as a Non-Temperature Dependent Load in Trading Month n-1; and
- If the Load was not treated as a Non-Temperature Dependent Load for any of the Trading Months in the Capacity Year in which Trading Month n falls,

then AEMO must accept the Load as a Non-Temperature Dependent Load for Trading Month n if:

- (a) the median value of the metered consumption ~~values~~ for the Load during the 4 Peak SWIS Trading Intervals in Trading Month n-3 ~~exceeded~~was in excess of 1.0 MWh; and
- (b) the metered consumption for the Load did not deviate downwards from the median consumption value in paragraph (a) by more than 10% for more than 10% of the time during Trading Month n-3, except during Trading Intervals ~~for which~~where:
  - i. the metered consumption was 0 MWh; or
  - ii. consumption was reduced at the request of System Management; or
  - iii. ~~—~~AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D.
  - iii. ~~—~~evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

Step 3:

- If a Load was not accepted under Step 1 as a Non-Temperature Dependent Load for Trading Month n; and

- If the Load was accepted under Step 2, or previously under this Step 3, as a Non-Temperature Dependent Load for Trading Month n-1,

then AEMO must accept the Load as a Non-Temperature Dependent Load for Trading Month n if:

- (a) the median value of the metered consumption for the Load ~~was in excess of 1.0 MWh~~, calculated ~~for over~~ the set of Trading Intervals defined as the 4 Peak SWIS Trading Intervals in each of the Trading Months commencing at the start of the Trading Month for which metered consumption ~~values were~~ was used by AEMO to accept the Load as a Non-Temperature Dependent Load under Step 2 to the end of Trading Month n-3, exceeded 1.0 MWh; and
- (b) the metered consumption for the Load did not deviate downwards from the median consumption value in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of the Trading Month for which metered consumption ~~values were~~ was used by AEMO to accept the Load as a Non-Temperature Dependent Load under Step 2 to the end of Trading Month n-3, except during Trading Intervals for which where:
  - i. the metered consumption was 0 MWh; or
  - ii. consumption was reduced at the request of System Management; or
  - iii. AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D.
  - ~~iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.~~

Step 4:

Otherwise, AEMO must treat a Load as a Temperature Dependent Load.

...

Amended proposed changes to Appendix 10 are to reflect:

- the proposed amendments to deleted clause 4.26.2C(b)(iii), which now apply to step 2(c) of Appendix 10; and
- that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption.

...

## Appendix 10: Relevant Demand Determination

...

### Step 2

...

...

- (c) ~~if a Market Customer provides evidence satisfactory to AEMO that the Associated Load was operating at below capacity due to its consumption being reduced at the request of System Management or because of maintenance, if AEMO has accepted a Consumption Deviation Application for the Associated Load under clause 4.26.2CB(b),~~ AEMO's estimate of what the consumption of the Associated Load would have been if it had not been ~~reduced~~affected.

...

...

## Appendix A. Responses to Submissions Received in the First Submission Period

Issue	Submitter	Comment/Issue Raised	Rule Change Panel's Response
1	Perth Energy	<p>In relation to DSPs, Perth Energy is of the view that DSPs do not provide an equivalent capacity product to that provided by conventional generators. Perth Energy therefore believes that DSPs should not be awarded Capacity Credits on par with conventional generators. In any event if a DSP is unavailable to reduce its load during a system peak event due to being on maintenance the usefulness of the DSP is reduced to zero.</p> <p>In Perth Energy's view DSPs should therefore not be able to reinstate their Relevant Demand level by application to the IMO following a low demand reading due to maintenance (planned or forced).</p> <p>Although Perth Energy opposes DSPs being awarded Capacity Credits, should this treatment (of awarding them Capacity Credits) continue it agrees that DSPs should be allowed to apply to reinstate a higher Relevant Demand level if a low level of Relevant Demand was caused by the DSP responding to a Dispatch Instruction from System Management.</p>	<p>The Rule Change Panel notes that the merits of awarding Certified Reserve Capacity to DSPs is outside the scope of the Rule Change Proposal.</p>
2	Perth Energy	<p>Perth Energy also considers further clarity around the exact steps and process to go through to determine the outcome of an application to become qualified as an NTDL would be useful to avoid having to rely on someone's interpretation of the Market Rules when making determinations in relation to the classification of NTDLs. This further detail could possibly be captured in the same Market Procedure as the one that will be</p>	<p>The Rule Change Panel notes Perth Energy's suggestion for further clarity of the exact steps and process for a Facility to qualify as a NTDL. As this Rule Change Proposal relates to clarifying and formalising the process for CDAs under the Market Rules, clarification of the exact steps and process for a Facility to qualify as a NTDL is outside the scope of the Rule Change Proposal.</p>

