



WEM Procedure: Supplementary Essential System Service Mechanism Processes

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1.0	30 January 2026	First version developed in accordance with clauses 3.11.3, 3.11.4, and 3.15A.46 of the ESM Rules.

IMPORTANT NOTICE – EXPLANATORY NOTES

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1. Introduction

1.1. Purpose and scope

- 1.1.1. This WEM Procedure: Supplementary Essential System Service Mechanism Processes (Procedure) is made in accordance with AEMO's functions under clause 2.1A.2(h) of the Electricity System and Market Rules (ESM Rules).
- 1.1.2. The *Electricity Industry Act 2004* (WA), the ESM Regulations and the ESM Rules prevail over this Procedure to the extent of any inconsistency.
- 1.1.3. In this Procedure, where obligations are conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations in accordance with clause 2.9.7A, 2.9.7D or 2.9.8 of the ESM Rules, as applicable.
- 1.1.4. The purpose of this Procedure is to document:
- (a) the number of Dispatch Intervals published under clause 3.11.2(b) that, once reached, requires AEMO to trigger the SESSM in accordance with clause 3.15A **[Clause 3.11.3]**;
 - (b) the process and basis for determining the number of Dispatch Intervals in any 90 Trading Day period in which it issues directions for a specific Frequency Co-optimised Essential System Service that, once reached, requires AEMO to trigger the SESSM in accordance with clause 3.15A **[Clause 3.11.4]**;
 - (c) the format and content of SESSM Service Specifications **[Clause 3.15A.46(a)]**;
 - (d) the process for determining the SESSM Service Specifications **[Clause 3.15A.46(b)]**;
 - (e) the evidence to be provided in respect of the viability of a proposed facility in support of the Key Project Dates provided under clause 3.15A.40 or clause 4.10.1(c) **[Clause 3.15A.46(c)]**;
 - (f) the evidence to be provided in respect of the capability of the Facility to provide the relevant Frequency Co-optimised Essential System Service **[Clause 3.15A.46(d)]**;
 - (g) the methodology used to select, approve and grant SESSM Awards **[Clause 3.15A.46(e)]**;
 - (h) the process for monitoring progress of new entrant Facilities that are granted a SESSM Award **[Clause 3.15A.46(f)]**;
 - (i) the circumstances in which it would cancel the SESSM Award granted to a new entrant Facility that is unlikely to have completed all Commissioning Tests by the SESSM Service Commencement Date **[Clause 3.15A.46(g)]**;
 - (j) the process for monitoring the performance of Facilities that are granted a SESSM Award **[Clause 3.15A.46(h)]**;
 - (k) the process for assessing the capability of a facility to provide its nominated SESSM Availability Quantity due to Network Constraints **[Clause 3.15A.46(i)]**; and
 - (l) the process for revising the SESSM Availability Quantity and the Per-Dispatch Interval Availability Payment under clause 3.15A.45 **[Clause 3.15A.46(j)]**.

1.1.5. Appendix A of this Procedure outlines the head of power clauses that this Procedure is made under, as well as other clauses of the ESM Rules requiring an obligation, process or requirement be documented in this Procedure.

1.2. Definitions

1.2.1. Terms defined in the *Electricity Industry Act 2004 (WA)*, the ESM Regulations and the ESM Rules have the same meanings in this Procedure, unless the context requires otherwise.

