



Extension Notice:

Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Prices (RC_2014_05)

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

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Date Submitted:	2 December 2014	
Date of extension:	31 December 2022	

In accordance with clause 2.5.10 of the WEM Rules, the Coordinator of Energy (**Coordinator**) 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”¹ (RC_2014_05) until **5:00 PM on Friday 30 June 2023**.

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

Reason for the Extension

The Rule Change Panel put this Rule Change Proposal on hold as it expected the Economic Regulation Authority (**ERA**) to run its five-yearly reviews of the Energy Price Limits (**EPLs**) and Benchmark Reserve Capacity Price (**BRCP**) methodologies. However, the ERA subsequently put these reviews on hold because they overlapped with the Market Power Mitigation (**MPM**) review that was being undertaken as part of the Energy Transformation Strategy work.²

Responsibility for administration of the WEM Rules transferred from the Rule Change Panel to the Coordinator on 1 July 2021. As a result, the Coordinator is now responsible for progressing this Rule Change Proposal.

The matters covered in this Rule Change Proposal are currently being considered, as follows:

- The MPM Review³ has considered (among other things) the methodology and frequency for setting the EPLs. The Minister for Energy is expected to make rule changes to give effect to the outcomes of this review in early 2023.

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

2 <https://www.erawa.com.au/cproot/21237/2/NOTICE---Suspension-of-BRCPEPL-method-reviews.pdf>.

3 <https://www.wa.gov.au/government/publications/market-power-mitigation-mechanism>.

- The Reserve Capacity Mechanism (**RCM**) Review is considering (among other things) the methodology for setting the BRCP.⁴ The RCM Review is expected to be completed in mid-2023, and the Minister for Energy is expected to subsequently make rule changes to give effect to the outcomes of the review.

Therefore, the Coordinator has extended the timeframe for publication of the Draft Rule Change Report for RC_2014_05 until 30 June 2023 to allow adequate time for the completion of the RCM Review.

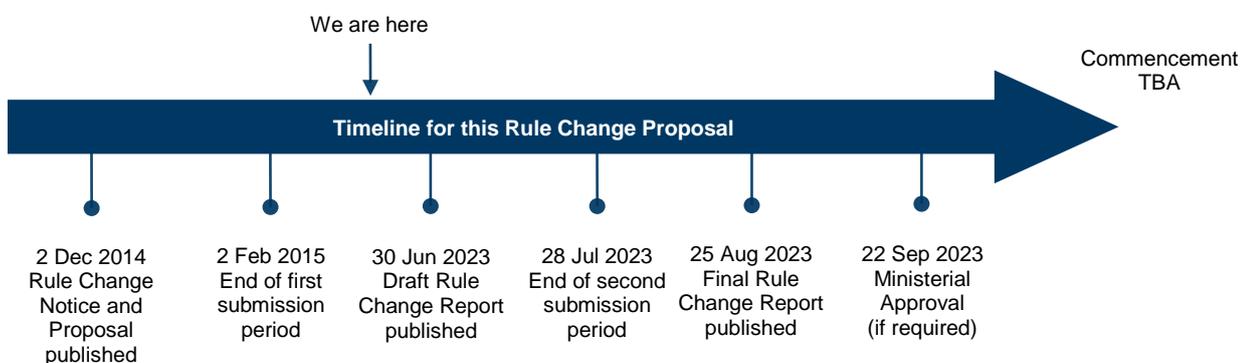
Further details relating to the Rule Change Proposal are available at <https://www.wa.gov.au/government/document-collections/rule-change-rc201405>.

Proposed Work Program

- The Coordinator completes the MPM Review.
- The Coordinator completes the RCM Review.
- The Coordinator presents its draft decision in a Draft Rule Change Report.
- The second submission period takes place.
- The Coordinator presents its final decision in a 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, any Amending Rules commence.

Extended Timeline

The projected timeline for processing this proposal, including the extension, is:



⁴ [Reserve Capacity Mechanism Review \(www.wa.gov.au\)](http://www.wa.gov.au).