		developed to capture the application process for maintenance in relation to NTDLs and DSPs.	
3	EnerNOC	<p>As referenced in clauses 4.26.2CB (a) ii and 4.28.9A, EnerNOC is concerned with the stipulation that the load reduction must be “solely attributable” to maintenance.</p> <p>In practice, maintenance can include both preventative and non-scheduled/unexpected activities. In the case of preventative maintenance, it may be easier to establish it as the primary driver of the load reduction; however, non-scheduled maintenance will (most likely) not be the driver of the load reduction. For example, if the site were to experience a mechanical failure, the maintenance activity is secondary to the driver of the load reduction. It is important to note that the maintenance activity may not commence immediately after the load is reduced.</p>	<p>The Rule Change Panel notes that considering the merits of the events or activities that will constitute ‘maintenance’ under the Market Rules is outside the scope of the Rule Change Proposal. Further, the Market Rules do not contain a provision specifying that ‘maintenance’ is limited to scheduled maintenance.</p> <p>The Rule change Panel notes that while the proposed Amending Rules require the process for CDAs to be documented by AEMO in a Market Procedure that still needs to be developed, step 2.1.1 of the current CDA Guideline refers to equipment failure as reason for a CDA.</p>
4	EnerNOC	<p>EnerNOC proposes that the test for whether a substitution event should be allowed should consider whether the event that caused the need for maintenance, and the subsequent maintenance activity, are likely to reoccur during next year’s peak trading intervals. This is consistent with the purpose of the whole exercise: to estimate the likely demand during peak trading intervals. If the maintenance activity coincided with peak intervals purely at random, and it is unlikely to do so in future, then it should be accepted as the basis for an application.</p> <p>EnerNOC’s concern is that the proposed drafting will limit the IMO’s ability to accept and assess applications that relate to non-scheduled or unexpected maintenance activity.</p>	

5	EnerNOC	<p>EnerNOC would also like to clarify with the IMO the intent of the term “was reduced” (in clauses 4.26.2CB (a) ii and 4.28.9A). The term seems to imply that there must be an actual drop in load in order to submit an application. EnerNOC notes that it believes that the term should cover both an actual reduction in load, as well a deviation from where the load should be. The distinction is apparent in the following example: if maintenance occurs at the time when a plant typically commences production, there will not be a reduction in load; rather, the site will be operating at a level lower than it normally would have.</p>	Please refer to section 5.2.4 of this report.
6	EnerNOC	<p>EnerNOC notes the following complexity that arises with setting a fixed end date for Consumption Deviation Applications:</p> <p>Publishing the peak 32 intervals: Placing a firm deadline for submitting Relevant Demand (RD) applications without placing a corresponding deadline for publication of the 32 peak trading intervals may lead to significant timing issues. A delay in publishing the intervals will limit the ability for the applicant to submit the necessary documentation by the proposed deadline. This will particularly affect aggregators with a large number of participating loads.</p>	Please refer to section 5.2.3 of this report.
7	EnerNOC	<p>EnerNOC notes the following complexity that arises with setting a fixed end date for Consumption Deviation Applications:</p> <p>Revision of peak intervals: A mid-year revision of the 32 peak trading intervals may impact a Demand Side Programme’s (DSP) RD. This would especially be an</p>	

