

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

WHOLESALE ELECTRICITY MARKET RULES

Amending Rules 2018

I, Mr 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 08:00am (WST) on 28 April 2018.

Dated at Perth this day 23rd day of April 2018.

BEN WYATT, MLA, Minister for Energy.

1. Market Rule 1.4 amended

- (1) Amend clause 1.4.1(n) by removing “if the IMO, Rule Change Panel” and replacing it with “(amendments): if the Rule Change Panel”
- (2) Amend clause 1.4.1(n) by removing “IMO” and accompanying comma.
- (3) Amend clause 1.4.1(r) by removing “(Headings and comments)” and replacing it with “(headings and comments)”.
- (4) Amend clause 1.4.2 by removing “IMO” and accompanying comma.

2. Market Rule 1.5 amended

- (1) Amend clause 1.5.1(b) by removing “IMO” and accompanying comma.
- (2) Amend clause 1.5.2(dA) by removing “and”.
- (3) Amend clause 1.5.2(dB) by inserting “and” after the semicolon.
- (4) Amend clause 1.5.2(dC) by removing the semicolon and “and”, and replacing with a full stop.
- (5) Delete clause 1.5.2(e) and replace with “[Blank]”.

3. Market Rule 1.7 amended

- (1) Delete clause 1.7.2 and replace with “[Blank]”.

4. Market Rule 1.9 amended

- (1) Delete Market Rule 1.9 and replace with “[Blank]”.

5. Market Rule 1.10 amended

- (1) Delete Market Rule 1.10 and replace with “[Blank]”.

6. Market Rule 1.11 amended

- (1) Delete Market Rule 1.11 and replace with “[Blank]”.

7. Market Rule 1.14 amended

- (1) Amend clause 1.14.1(e) by replacing each occurrence of “IMO” with “Economic Regulation Authority”.
- (2) Amend clause 1.14.1(f)(i) by removing “the IMO” and replacing it with “the Rule Change Panel”.
- (3) Amend clause 1.14.2(c)(ii) by inserting a full stop after “ii”.
- (4) Amend clause 1.14.2(c)(ii) by removing the semicolon and “and”, and replacing with a full stop.
- (5) Delete clauses 1.14.2(d), 1.14.5, 1.14.6 and 1.14.7.

8. Market Rule 1.17 amended

- (1) Delete clause 1.17.2 and replace with “[Blank]”.
- (2) Delete clause 1.17.4 and replace with “[Blank]”.
- (3) Delete clause 1.17.6.

9. Market Rule 1.25 added

- (1) Insert a new clause 1.25, after clause 1.24, as follows—

1.25. Transitional arrangements on abolition of the IMO

- 1.25.1. Clause 11 of the *Electricity Industry (Independent Market Operator) Repeal Regulations 2018* requires a reporting officer to produce a final report for the IMO and determine whether the IMO had, immediately before the repeal day, a surplus or deficit in relation to the recovery of the costs of performing its functions under the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*.

- 1.25.2. After the Auditor General has provided his or her opinion on relevant portions of the IMO's final report, the reporting officer must:
- (a) if the reporting officer determines the IMO had an accumulated operating deficit, request payment from AEMO of an amount equal to that deficit and AEMO must pay that amount to the IMO immediately; or
 - (b) if the reporting officer determines the IMO had an accumulated operating surplus, immediately arrange for the IMO to pay to AEMO an amount equal to that surplus.
- 1.25.3. AEMO's payment or receipt of an amount in accordance with clause 1.25.2 is taken to be provision of a market administration service referred to in clause 2.22A.1(c) and a corresponding adjustment to AEMO's Allowable Revenue is to be made accordingly.
- 1.25.4. An adjustment to AEMO's Allowable Revenue made in accordance with clause 1.25.3 is taken to be approved by the Economic Regulation Authority and a corresponding adjustment to Market Fees is to be made as soon as practicable.

10. Market Rule 2.1 amended

- (1) Delete Market Rule 2.1 and replace with "[Blank]".

11. Market Rule 2.2A amended

- (1) Amend Market Rule 2.2A heading by inserting "**The Economic Regulation Authority**".
- (2) Amend clause 2.2A.1 by removing "(subject to clause 1.17.6)".
- (3) Delete clause 2.2A.1(b) and replace with "[Blank]".

12. Market Rule 2.3 amended

- (1) Amend clause 2.3.1A by removing "non voting" and replacing it with "non-voting".
- (2) Amend clauses 2.3.1(b), 2.3.17(a) and 2.3.17(b) by removing each occurrence of "IMO" and accompanying comma.
- (3) Amend clause 2.3.17(a) by removing "comprised of" and replacing it with "comprising".

