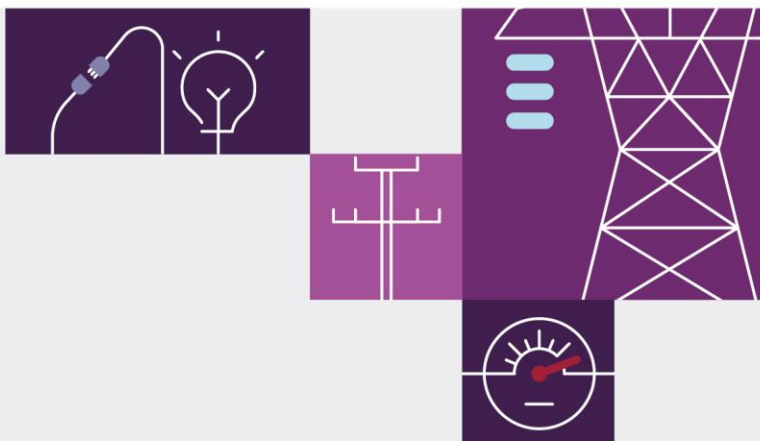


Summary of Submissions

1 March 2022

WEM Procedure: Certification of Reserve Capacity for the 2022 and 2023 Reserve Capacity Cycle





Important notice

Purpose

AEMO to must publish, together with the final WEM Procedure, a summary of submissions received and the response of AEMO to issues raised in those submissions, with respect to amendments to Procedures required to be developed under:

- For clause 1.36.7(b) – Wholesale Electricity Market Amendment (Tranche 1 Amendments) Rules 2020.
- For clause 1.43.7(b) – Wholesale Electricity Market Amendment (Tranche 2 and 3 Amendments) Rules 2020.
- For clause 1.43A.6 – Wholesale Electricity Market Amendment (Tranche 5 Amendments) Rules 2021.

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Submissions and AEMO's Response

The following written submissions were received as part of AEMO's stakeholder consultation.

Relevant Procedure Paragraph(s)	Summary of Submission	AEMO's Response
1.2.2	Stakeholder advised that the first sentence of the definition of "Firm", it's not clear how a 'take or pay' condition would impact on AEMO's judgement as to whether capacity is firm. The stakeholder considered that whether capacity is 'take or pay', it would not impact firmness.	AEMO considers a take or pay arrangement would generally be treated as Firm supply. AEMO included this example to indicate the types of arrangements that would be considered Firm, based on previous feedback from Market Participants. AEMO will retain the current definition due to potential impacts on other Markets Participants. The definition will be re-visited and workshopped with stakeholders in the next revision of the enduring WEM Procedure.
1.2.2	Stakeholder suggested "Tranche 5 Amendments" should not be referenced as the relevant rules should be implemented by the time the Procedure is operational.	The definitions which reference "Tranche 5 Amendments" will not have commenced by 1 March 2022. Most are registration terms and will not commence until New WEM Commencement Date.
1.2.2	Stakeholder questioned whether it is necessary to define "Non-Firm" and, if so, that it may be simpler to define it as capacity that is not Firm to avoid potential overlaps with the Firm definition.	AEMO will retain the current definition due to potential impacts on other Markets Participants. The definition of will be re-visited and workshopped with stakeholders in the next revision of the enduring WEM Procedure.
1.2.2	Stakeholder advised the use of the term 'Facility' to refer to a facility component (as per WEM Rules clause 2.29.1) was confusing.	The new definition of Facility is not applicable to this Procedure as the new definition will not commence until New WEM Commencement Date. Please refer to the existing definition of Facility when reviewing this WEMP.
3.1.2	Stakeholder suggested paragraph 3.1.2 include a caveat that if the timeframe under clause 4.1.7 is delayed, then the new date should apply (noting that clause 4.1.7 hard codes the CRC window start as 14 April).	All dates and time under section 4.1 of the WEM Rules which are referenced in the procedure can be modified as detailed in paragraph 2.
3.1.3	Stakeholder suggested paragraph 3.1.3 include a note that AEMO assigns a Facility Class following EOIs, to avoid participants thinking that they need to obtain an indicative facility class in a separate process.	A Market Participant does need to obtain an Indicative Facility Class through a separate process (not automatically assigned one in all circumstances). The WEM Procedure referenced in paragraph 3.1.3 covers the situations in which a Facility is assigned an Indicative Facility Class. AEMO would expect this WEM Procedure to be read in conjunction with the paragraph.
3.1.4	Stakeholder advised paragraph 3.1.4 appears to allow AEMO a blanket ability to set new information requirements in WEMS. Stakeholder suggested that this be removed to avoid AEMO being able to set new obligations in WEMS,	Only information listed under clause 4.10.1 is mandatory in the application. AEMO does not believe paragraph 3.1.4 enables AEMO to add mandatory information requirements to the application which are above those outlined under

