



Rebidding and Technical Parameters Guideline

Draft decision and notice of consultation

September 2019

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Notice of consultation on proposed amendments to the rebidding and technical parameters guideline

With the move to five minute settlement (5MS) from July 2021, the AER is required to make changes to our rebidding and technical parameters guideline (guideline). We must finalise amendments to the guideline by 1 December 2019.

In amending this guideline, clause 11.103.2(d)(2) of the National Electricity Rules (the Rules) requires us to follow the rules consultation procedures. In consulting on a draft, the rules consultation procedures, set out in clause 8.9 of the Rules, require us to publish a notice on our website, advising of the matters under consultation. In accordance with these procedures, we give notice of consultation on our draft rebidding and technical parameters guideline.

How to get involved

We will post information and updates on our website at www.aer.gov.au/wholesale-markets/market-guidelines-reviews.

Invitation for submissions

We invite interested stakeholders to make written submissions in response to the issues raised in this paper, the draft guideline, or any other matter relevant to the development of the changes to the guideline, by the close of business **16 October 2019**.

Submissions should be sent electronically to: [AERInquiry@aer.gov.au](mailto:AERInquiry@ aer.gov.au)

Alternatively, submissions can be mailed to:

Mr Mark McLeish
General Manager (A/g), Market Performance
Australian Energy Regulator
GPO Box 520
Melbourne Vic 3001

We prefer that all submissions be publicly available to facilitate an informed and transparent consultative process. Submissions will be treated as public documents unless otherwise requested. We request parties wishing to submit confidential information:

- clearly identify the information that is the subject of the confidentiality claim
- provide a non-confidential version of the submission in a form suitable for publication.

We will place all non-confidential submissions on our website at www.aer.gov.au. For further information regarding our use and disclosure of information provided to us, see the *ACCC/AER Information Policy*, June 2014 available on our website.

Enquiries about this paper, or about lodging submissions, should be directed to the Market Performance branch of the AER via [AERInquiry@aer.gov.au](mailto:AERInquiry@ aer.gov.au).

Consultation process

Our proposed engagement with stakeholders to amend the guidelines is set out in Table 1.1.

Table 1.1 Indicative timetable for development of changes to rebidding and technical parameters guideline

Milestone	Indicative Date
Initial notice of consultation published	18 September 2019
Draft guideline and request for submissions on draft guideline published	18 September 2019
Written submissions on the draft guideline close	16 October 2019
Final guideline published	15 November 2019

1 Introduction

Where a rebid occurs the reasons for it must be provided to the Australian Energy Market Operator (AEMO). The Rebidding and Technical Parameters Guideline (guideline) sets out the information that must be provided in support of these rebid reasons and also covers some areas related to the bidding and rebidding of technical parameters. The previous version of the guideline was published in February 2017, with the guideline having first being published in December 2009.

On 28 November 2017, the AEMC made a final rule to change the settlement period for the electricity spot price from 30 minutes to five minutes, starting 1 July 2021 (5MS Rule change). As part of this rule change, the AER is required to, by 1 December 2019, amend and publish changes to the rebidding guidelines to take effect from 1 July 2021.¹ In developing the changes to the guideline, we must follow the rules consultation procedures, set out in clause 8.9 of the Rules.

This document should be read alongside our *Rebidding and technical parameters guideline – draft guideline for consultation*. For the purposes of the rules consultation procedures, the draft decision details our conclusions, as well as the procedure we followed in considering the issues, our underlying reasons, and a notice inviting submissions on the draft guideline.

¹ National Electricity Rules, clause 11.103.2(d)(2).

2 Proposed amendments to the guidelines

In developing the proposed amendments to the guideline, we have largely focused on the changes to the guideline that are required to accommodate 5MS. While the changes that 5MS introduces to the market are significant, the amendments that need to be made to the guideline appear to be minor.

While our review could have just focused on these minor changes required to accommodate 5MS, we have also taken the opportunity to 'tidy up' aspects of the existing guideline. However, consistent with the requirements of the 5MS rule change, we have not undertaken a full guideline review. The proposed amendments to the guideline are marked up. The changes that we have proposed and the reasons for these changes are explained in this section.