13. Market Rule 2.9 amended

- (1) Delete clause 2.9.1 and replace with "[Blank]".
- (2) Amend clause 2.9.5(a) by removing "the IMO and".
- (3) Amend clause 2.9.5(c) by removing "IMO" and accompanying comma.
- (4) Delete clause 2.9.6 and replace with "[Blank]".
- (5) Amend clause 2.9.8 by removing "the IMO" and accompanying comma.

14. Market Rule 2.10 amended

- (1) Amend clauses 2.10.1, 2.10.2, 2.10.2A, 2.10.3, 2.10.7, 2.10.9(a), 2.10.10, 2.10.13(c), 2.10.17 and 2.10.18 by removing each occurrence of "IMO" and accompanying comma.
- (2) Delete clause 2.10.5 and replace with "[Blank]".
- (3) Delete clause 2.10.12 and replace with "[Blank]".
- (4) Delete clause 2.10.13(e) and replace with "[Blank]".

15. Market Rule 2.11 amended

- (1) Amend clauses 2.11.1, 2.11.2 and 2.11.4 by removing each occurrence of "IMO" and accompanying comma.
- (2) Amend clause 2.11.2 by removing "IMO's decision" and accompanying comma.
- (3) Amend clause 2.11.3 by removing "2.10.13(e)".

16. Market Rule 2.16 amended

- (1) Amend clause 2.16.2(p) by removing "IMO" and accompanying comma.

17. Market Rule 2.17 amended

- (1) Amend clauses 2.17.1 and 2.17.2 by removing each occurrence of "IMO" and accompanying comma.
- (2) Amend clause 2.17.2 by removing "AEMO," and replacing it with "AEMO,".

18. Market Rule 2.22 amended

- (1) Delete Market Rule 2.22 and replace with "[Blank]".

19. Market Rule 2.24 amended

- (1) Delete existing clause 2.24.2 and replace it with the following—

2.24.2. Before 30 June each year, AEMO must determine and publish the level of the Market Fee rate, System Management Fee rate and Regulator Fee rate, and the level of each of the Application Fees, and the level of the Reassessment Fee to apply over the year starting 1 July in accordance with AEMO's budget published under clause 2.22A.4 and information provided by the Economic Regulation Authority under clause 2.24.6 (if any). Where the Economic Regulation Authority has not provided AEMO with the information required under clause 2.24.6 by the date which is five Business Days prior to 30 June, AEMO will determine and publish the expected level of Regulator Fee rate based on the

most recent information provided to AEMO by the Economic Regulation Authority under clause 2.24.6.

(2) Delete the existing clause 2.24.2A and replace it with the following—

2.24.2A. AEMO must determine and publish a level of revised Market Fee rate, System Management Fee rate or Regulator Fee rate (as applicable) within five Business Days of making any adjustment to AEMO's budget and receiving the information, if in any year the Economic Regulation Authority provides AEMO with the information required under clause 2.24.6 later than the date which is five Business Days prior to 30 June.

(3) Delete clause 2.24.3(a)(i) and replace with "[Blank]".

20. Market Rule 2.25 amended

(1) Amend clause 2.25.1A by removing "Market Fees (insofar as they are collected for the IMO) and".

(2) Amend clause 2.25.1B by removing "IMO, and the" and ", as applicable,".

(3) Amend clause 2.25.3(a) by removing "each of the IMO and".

(4) Amend clause 2.25.4 by removing "the IMO" and accompanying comma.

21. Market Rule 2.26 amended

(1) Insert a new clause 2.26.5, after clause 2.26.4, as follows—

2.26.5. If the Economic Regulation Authority recommends changes as a result of the report prepared under clause 2.26.4, the Economic Regulation Authority must either submit a Rule Change Proposal or initiate a Procedure Change Process, as the case may be, to implement those changes.

22. Market Rule 2.28 amended

(1) Amend clause 2.28.1(dA) by inserting "and" after semi-colon.

(2) Delete clause 2.28.1(e) and insert "[Blank]".

(3) Delete clause 2.28.15 and insert "[Blank]".

23. Market Rule 4.1 amended

(1) Delete clause 4.1.33 and replace with "[Blank]".

24. Market Rule 4.11 amended

(1) Amend clause 4.11.1E by removing "IMO" and replacing it with "The Economic Regulation Authority, in consultation with AEMO,".

(2) Amend clause 4.11.1E by removing "2019" and replacing it with "2020".

(3) Amend clause 4.11.1E by removing "2021" and replacing it with "2022".

(4) Insert new clause 4.11.1F, after clause 4.11.1E, as follows—

4.11.1F. If the Economic Regulation Authority recommends a rule change resulting from the review in clause 4.11.1E, the Economic Regulation Authority must submit a Rule Change Proposal to implement the change.

25. Market Rule 4.16 amended

(1) Amend clause 4.16.3 by removing "IMO" and replacing it with "Economic Regulation Authority".

(2) Insert new clause 4.16.10, after clause 4.16.9, as follows—

4.16.10. If the Economic Regulation Authority recommends changes as a result of the review in clause 4.16.9, the Economic Regulation Authority must either submit a Rule Change Proposal or initiate a Procedure Change Process, as the case may be, to implement those changes.

