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**ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY MARKET)
REGULATIONS 2004**

WHOLESALE ELECTRICITY MARKET RULES

Amending Rules 2016

I, Dr Mike Nahan, Minister for Energy for the State of Western Australia, under regulation 7(4) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* hereby make the amending rules contained in this document.

These amending rules are to commence at 8:00am (WST) on the day after the day of publication in the *Gazette*.

Dated at Perth this 7th day of December 2016.

MIKE NAHAN MLA, Minister for Energy.

1. Market Rule 1.20 added

(1) Insert a new Market Rule 1.20, after Market Rule 1.19, as follows—

1.20. Transitional function of preparing for Wholesale Electricity Market Reform

1.20.1. The WEM Regulations provide for the Market Rules to confer additional functions on AEMO. Until 1 July 2020, the following additional functions are conferred on AEMO—

- (a) to prepare for Wholesale Electricity Market Reform; and
- (b) to facilitate the implementation of Wholesale Electricity Market Reform (including through transitional measures).

1.20.2. Without limiting AEMO's discretion in performing its functions, AEMO may undertake any of the following activities in carrying out the function conferred on it under clause 1.20.1—

- (a) procuring, developing, testing and otherwise preparing all systems, tools and procedures necessary or convenient for AEMO to continue to provide services and perform its functions and obligations on and from the commencement of Wholesale Electricity Market Reform; and
- (b) developing, and consulting about, proposals to change these Rules to accommodate Wholesale Electricity Market Reform.

1.20.3. When determining and approving the Allowable Revenue and Forecast Capital Expenditure or a reassessment of the Allowable Revenue or Forecast Capital Expenditure for AEMO for all or part of the Review Period from 1 July 2016 to 1 July 2019, the Economic Regulation Authority must determine this on the basis that Wholesale Electricity Market Reform includes the full implementation of the reform package set out in the Wholesale Energy and Ancillary Service Report before 1 July 2020.

2. Glossary definitions amended

(1) Insert the following new definitions, in alphabetical order, as follows—

Wholesale Electricity Market Reform: Means any proposed change to the operation of the Wholesale Electricity Market, or the legislative regime

applying to the Wholesale Electricity Market (including the Electricity Industry Act, the Regulations and these Rules), that has been endorsed by the Minister (whether or not legislation has been made to implement it). To avoid doubt, this includes the entire reform package set out in the Wholesale Energy and Ancillary Service Report.

Wholesale Energy and Ancillary Service Report: Means the report by the Public Utilities Office of the Department of Finance entitled "Final Report: Design Recommendations for Wholesale Energy and Ancillary Service Market Reforms" published in July 2016.
