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ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY  
MARKET) REGULATIONS 2004

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**WHOLESALE ELECTRICITY  
MARKET AMENDING  
RULES 2017**



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

WHOLESALE ELECTRICITY MARKET RULES

Amending Rules 2017

I, Ben Wyatt, 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 20th day of June 2017.

BEN WYATT MLA, Minister for Energy.

**1. Market Rule 3.21 amended**

Insert a new clause 3.21.2A, after clause 3.21.2, as follows—

3.21.2A. An outage does not occur in respect of a Constrained Access Facility for the purposes of these Market Rules where the Constrained Access Facility is dispatched in accordance with a Network Control Service Contract and these Market Rules.

**2. Market Rule 4.1 amended**

Insert new clauses 4.1.34 to 4.1.38, after clause 4.1.33, as follows—

4.1.34. AEMO must, prior to 1 January of Year 1 of the 2019 Reserve Capacity Cycle, conduct a Constrained Access Certification Review, which will include—

- (a) reviewing the methodology in Appendix 11 and the concepts of Constrained Access Facility and Constrained Access Entitlement, having regard to the matters set out in clause 4.1.37; and
- (b) considering whether any changes to these Market Rules are necessary as a result of the review of the methodology and concepts referred to in clause 4.1.34(a).

4.1.35. AEMO may, for the purposes of the Constrained Access Certification Review, consult with any person or persons as AEMO considers appropriate.

4.1.36. Where AEMO considers that changes to these Market Rules are necessary as a result of the Constrained Access Certification Review, AEMO must draft a suitable Rule Change Proposal and submit it using the rule change process in clause 2.5, allowing reasonable time for the Standard Rule Change Process to be completed and any resulting Amending Rules to come into effect, prior to 30 June of Year 1 of the 2019 Reserve Capacity Cycle.

4.1.37. In conducting the Constrained Access Certification Review, AEMO must have regard to the following matters—

- (a) the Wholesale Market Objectives;
- (b) any constraints that exist on the Network;
- (c) the terms and conditions relating to the level of network access under existing Arrangements for Access (including any Network Control Service Contract), where evidence of such arrangements has been provided to AEMO;
- (d) any submissions received by AEMO during any consultation process conducted by AEMO under clause 4.1.35;
- (e) the ability of, and cost to, AEMO or a Network Operator to implement any proposed Amending Rules; and
- (f) the extent to which information or data is used consistently, including under other provisions of these Market Rules relevant to the subject matter of the Constrained Access Certification Review.

4.1.38. The audit conducted by the Market Auditor under clause 2.14 in respect of the period in which the Constrained Access Certification Review occurs will include an audit of AEMO's compliance with clauses 4.1.34 to 4.1.37.

**3. Market Rule 4.10 amended**

(1) Delete the existing clause 4.10.1(bA) and replace it with the following—

- (bA) with the exception of applications for Conditional Certified Reserve Capacity, the following—
  - i. evidence of an Arrangement for Access or evidence that the Market Participant has accepted an Access Proposal from the relevant Network Operator made in respect of the Facility;
  - ii. evidence that the Facility will be entitled to have access from a specified date occurring prior to the date specified in clause 4.10.1(c)(iii)(7);

- iii. where the Facility is not a Constrained Access Facility, evidence of the level of unconstrained network access associated with the Arrangement for Access or Access Proposal referred to in clause 4.10.1(bA)(i);
  - iv. where relevant, whether the Facility is a Constrained Access Facility; and
  - v. details of any constraints that may apply;
- (2) Amend clause 4.10.1(j) by replacing the word “contract” with the word “Contract”.
- (3) Amend clause 4.10.4 by inserting the word “it” after the words “the details”.

#### **4. Market Rule 4.10A added**

Insert a new Market Rule 4.10A, after Market Rule 4.10, as follows—

##### **4.10A. Determination of Constrained Access Entitlement**

4.10A.1. Subject to clause 4.10A.2, where a Market Participant provides information under clause 4.10.1(bA), or the relevant Network Operator confirms under clause 4.11.5, that a Facility is a Constrained Access Facility, AEMO must request the relevant Network Operator to determine the Constrained Access Entitlement for the Facility.

4.10A.2. Where there is any inconsistency between the information provided by a Market Participant under clause 4.10.1(bA) and the confirmation provided by the Network Operator under clause 4.11.5, the requirement for AEMO to request the Network Operator to determine the Constrained Access Entitlement for the relevant Facility under clause 4.10A.1 will be based on the confirmation provided by the Network Operator.

4.10A.3. Within 10 Business Days after receiving a request from AEMO under clause 4.10A.1 or after receiving from AEMO any information requested under clause 4.10A.6(a), the Network Operator must determine the Constrained Access Entitlement for the relevant Facility for the relevant Capacity Year in accordance with Appendix 11.

4.10A.4. The Network Operator must notify AEMO of any determination required under clause 4.10A.3 within 2 Business Days after making the determination.

4.10A.5. The Network Operator’s determination under clause 4.10A.3 must be consistent with the Wholesale Market Objectives.