		issue if it resulted in a new day forming part of the 32 intervals. In this instance, the DSP would have no recourse to submit an application, which may have considerable impact on the DSP's RD.	
8	EnerNOC	<p>EnerNOC notes the following complexity that arises with setting a fixed end date for Consumption Deviation Applications:</p> <p>NMI (National Metering Identifier)<sup>14</sup> changes: Western Power occasionally upgrades or replaces electricity connections at customer premises. The practical outcome is that the new NMI will have no consumption data for the previous summer's peak trading intervals. To overcome this, the IMO has historically transferred the 32 readings from the old NMI to the new NMI. EnerNOC would like to clarify with the IMO whether this class of application would require a Consumption Deviation Application or would fall under market rule 4.26.2C (b) ii. If it is the former, then any deadline would prove problematic.</p>	The Rule Change Panel notes that any assessment relating to the IMO's treatment of NMI changes is outside the scope of the Rule Change Proposal.
9	EnerNOC	<p>EnerNOC notes the following complexity that arises with setting a fixed end date for Consumption Deviation Applications:</p> <p>Mid-year enrolments: The proposed deadline does not allow for newly associated loads – enrolled after the deadline – to submit a consumption deviation application.</p>	The Rule Change Panel agrees that the deadline in the proposed Amending Rules for submitting CDAs should not prevent a Market Customer from submitting a CDA after the deadline, where a Load is associated with a DSP. The Rule Change Panel proposes to amend the proposed Amending Rules as outlined in section 5.2.3 to address this issue.

<sup>14</sup> Each Load is assigned a unique NMI, and in the context of the WEM, the term NMI is often used interchangeably with the term Load.



10	EnerNOC	EnerNOC would like to seek clarification how the charge will be applied in instances when the IMO requests follow-up information from the applicant: will this require an additional fee or will it be classed as a single application?	Please refer to section 5.2.2 of this report. However, if a CDA is rejected and then re-submitted, a further Application Fee may be payable.
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## Appendix B. Responses to Submissions Received in the Further Submission Period

Issue	Submitter	Comment/Issue Raised	Rule Change Panel's Response
1	Alinta	<p>Alinta considers that an application fee for submitting a consumption deviation application may not be needed, particularly for compliant submissions. The reasons for this are detailed below.</p> <p>The original Rule Change Proposal noted that:</p> <p><i>The majority of the consumption deviation applications received by the IMO do not meet the requirements for the information provided as evidence. The IMO must therefore reject the application, request further information and/or clarify the provided information, incurring administrative costs for the IMO of around \$150 per application processed.</i></p> <p>Alinta considers that, if the process for consumption deviation applications was sufficiently detailed and communicated effectively, many of the issues the IMO experienced in the past should not materialise in the future. As such, there may not be a need to introduce an application fee for submitting a consumption deviation application (as per the original proposal).</p>	Please refer to section 5.2.2 of this report.
2	Simcoa	<p>Simcoa is opposed in principle to the imposition of fees to perform the analysis of CDA which are required by the Market Rules to gain what is essentially the Market Participant rightful dues.</p>	

3	Simcoa	<p>Simcoa expresses its view that the proposed impost of a fee for the processing of any CDA by a Market Participant to essentially obtain what is, essentially by the design of the Market Rules, a right of the Market Participant in providing a service to the market is simply wrong. It is not the magnitude of the fee, which is at present insignificant, but once introduced could quite easily be inflated, but rather the principle. The processing of the CDA's is not an option for the Market Participant, as the rules are such that if the participant does not submit a CDA for the provision of the DSM service to the market, or to justify the Non-Temperature Dependence of their Load, then there is no possibility that the participant will not be adversely affected by the outcome of the Market Rule Procedures. The Market Rules allow for the excepting of unintended interference due to inherent maintenance reliability which cannot be avoided or predicted with certainty, and to imply that the seeking of this allowance in the consideration of payments to or from the Market Participant makes the participant a beneficiary is wrong. This is a right of the Market Participant, and is not "causer pays" event.</p>	<p>Please refer to section 5.2.2 of this report regarding the introduction of an Application Fee.</p> <p>In relation to Simcoa's comment that the Application Fee could easily be inflated once it has been introduced, the Rule Change Panel notes that clause 2.24.7(a) of the Market Rules requires the level of each Application Fee to reflect the estimated average costs to AEMO of processing that type of application.</p>
4	Simcoa	<p>Simcoa notes that under the current guideline, it is required to prepare and submit to the relevant Market Participant all maintenance related interference for each trading interval, together with the metered consumption for each NMI for the full 12-month period for the current Reserve Capacity Year (1 October – 30 September) – not just the 200 hours as stated in the current Market Rules. In addition, the degree of accuracy and explanation required, and number of 'rejection gates' an application</p>	<p>Please refer to section 5.2 of this report.</p>