26. Market Rule 4.26 amended

(1) Amend clause 4.26.1D by removing "IMO" and replacing it with "The Economic Regulation Authority, in consultation with AEMO,".

(2) Insert new clause 4.26.1E, after 4.26.1D, as follows—

4.26.1E. If the Economic Regulation Authority recommends changes in the review in clause 4.26.1D, the Economic Regulation Authority must submit a Rule Change Proposal to implement those changes.

27. Market Rule 4.29 amended

(1) Delete clause 4.29.1(b)(iv) and replace with "for a Reserve Capacity Cycle from the 2022 Reserve Capacity Cycle onwards, insert values for the relevant Reserve Capacity Cycle into the equation for the 2021 Reserve Capacity Cycle set out in clause 4.29.1(b)(iii)."

28. Market Rule 8.1 amended

(1) Amend clause 8.1.4. by removing "the IMO" and replacing it with "AEMO".

29. Market Rule 9.13 amended

(1) Amend clause 9.13.1 by removing "and the IMO's services".

30. Market Rule 9.15 amended

(1) Amend clause 9.15.1 by removing "the IMO" and accompanying comma.

31. Market Rule 10.2 amended

- (1) Delete clause 10.2.2(c)(ii) and insert “[Blank]”.
- (2) Delete clause 10.2.2(d)(iii) and insert “[Blank]”.
- (3) Delete clause 10.2.2(e)(ii) and insert “[Blank]”.
- (4) Amend clause 10.2.2(f) by removing “IMO and”.
- (5) Delete clause 10.2.2(f)(i) and insert “[Blank]”.
- (6) Delete clause 10.2.2(g)(iv) and insert “[Blank]”.
- (7) Delete clause 10.2.3(c) and replace with “AEMO may make available to a person information if AEMO is required to do so by law or these Market Rules;”.
- (8) Amend clause 10.2.3(e) by removing “IMO and”
- (9) Delete clause 10.2.3C and replace with “[Blank]”.

32. Market Rule 10.3 amended

- (1) Amend clause 10.3.2 by removing each occurrence of “the IMO” and accompanying comma.

33. Market Rule 10.5 amended

- (1) Amend clause 10.5.1(t) by removing “and the IMO”.

34. Chapter 11 Glossary amended

- (1) Insert new definition for “AEMO Confidential”, after “AEMO” definition, as follows—

AEMO Confidential: An information confidentiality status whereby information or documents, and any information or documents to which a confidentiality status under clause 10.2.2(f) may only be made available to the parties described in clause 10.2.2(f).

This includes an information confidentiality status which was set by the IMO under clause 10.2.2(f) prior to its abolition on the day the *Electricity Industry (Independent Market Operator) Repeal Regulations 2018* commenced¹.

¹Note: the *Electricity Industry (Independent Market Operator) Repeal Regulations 2018* commenced on 28 April 2018.

- (2) Delete definition for “Allowable Revenue” and replace it as follows—

Allowable Revenue: Means the allowable revenue for AEMO in providing the services set out in clause 2.22A.1 as approved by the Economic Regulation Authority in accordance with clause 2.22A.14.

- (3) Delete definition for “Balancing Market Commencement Day” and replace it as follows—

Balancing Market Commencement Day: Means the Trading Day commencing at 8:00 AM on 1 July 2012.

- (4) Delete definition for “IMO” and replace it as follows—

IMO: The former Independent Market Operator that was abolished by the *Electricity Industry (Independent Market Operator) Repeal Regulations 2018* (which also repealed the *Electricity Industry (Independent Market Operator) Regulations 2004*).

- (5) Delete definition for “IMO and AEMO Confidential”.
- (6) Delete definition for “IMO Regulations”.
- (7) Amend definition for “LFAS Downwards Merit Order” by removing “IMO” and replacing it with “AEMO”.
- (8) Amend definition for “Market Advisory Committee” by removing “IMO” and the accompanying comma.
- (9) Amend definition for “Market Advisory Committee” by removing “comprised of” and replacing it with “comprising”.
- (10) Amend definition for “Market Procedure” by removing “IMO” and the accompanying comma.
- (11) Amend definition for “Procedure Change Proposal” by removing “IMO” and the accompanying comma.
- (12) Amend definition for “Procedure Change Report” by removing “IMO” and the accompanying comma.
- (13) Delete definition for “Regulations” and replace it as follows—

Regulations: Any regulations made under the *Electricity Industry Act 2004* (WA) including the WEM Regulations, AEMO Regulations, the Panel Regulations and the *Electricity Industry (Independent Market Operator) Repeal Regulations 2018*.
- (14) Amend definition for “Reviewable Decision” by removing “IMO” and accompanying comma.
- (15) Delete definition for “Transitional Compliance Functions”.