Relevant Procedure Paragraph(s)	Summary of Submission	AEMO's Response
	outside the WEM Rules and WEM Procedure, noting that WEMS is not subject to the same regulatory processes	clause 4.10.1 but does allow AEMO to add information that is optional.
3.1.4 and 3.1.6	Stakeholder queried the use of mandatory fields in the recent 2021 CRC application process and queried file size restrictions.	The RCM Portal has been built in accordance with the WEM Rules and the requirements under 4.10.1.
3.1.7(b)	Stakeholder queried what 'all other parties' mean in paragraph 3.1.7(b) and queried what duly executed by the Authorised Officer refers to.	"All other parties" refers to parties to which the supporting document applies e.g. Western Power, relevant bank, Environmental Protection Agency. AEMO have restructured the sentence to improve clarity. Authorised Officer is defined as per the WEM Rules.
3.1.10	Stakeholder advised that it is not clear what conditions precedent paragraph 3.1.10 is referring to and that it is difficult to envisage where 3.1.10(b) would be applied.	This paragraph covers scenarios where a conditions precedent cannot be satisfied before the Facility is constructed (e.g. Practical Completion under an Interconnection Works Contract). Without paragraph 3.1.10, AEMO would be unable to certify any new Facilities.
3.3.1	To avoid readers having to review the entire sections cited to identify the relevant obligations, the stakeholder suggested the paragraph explicitly stipulate what obligations it is referring to.	AEMO avoids repeating rule clauses in Procedures as it can often lead to inconsistencies between the WEM Rules and WEM Procedure. AEMO expects the WEM Procedure to be read in conjunction with the WEM Rules.
3.3.2(a)	Stakeholder queried if this timing aligns with the timing of Western Power's processes.	AEMO is required to complete this process in accordance with the timing under clause 4.10A.7.
4.2.4	Stakeholder suggested that rejection should be able to be limited to a component of a Facility, where appropriate.	Paragraph 4.2.6 allows AEMO to make its determination at the component level.
4.2.4 and 4.2.5	Stakeholder advised paragraphs 4.2.4 and 4.2.5 are really strict/blunt and asked if there could be opportunity for AEMO to request additional information/clarification as required.	AEMO has very short timeframes to process CRC Applications. This is the policy reason for why the WEM Rules do not allow AEMO to accept information after the closing date.
4.5.1	Stakeholder advised that it is not clear why there needs to be a requirement to demonstrate how the DSOC will be shared amongst 'Facilities'.	This paragraph relates to the existing arrangement where there may be a Market Participant/DSOC Owner with multiple Registered Facilities that share a DSOC as per their ETAC/NAA. Please see clause 4.11.1(bA), AEMO must not assign CRC to a Facility greater than its DSOC.
4.7.4	Stakeholder questioned why the requirement in paragraph 4.7.4 is 'endeavour' to and advised AEMO should be required to provide the calculation within 10 Business Days.	The WEM Rules do not specify a timeframe. The reference to 10 Business Days is a general indication of AEMO's anticipated timeframe but it is not appropriate to enforce this as an obligation. In most cases, AEMO can provide the calculations immediately and it would be AEMO's practice to do so as soon as possible.
5.4.1	Stakeholder advised that environmental approvals may not be required, even where it is for new nameplate capacity, as	AEMO views this information as mandatory, as required under clause 4.10.1(c)(ii).

Relevant Procedure Paragraph(s)	Summary of Submission	AEMO's Response
	this may be within an existing Facility footprint. Stakeholder requested this not be a mandatory item.	
7.2.3(c)	Stakeholder considered that paragraph 7.2.3(c) is an irrelevant consideration for AEMO's assessment of the sent-out capacity provided by the Market Participant under clause 4.10.1(fA)(iii), 4.10.1(fB)(iii), 4.10.1(fC)(iii), or 4.10.1(fD)(iii).	AEMO Agrees. AEMO's intention was for AEMO to consider whether a Facility can export during the ESROI when assigning CRC to a Non-Scheduled Facility. AEMO has removed paragraph 7.2.3(c) from the WEM Procedure.