		<p>must pass to even be considered, is significant. Due to the methodology adopted in the guideline by AEMO, the information required to be submitted with the CDA does not look solely at the top 200 peak sent out hours for the SWIS generation as is the intention of Appendix 10 of the WEM Rules, but rather it requires the submission of all maintenance related intervals for the entire year, together with an account and explanation for each maintenance event and an analysis of the load for all Trading intervals for the year for each individual NMI so as to determine the "normal" load. This requires Simcoa to prepare a minimum of 3 CDA's each year in order to get fair payment for the service it provides to the stability of the network through DSM services.</p>	
5	Simcoa	<p>Simcoa expects that the proposed Rule change will result in significant additional workload and possible rejection of legitimate claims to reduce the costs of (inappropriately) levied Individual Reserve Capacity Requirements in the case of Non-Temperature Dependant Loads, as it already has to allow Simcoa to legitimately correct the payment for the provision of a service to the Market in the case of DSM payments.</p>	<p>RCP Support notes that the proposed changes are to formalise the current processes for submitting and assessing CDAs. The methodology for how the NTDL status is assessed, and how CDAs are assessed and taken into account, does not change. However, the methodology for how CDAs are assessed and taken into account will be the subject of a new Market Procedure and will therefore be subject to stakeholder consultation. RCP Support engaged with Simcoa to clarify its concerns. Simcoa clarified that it was concerned that the methodology for the assessment of a Load's NTDL status was proposed to be changed to a monthly assessment for all Loads.</p>
6	Simcoa	<p>Simcoa notes that it would appear on the face of the proposal presented that the processes for an NTDL CDA and a DSM CDA requires essentially the same set of</p>	<p>The Rule Change Panel notes that, as per section 5.2.3 of this report, CDAs for DSPs are relevant for the calculation of a DSP's RD; and CDAs for NTDLs are relevant for the</p>

		<p>information but will require separate applications to be made in a slightly different format and at different times. This essentially requires Simcoa to again prepare and submit a further 3 CDA's, it is assumed with the same onerous conditions, in order for their Loads to be classed as NTDL – otherwise Simcoa will be forced to pay an additional Capacity Charge for having their Loads classed as TDL by default. Again this is overly bureaucratic and costly.</p>	<p>assessment of a Load's NTDL status. The calculation of RD and the assessment of NTDL status are different processes with different timelines and occurrences, and refer to different reference periods.</p> <p>Please refer to section 5.2.3 of this report for the Rule Change Panel's assessment of the proposed deadlines for CDAs.</p> <p>The Rule Change Panel notes that the question of whether CDAs relating to the RD of a DSP and the NTDL status of a Load should require separate applications is an operational matter that should be dealt with in the Market Procedure proposed to be introduced by the proposed Amending Rules. Please also see section 5.2.2 of this report regarding Application Fees.</p>
7	Simcoa	<p>Simcoa considers that the timeframe for the receipt of meter data at the completion of the Capacity Year for the individual NMI's and the subsequent compilation of the CDA, submission, review before the date for which Reserve Capacity Credits are published is unworkable and has for the last 2 years since the introduction of the new assessment criteria resulted in a reduced Relevant Demand and the requirement for Capacity refunds. It also precludes any time for resubmission should it be necessary before DSM Relevant Demand figures are calculated and published by AEMO. The peak 200 hours used in the calculations are not available until, at the earliest, 1 October of each year for the previous consumption year. Meter data availability and the time for compilation of the CDA and does not allow for the application of a CDA for the full year as at 30 September,</p>	<p>Please refer to section 5.2.3 of this report.</p>

		<p>but necessitates a CDA to be submitted for a period less than a year, so as to allow for processing time. With the changing load profile in the WEM the peak sent out hours are no longer restricted to the summer months with many of the periods occurring in the period immediately before the 30 September.</p>	
8	Simcoa	<p>Simcoa notes that in 2017/18 Capacity year, for example, 45 of the 200 hours occurred in the period 1 August through to 12 September. Simcoa, having been penalised the year before with the submission which resulted in a reduction in the Relevant Demand due to the submission not being approved prior to the issuance of Capacity Credits due to an extended period for the providing documentation to the satisfaction of AEMO, submitted a CDA 15/09/2018 for the period 1 October 2017 through to 1 August 2018. This was the last meter data Simcoa had received when the CDA preparation process commenced. AEMO published the Relevant demand at a much-reduced level on 1st October, which became effective on 3rd October. The reason for the reduced level was that 45 of the top 200 hours had occurred in the period between when the CDA data was analysed and the end of September. It is impossible to follow the procedure laid out in Appendix 10 of the WEM Rules, and the guideline issued by AEMO and have a valid CDA approved on 1st October when AEMO publish the Relevant Demand. This Capacity Refunds attributable to this situation has the potential to cost Simcoa a significant portion of its yearly DSM capacity payments in only a few days. Given that the meter data can take up to a month to obtain, this process is totally unworkable.</p>	<p>Please refer to section 5.2.3 of this report.</p>