4.10A.6. Where the Network Operator requires information from AEMO to determine the Constrained Access Entitlement for a Constrained Access Facility—

- (a) AEMO must, where the information is reasonably available to it and within 2 Business Days of a request from the Network Operator, provide the Network Operator with any information requested by the Network Operator irrespective of the confidentiality status of that information under these Market Rules;
- (b) AEMO must inform the Network Operator of the confidentiality status of the information;
- (c) the Network Operator must ensure that it maintains the confidentiality of the information in accordance with the confidentiality status informed by AEMO; and
- (d) the Network Operator must ensure that the information is used only for the purpose for which it was provided.

#### **5. Market Rule 4.11 amended**

- (1) Delete the existing clause 4.11.1(bA) and replace it with the following—

- (bA) where the Facility is a generation system, the Certified Reserve Capacity must not exceed—
  - i. where that Facility is a Constrained Access Facility, the Constrained Access Entitlement as at the date and time specified in clause 4.1.12(b); or
  - ii. otherwise, the level of unconstrained network access as referred to in clause 4.10.1(bA)(iii);

- (2) Delete the existing clause 4.11.1(g) and replace it with the following—

- (g) in respect of a Facility that will be subject to a Network Control Service Contract, AEMO must not assign Certified Reserve Capacity in excess of—
  - i. where that Facility is a Constrained Access Facility, the Constrained Access Entitlement as at the date and time specified in clause 4.1.12(b); or
  - ii. otherwise, the capacity that AEMO believes that Facility can usefully contribute given its location and any network constraints that are likely to occur;

- (3) Amend clause 4.11.5 by inserting the words “or clause 4.10A” after the words “clause 4.10.1(bA)”.

- (4) Amend clause 4.11.10 by deleting the second sentence.

- (5) Insert a new clause 4.11.10A, after clause 4.11.10, as follows—

4.11.10A. Where AEMO decides under clause 4.11.10 that it is necessary for AEMO to reassess the assignment of Certified Reserve Capacity to a Facility because the level assigned may have been too high, AEMO must—

- (a) if information provided to AEMO under clause 4.10.4 would have resulted in AEMO assigning a lower, non-zero level of Certified Reserve Capacity to the Facility—
  - i. reduce the Capacity Credits assigned to that Facility accordingly; and
  - ii. advise the Market Participant within 90 days of receiving the submission under clause 4.10.4; or
- (b) otherwise, do nothing.

(6) Delete the existing clause 4.11.11 and replace it with the following—

4.11.11. Where AEMO reassesses the amount of Certified Reserve Capacity assigned to a Facility under clauses 4.11.10 and 4.11.10A based on information provided to AEMO under clause 4.10.4 the Market Participant will pay a Reassessment Fee to cover the cost of processing the reassessment.

#### 6. Market Rule 5.2A amended

Insert a new clause 5.2A.3, after clause 5.2A.2, as follows—

5.2A.3. Clause 5.2A.2 does not require a Market Participant to—

- (a) have applied for Certified Reserve Capacity in respect of a Reserve Capacity Cycle in order for a Network Control Service Contract that was entered into before the date and time specified in clause 4.1.11(b) to be given effect under these Market Rules; or
- (b) apply for Certified Reserve Capacity in respect of a Reserve Capacity Cycle in order for a Network Control Service Contract that will be entered into after the date and time specified in clause 4.1.11(b) to be given effect under these Market Rules.

#### 7. Market Rule 10.2 amended

Delete the word “the” and replace it with “a” in clause 10.2.2(g)(ii).

#### 8. Glossary definitions amended

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

**Constrained Access Certification Review:** Means the review conducted by AEMO contemplated in clause 4.1.34.

**Constrained Access Entitlement:** Means the value determined by the relevant Network Operator and provided to AEMO under clause 4.10A, or subsequently confirmed by the relevant Network Operator under clause 4.11.5 (if applicable), for a Constrained Access Facility for a Capacity Year.

**Constrained Access Facility:** A Facility that is, or will be, subject to an Arrangement for Access entered into or amended after the day on which the Wholesale Electricity Market Amending Rules 2017 made under regulation 7(4) of the WEM Regulations come into effect, under which the Facility is not entitled to unconstrained access to the relevant Network for all of its capacity on and from the date and time specified in clause 4.1.11(b) for a Reserve Capacity Cycle.

#### 9. Appendix 11 added

Insert a new Appendix 11 as follows—

##### APPENDIX 11: DETERMINATION OF CONSTRAINED ACCESS ENTITLEMENT

This Appendix presents the method for determining the Constrained Access Entitlement for a Constrained Access Facility in accordance with clause 4.10A.

Terms defined in this Appendix are defined for the purposes of this Appendix alone and must not be used to infer the meaning of those words, or other words, in these Market Rules.

Item 1. The Network Operator must, for each relevant Constrained Access Facility, determine the Constrained Access Entitlement as the MW level of network access expected to be available to the Facility for at least 95% of the generation dispatch scenarios that could, applying the matters in items 2.3.1 and 2.6.1 of this Appendix (as applicable), occur to meet the Peak Demand on the SWIS for the relevant Capacity Year.