2.1 Proposed amendments related to the change in the number of trading intervals in a day

Under section 2.3 of the current guideline (Market ancillary services), there is a reference to offers being required for each of the 48 trading intervals of the day. With the move to 5MS, there will now be 288 trading intervals in the day. Therefore we have proposed an amendment such that the draft guideline refers to 288 trading intervals under section 2.3.

We have reviewed the rest of the current guidelines to see what further changes may be required to accommodate 5MS. While there is a reference to five-minute or 30-minute price or demand forecasts under section 3.2.1 (Information to be provided in a rebid reason), we consider that this remains accurate as forecasts for demand and availability will still be done on a 30-minute and five-minute basis.

We would welcome views from stakeholders on whether we have fully captured all the references to the changed number of trading intervals and other implications of the shift to 5MS in the proposed amendments or whether there are other changes that stakeholders consider are necessary.

2.2 Proposed amendments to the form of a rebid that will change with the introduction of five minute bidding

In August 2019, AEMO released the Draft Format and Validation for Energy, FCAS, and MNSP Bids and Offers which provides guidance on how relevant participants should submit a dispatch bid/offer. With the move to 5MS, AEMO are changing the bid/offer submission format from the commencement of five minute bidding. Therefore we have proposed an amendment such that the draft guideline refers to this proposed new format under sections 2.1.1 and 3.4.

The proposed changes include:

- Amendments to section 2.1.1 to indicate what fields should be submitted to fulfil requirements under the Rules by a relevant participant when rebidding their ramp rate.

- Amendments to section 3.4 to explicitly indicate what information should be provided in a rebid under the Rules and what field(s) this corresponds to.

We consider the proposed amendments to sections 2.1.1 and 3.4 provide appropriate guidance with the new bid/offer submission format.

2.3 Proposed amendments to information required to be provided where participants provide a ramp rate less than the minimum

As part of an energy market dispatch offer, relevant participants are obliged under the Rules to provide AEMO with details of their ramp rates, that is the rate at which the output of the generator may vary up and down within five minutes.

A relevant participant may provide a ramp rate less than the minimum if it is affected by an event that physically prevents it from attaining the minimum ramp rate or makes it unsafe to operate at that ramp rate. If a scheduled generator, semi-scheduled generator or market participant provides a ramp rate that is less than the minimum, it must simultaneously provide AEMO with a brief, verifiable and specific reason for that ramp rate being below the minimum.

Section 2.1.1 of the guidelines currently prescribes that the reason provided to AEMO must include:

- details of the technical issue preventing the generator from achieving the minimum ramp rate, and
- the time the technical issue was identified (i.e. the time adduced).

The time the technical issue was "identified" will be amended to "occurred" in line with clause 3.8.22(c)(2)(ii).

We welcome views from stakeholders on whether these proposed changes in the guideline are appropriate.

2.4 Proposed minor amendments

While we have not undertaken a full review of the guideline, we have taken the opportunity to 'tidy up' aspects of the guideline.

These proposed changes include:

- Amendments to ensure phrases presented in italics are defined in the Rules - As an example, in the current guideline, the term 'relevant participants' is italicised extensively despite not being defined in the Rules. The changes proposed remove the italics for this term, but also clarify that for the purpose of this guideline, we refer to "scheduled generators, semi-scheduled generators or market participants" as "relevant participants."
- Amendments to remove the reference to outdated AER procedures - Section 1.2 of the current guideline refers to the AER's compliance and enforcement policies being set out in the Compliance and Enforcement - Statement of Approach. This has been replaced

with the AER Compliance and Enforcement Policy. Amendments are proposed to the guideline to refer to this current policy.

- Amendments to the formatting of the Guideline using the updated template - As an example, in the current guideline, page numbers and footers are not used and the amendment record appears after the contents rather than before.
- Other proposed amendments include minor amendments to grammar and phrasing designed to improve the clarity of some aspects of the guideline. These amendments are marked up throughout the guideline.

We welcome views from stakeholders on these minor changes and any other minor changes that stakeholders consider would improve the guideline.

3 Transitional arrangements

The draft guideline proposes that the amended version of the guideline would take effect from 1 July 2021 or the date of the introduction of 5MS (should 5MS not commence on 1 July 2021).

For avoidance of doubt, this means that the current guidelines would continue to apply until the date 5MS commences.