9	Simcoa	<p>Simcoa considers that to submit a CDA to cover the period up to 30 September requires a "punt" that none of the 200-hour intervals fall into the period that meter data is not yet available for, or that the future maintenance intervals are "guessed" in advance. Both of these are totally unacceptable, and any rule change must allow sufficient time for the acquisition of meter data, and the meaningful analysis of that data. If the CDA is rejected accepted at a reduced level due to insufficient information, which is at AEMO's discretion, there is no latitude to resubmit the CDA within the timeframe and the Relevant Demand will be assessed on the basis of the metered data with no or incomplete allowance for maintenance interference. Simcoa is advised that submission of only 2 CDA's is permitted under the current rules, which leaves no latitude for error. The Market Rules give little room for appeal or adjustment.</p>	<p>Please refer to section 5.2.3 of this report.</p> <p>The Rule Change Panel notes that the proposed Amending Rules do not limit the number of CDAs a Market Customer is able to submit, or the number of CDAs a Market Customer is able to resubmit following rejection of a CDA by AEMO.</p>
10	Simcoa	<p>Simcoa considers that there is a serious disconnect between the assessment of an individual Market Customer's IRCR which looks at only the individual loads at the 3 Peak Trading Intervals on 4 peak load days only over the summer period, as opposed to DSM Relevant Demand determination of top 200 sent out total demand hours (2 consecutive trading intervals) throughout the full RC year. Whilst it is not part of the proposed rule change, these processes should be aligned.</p>	<p>The Rule Change Panel agrees that this matter is outside the scope of the Rule Change Proposal.</p>

## Appendix C. Further Amendments to the Proposed Amending Rule

The Rule Change Panel made some amendments to the proposed Amending Rules following the further consultation period for the call for further submissions. These changes are as follows (~~deleted text~~, added text):

Amended proposed changes to clause 4.26.2CB are to:

- reflect that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption;
- reflect that instructions from System Management are not limited to Dispatch Instructions;
- clarify that deviations in the level of consumption of a Load need to be 'due' to one, or more, of the reasons specified in the clause;
- make subclause (b) subject to the assessment deadline specified in clause 4.26.2CH; and
- update the references to other clauses.

4.26.2CB. For the purposes of step 2(c) of Appendix 10:

- (a) a Market Customer may submit a Consumption Deviation Application to AEMO in accordance with the Market Procedure referred to in clause 4.26.2CDE, in respect of an Associated Load for the previous Capacity Year, if:
  - i. the level of consumption of the Associated Load was ~~reduced~~ affected in a Trading Interval; and
  - ii. the Market Customer considers that the ~~reduced deviation in the level of consumption was solely attributable due~~ to:
    1. a ~~Dispatch Instruction request~~ received from System Management; or
    2. a maintenance event; and
- ~~(b) a Market Customer must pay an Application Fee for each Consumption Deviation Application submitted under clause 4.26.2CB(a) to cover the cost of processing the application; and~~
- ~~(eb) AEMO must accept or reject the a Consumption Deviation Application submitted under clause 4.26.2CB(a) in accordance with the Market Procedure referred to by the time specified in clause 4.26.2CDH.~~

New clause 4.26.2CC specifies when an Application Fee is payable.

4.26.2CC. An Application Fee is:

- (a) subject to clause 4.26.2CF, payable by a Market Customer to cover the cost of processing a Consumption Deviation Application submitted under



clause 4.26.2CB(a) where the reason specified in the Consumption Deviation Application for a deviation in the level of consumption of the Associated Load was due to a maintenance event; and

(b) not payable by a Market Customer for a Consumption Deviation Application submitted under clause 4.26.2CB(a) where the reason specified in the Consumption Deviation Application for a deviation in the level of consumption was due to a request from System Management.