Item 2. In making its determination under item 1, the Network Operator must apply the following—

2.1. Assume that all major transmission network elements are in service, except those which are normally configured to be out of service under peak demand conditions.

2.2. Assume peak demand is equal to the value calculated under clause 4.5.10(a)(iv) and used in the calculation of the Reserve Capacity Requirement for the relevant Capacity Year (**Peak Demand**).

2.3. Develop in its sole discretion and in accordance with item 2.3.1, a range of generation dispatch scenarios that describe how Facilities could be dispatched at the time of the Peak Demand in order to identify possible network limitations (**Constraint Identification Dispatch Scenarios**).

2.3.1. The Constraint Identification Dispatch Scenarios must—

- (a) include, as determined by the Network Operator in its sole discretion, variations in the combination of Facilities dispatched to meet the Peak Demand;
- (b) only include Facilities that have made a valid application for certification of Reserve Capacity for the relevant Capacity Year and Registered Facilities that have historically generated at peak times and, as determined by the Network Operator in its sole discretion, are likely to generate in the relevant Capacity Year at the Peak Demand;
- (c) include, as determined by the Network Operator in its sole discretion, variations in the output of all generation systems in the Constraint Identification Dispatch Scenarios, limited, where applicable, to the maximum sent out capacity available from each Facility at 41 degrees Celsius (as indicated in Standing Data or the relevant application for certification of Reserve Capacity); and

- (d) in accordance with the dispatch priorities in clause 7.6.1D, assume Demand Side Management is not dispatched until all generation systems are dispatched.
- 2.4. Applying only the Constraint Identification Dispatch Scenarios, identify network limitations that the Network Operator, in its sole discretion, considers could limit the output of a Constrained Access Facility, in order to maintain a Normal Operating State, assuming—
- (a) all transmission network augmentations which the Network Operator is committed to commissioning prior to the relevant Capacity Year are accounted for as at the time it makes the determination in this Appendix 11;
  - (b) as determined by the Network Operator in its sole discretion, the distribution of the location of Peak Demand; and
  - (c) transmission equipment thermal ratings are at the normal operational rating at 41 degrees Celsius.
- 2.5. Using the network limitations identified in item 2.4, prepare a consolidated list of network limitations (**Network Constraint List**).
- 2.6. Develop, in accordance with item 2.6.1, a range of generation dispatch scenarios that describe how Facilities could be dispatched at Peak Demand (**Entitlement Identification Dispatch Scenarios**).
- 2.6.1. The Entitlement Identification Dispatch Scenarios—
- (a) are not required to include the dispatch of Constrained Access Facilities if the methodology employed by the Network Operator in item 2.7 does not require those Facilities to be included;
  - (b) must include, as determined by the Network Operator in its sole discretion, variations in the output of Scheduled Generators that are not Constrained Access Facilities, limited to—
    - i. where the Facility has previously been assigned Capacity Credits, the MW equivalent of the most recently assigned Capacity Credits; or
    - ii. where the Facility has not previously been assigned Capacity Credits, the maximum sent out capacity available from the Facility at 41 degrees Celsius (as indicated in Standing Data or the relevant application for certification of Reserve Capacity);
  - (c) must assume the output of Non-Scheduled Generators that are not Constrained Access Facilities is equal to—
    - i. where the Facility has previously been assigned Capacity Credits, the MW equivalent of the most recently assigned Capacity Credits;
    - ii. where the Facility has not previously been assigned Capacity Credits—
      1. where the applicant for Certified Reserve Capacity in respect of the Facility has nominated under clause 4.10.1(i) for the Facility to be assessed under clause 4.11.2(b) (and AEMO has not rejected such nomination under clause 4.11.2(a)), the value determined in accordance with Appendix 9; or
      2. otherwise, the level of Certified Reserve Capacity the applicant has applied for in respect of the Facility under clause 4.10; or
  - (d) otherwise, the Network Operator must determine in its sole discretion, the likely output of the generation system at the time of Peak Demand in the same manner as set out in items 2.3.1(a), (b) and (d).
- 2.7. Subject to item 2.8, only consider the MW level of network access available, as determined in the Network Operator's sole discretion, to each Constrained Access Facility in each relevant Entitlement Identification Dispatch Scenario applying the constraints in the Network Constraint List.
- 2.8. In determining the network access available under item 2.7, the Network Operator must assume each Constrained Access Facility—
- (a) is constrained in a manner consistent with any relevant Arrangement for Access (including any Network Control Service Contract); and
  - (b) would, unless a Constrained Access Facility is required to operate at a lower level due to the application of limitations in the Network Constraint List or in accordance with item 2.8(a), operate at—
    - i. where the Facility has previously been assigned Capacity Credits, the MW equivalent of the most recently assigned Capacity Credits; or
    - ii. where the Facility has not previously been assigned Capacity Credits—
      1. where the applicant for Certified Reserve Capacity in respect of the Facility has nominated under clause 4.10.1(i) for the Facility to be assessed under clause 4.11.2(b) (and AEMO has not rejected such nomination under clause 4.11.2(a)), the value determined in accordance with Appendix 9; or
      2. otherwise, the level of Certified Reserve Capacity the applicant has applied for in respect of the Facility under clause 4.10.