

Rule Change Extension Notice: Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Price (RC_2014_05)

This notice of extension is given under clause 2.5.12 of the WEM Rules.

Submitter: Kate Ryan, IMO

Date submitted: 2 December 2014

Date of extension: 25 June 2021

In accordance with clause 2.5.10 of the WEM Rules, the Rule Change Panel has extended the timeframe for the publication of the Draft Rule Change Report for the Rule Change Proposal titled “Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Price” (RC_2014_05) until **5:00 PM on Friday 31 December 2021**.

Dates for subsequent steps of the rule change process have been adjusted accordingly.

Reason for the Extension

This Rule Change Proposal was put on hold while the Economic Regulation Authority (**ERA**) was to run its five-yearly reviews of the Energy Price Limits (**EPLs**) and Benchmark Reserve Capacity Price (**BRCP**),¹ but the Western Australian Government has been considering changes to the market power mitigation measures under the WEM Rules as part of the Energy Transformation Strategy (**ETS**), so the ERA has put these reviews on hold until after the ETS reforms are implemented on 1 October 2022.

Energy Policy WA (**EPWA**) has held several Transformation Design and Operation Working Group meetings and published several consultation papers in 2020/21 to discuss the Government’s intentions for amendments to the market power mitigation measures under the WEM Rules.

The Rule Change Panel understands that the reforms to the market power mitigation arrangements will consider how the EPLs and the BRCP will be determined and used in future, including timing for the processes to set the EPLs and BRCP and who is to be responsible for the processes. Information on these reforms is available on the EPWA website at <https://www.wa.gov.au/government/publications/market-power-mitigation-mechanism>.

The Rule Change Panel notes that responsibility for administration of the WEM Rules will be transferred from the Rule Change Panel to the Coordinator of Energy (**Coordinator**) on

¹ Since the submission of the Rule Change Proposal the Maximum Reserve Capacity Price has been renamed to Benchmark Reserve Capacity Price (**BRCP**).

1 July 2021, so the Coordinator will be responsible for progressing this Rule Change Proposal from that date.

Therefore, the Rule Change Panel has extended the timeframe for publication of the Draft Rule Change Report until 31 December 2021 to give the Coordinator time to further consider the reforms to the market power mitigation measures under the WEM Rules and the implications of these reforms on RC_2014_05.

Further details relating to the Rule Change Proposal are available at https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2014_05.

Proposed Work Program

The Coordinator consults on the changes to the market power mitigation measures under the WEM Rules.

The Coordinator presents its draft decision in the Draft Rule Change Report.

The second submission period is held.

The Coordinator presents its final decision in the Final Rule Change Report.

If the Coordinator's decision is to approve Amending Rules that affect Protected Provisions, the Minister considers the Rule Change Proposal and makes a decision regarding the proposed Amending Rules.

If approved, the Amending Rules commence.

Extended Timeline

The pro*nb