Amended proposed change to clause 4.26.2CD is to make subclause (a) subject to new clause 4.26.2CI which introduces a deadline for submitting CDAs following the association of a Load to a DSP, and to update the references to other clauses.

4.26.2CCD. A Consumption Deviation Application submitted under clause 4.26.2CB(a) must:

- (a) subject to clause 4.26.2CI, be submitted as soon as practicable but, in any event, on or before 31 October in the Capacity Year to which the Relevant Demand applies; and
- (b) contain, or be accompanied by, the information specified in the Market Procedure referred to in clause 4.26.2CDE.

Amended proposed changes to clause 4.26.2CE are to:

- reflect that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption;
- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules; and
- update the references to other clauses.

4.26.2CDE. AEMO must specify the following matters in a Market Procedure:

- (a) the process that a Market Customer must follow when submitting a Consumption Deviation Application for an Associated Load under clause 4.26.2CB(a);
- (b) the information and supporting evidence that a Market Customer must provide in its Consumption Deviation Application submitted under clause 4.26.2CB(a);
- (c) the process that AEMO must follow when it receives a Consumption Deviation Application submitted under clause 4.26.2CB(a);
- (d) the criteria that AEMO must consider when deciding whether to accept or reject a Consumption Deviation Application submitted under clause 4.26.2CB(a); and
- (e) for the purposes of step 2(c) of Appendix 10, the process that AEMO must follow when estimating what the consumption of an Associated Load would have been if it had not been reduced affected by the matters set out in the

Consumption Deviation Application for the purposes of step 2(c) of Appendix 10.

Clause 4.26.2CF has been introduced to clarify when an Application Fee for a CDA that relates to a Load that is a DSP and an NTDL is not payable.

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 is 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.

New clause 4.26.2CG introduces a power for AEMO to request clarification or further information regarding a CDA.

4.26.2CG. If it considers it reasonably necessary to assess the Consumption Deviation Application, AEMO may request clarification or further information of any aspect of the Consumption Deviation Application submitted under clause 4.26.2CB(a). Any clarification or information received is deemed to be part of the Consumption Deviation Application.

Clause 4.26.2CH introduces a timeframe for AEMO to process a CDA submitted under clause 4.26.2CB(a).

4.26.2CH. AEMO must accept or reject a Consumption Deviation Application submitted by a Market Customer in accordance with clause 4.26.2CB(a) within 10 Business Days of the later of:

- (a) receipt of the Consumption Deviation Application; and
- (b) receipt of any clarification or information provided under clause 4.26.2CG.

Clause 4.26.2CI introduces a deadline for submitting CDAs following the association of a Load to a DSP.

4.26.2CI. A Consumption Deviation Application for a Load that was first associated with a Demand Side Programme under clause 2.29.5G, for the Market Customer submitting the Consumption Deviation Application, after the date and time referred

to in clause 4.26.2CD, must be submitted on or before the date which is 30 days from commencement of the Association Period for that Associated Load.

...

Amended proposed changes to clause 4.28.9A are to:

- reflect that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption;
- clarify that deviations in the level of consumption of a Load need to be 'due' to one, or more, of the reasons specified in the clause; and
- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules.

4.28.9A. A Market Customer may submit a Consumption Deviation Application to AEMO in accordance with the Market Procedure referred to in clause 4.28.9EE, in respect of a Load that it has nominated as a Non-Temperature Dependent Load under clause 4.28.8(a) or clause 4.28.8C(a) and a Trading Interval, if:

- (a) the level of consumption of the Load was ~~reduced~~ affected in the Trading Interval; and
- (b) the Market Customer considers that the ~~reduced deviation in the~~ level of consumption was ~~solely attributable due~~ to:
  - i. the Trading Interval falling on a Trading Day that is not a Business Day; or
  - ii. a maintenance event.

Amended proposed changes to clause 4.28.9B are to:

- make the clause subject to clause 4.28.9F; and
- specify that an Application Fee is payable by Market Customers.

4.28.9B. Subject to clause 4.28.9F, Aa Market Customer must pay an Application Fee for each a Consumption Deviation Application submitted under clause 4.28.9A to cover the cost of processing the application.

...

Amended proposed changes to clause 4.28.9D are to:

- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules; and
- specify the time by which a CDA submitted under clause 4.28.9A is to be assessed.

4.28.9D. AEMO must accept or reject a Consumption Deviation Application submitted under clause 4.28.9A in accordance with the Market Procedure referred to in clause

4.28.9E no later than the time the information is needed for the calculation of the relevant Indicative Individual Reserve Capacity Requirement.

Amended proposed changes to clause 4.28.9E are to clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules.

4.28.9E. AEMO must specify the following matters in a Market Procedure:

- (a) the process that a Market Customer must follow when submitting a Consumption Deviation Application for a Load under clause 4.28.9A;
- (b) the information and supporting evidence that a Market Customer must provide in its Consumption Deviation Application submitted under clause 4.28.9A;
- (c) the process that AEMO must follow when it receives a Consumption Deviation Application submitted under clause 4.28.9A; and
- (d) the criteria that AEMO must consider when deciding whether to accept or reject a Consumption Deviation Application submitted under clause 4.28.9A.

Clause 4.28.9F has been introduced to clarify when an Application Fee for a CDA that relates to a Load that is a DSP and an NTDL is not payable.

4.28.9F. Where:

- (a) AEMO has accepted a Consumption Deviation Application submitted under clause 4.26.2CB(a) in accordance with the Market Procedure referred to in clause 4.26.2CE; and
- (b) the same Market Customer subsequently submits a Consumption Deviation Application in respect of the same Load in accordance with clause 4.28.9A, then, an Application Fee is not payable in respect of the subsequent Consumption Deviation Application submitted under clause 4.28.9A 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.

New clause 4.28.9G introduces a power for AEMO to request clarification or further information regarding a CDA.

4.28.9G. If it considers it reasonably necessary to assess the Consumption Deviation Application, AEMO may request clarification or further information of any aspect of the Consumption Deviation Application submitted under clause 4.28.9A. Any clarification or information received is deemed to be part of the Consumption Deviation Application.

...

## 11 Glossary

...

Amended proposed changes to the definition of “Consumption Deviation Application” are to:

- reflect that deviations in the level of consumption of a Load may not only be reductions in the level of consumption; and
- clarify and improve the drafting, including, where applicable, for consistency with the drafting approach in other proposed Amending Rules.

...

**Consumption Deviation Application:** An application submitted by a Market Customer to AEMO under clauses 4.26.2CB(a) or clause 4.28.9A, notifying AEMO and providing evidence that the consumption of a Load was ~~reduced~~ affected.

...

Amended proposed changes to Appendix 5A are to reinstate each reference to consumption of a Load being reduced at the request of System Management at Steps 1(b)(ii), 2(b)(ii) and 3(b)(ii), to correct an oversight in the initial proposed Amending Rules; and move the proposed replacement text to a new subclause at each relevant Step.

## Appendix 5A: Non-Temperature Dependent Load Requirements

...

Step 1

...

- (b) the metered consumption for the Load did not deviate downwards from the median value in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of Trading Month n-11 to the end of Trading Month n-3, except during Trading Intervals for which:
  - i. the metered consumption was 0 MWh; or
  - ii. AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D-consumption was reduced at the request of System Management; or
  - iii. AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D.

Step 2:

...

- (b) the metered consumption for the Load did not deviate downwards from the median value in paragraph (a) by more than 10% for more than 10% of the time during Trading Month n-3, except during Trading Intervals for which:
  - i. the metered consumption was 0 MWh; or
  - ii. AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D, consumption was reduced at the request of System Management; or
  - iii. AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D.

Step 3:

...

- (b) the metered consumption for the Load did not deviate downwards from the median value in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of the Trading Month for which metered consumption was used by AEMO to accept the Load as a Non-Temperature Dependent Load under Step 2 to the end of Trading Month n-3, except during Trading Intervals for which:
  - i. the metered consumption was 0 MWh; or
  - ii. AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D, consumption was reduced at the request of System Management; or
  - iii. AEMO has accepted a Consumption Deviation Application for the Load under clause 4.28.9D.

...

Amended proposed charges to Appendix 10 are to:

- reflect that a deviation in the level of consumption of a Load may not only result in a reduction in the level of consumption; and
- update the references to other clauses.

## Appendix 10: Relevant Demand Determination

...

Step 2

...

...

- (c) if AEMO has accepted a Consumption Deviation Application for the Associated Load under clause 4.26.2CB(~~eb~~), AEMO's estimate of what the consumption of the Associated Load would have been if it had not been ~~reduced~~ affected.

...

...