1.2.2. The following definitions apply in this Procedure, unless the context requires otherwise.

Table 1 Definitions

Term	Definition
AEMO SESSM Trigger	Where AEMO triggers the Supplementary Essential System Service Mechanism (SESSM) under the ESM Rules [Clause 3.15A.1] .
Amendment Process	Means a process in accordance with the ESM Rules [Clauses 2.34A.8, 2.34A.11, 2.34A.12E, or 2.34A.12F] : <ul style="list-style-type: none"> amending the Facility’s Frequency Co-optimised Essential System Service accreditation parameters, where the Facility has varied, is varying, or is likely to vary significantly from that Facility’s capability to deliver the Frequency Co-optimised Essential System Service in accordance with that Facility’s Frequency Co-optimised Essential System Service accreditation parameters and the relevant Performance Requirements; and amending the Facility’s Rate of Change of Frequency (RoCoF) ride through capability, where the Facility has varied, is varying, or is likely to vary significantly from that Facility’s capability to operate in accordance with that Facility’s accredited RoCoF ride through capability.
ERA SESSM Trigger	Where the Economic Regulation Authority (ERA) triggers SESSM under the ESM Rules [Clause 3.15A.2] .
FCESS Participation Shortfall Event	A single Dispatch Interval where AEMO has directed a Market Participant to commit a Facility under a clause referred to in paragraph 2.1.3 to provide a Frequency Co-optimised Essential System Service due to a forecast real-time shortfall not being resolved in response to a Low Reserve Condition Declaration, as published in accordance with the ESM Rules [Clause 3.11.2(b)] . For the avoidance of doubt, a single direction spanning multiple Dispatch Intervals would constitute multiple FCESS Participation Shortfall Events.
Microsoft Excel	A spreadsheet program developed by Microsoft that allows for the organising, formatting and calculation of data within a grid of cells.
Performance Requirements	Frequency Co-optimised Essential System Service requirements which must be met for a Facility to be accredited in accordance with the WEM Procedure: Frequency Co-optimised Essential System Services Accreditation, and must be met by a Facility when enabled for a Frequency Co-optimised Essential System Services.
Portable Document Format (PDF)	Portable Document Format, or ‘PDF’, means the file format developed by Adobe that allows documents to be displayed and printed consistently across different operating systems and software.
SESSM Award Holder	A Market Participant that has been granted a SESSM Award in respect to its new or existing Facility.

1.3. Interpretation

1.3.1. The following principles of interpretation apply in this Procedure unless the context requires otherwise.

(a) Clauses 1.3 to 1.5 of the ESM Rules apply in this Procedure.

- (b) References to time are references to Australian Western Standard Time.
- (c) Terms that are capitalised, but not defined in this Procedure, have the meaning given in the ESM Rules.
- (d) A reference to the ESM Rules or WEM Procedures includes any associated forms required or contemplated by the ESM Rules or WEM Procedures.
- (e) Words expressed in the singular include the plural and vice versa.
- (f) A reference to a paragraph refers to a paragraph of this Procedure.
- (g) A reference to an appendix refers to an appendix of this Procedure.
- (h) A reference to a clause refers to a clause or section of the ESM Rules.
- (i) References to ESM Rules in this Procedure in bold and square brackets **[Clause XXX]** are included for convenience only, and do not form part of this Procedure.
- (j) Text located in boxes and headed as E[X] in this Procedure is included by way of explanation only and does not form part of this Procedure. The Procedure prevails to the extent of any inconsistency with the explanatory notes contained within it.
- (k) The body of this Procedure prevails to the extent of any inconsistency with the figures, diagrams, appendices, schedules, annexures or attachments contained within this document.

1.3.2. This Procedure must be read in conjunction with the ESM Rules relevant to this Procedure, noting that in many cases the ESM Rules provide descriptive processes, timeframes and other obligations that are not duplicated in AEMO’s WEM Procedures.

1.4. Related documents

1.4.1. The documents in Table 2 are associated with this Procedure.

Table 2 Related documents

Reference	Title	Location
WEM Procedure	Essential System Service Quantities	AEMO Website
WEM Procedure	Frequency Co-optimised Essential System Services Accreditation	AEMO Website
WEM Procedure	Low Reserve Conditions	AEMO Website
WEM Procedure	Facility Registration Processes	AEMO Website
WEM Procedure	Short Term PASA	AEMO Website
WEM Procedure	Network Access Quantity Model	AEMO Website
WEM Procedure	ERA Triggering the SESSM	ERA Website

1.5. Communications and provision of information

1.5.1. All communications and provision of information by a Rule Participant or the ERA to AEMO under this Procedure must be conducted via email at wa.rmp@aemo.com.au, unless otherwise specified in this Procedure.

- 1.5.2. All communication and provision of information by AEMO to a Rule Participant or the ERA under this Procedure will be conducted via email, unless otherwise specified in this Procedure.

2. SESSM trigger for FCESS Participation Shortfall

E[A] FCESS Participation Shortfall and FCESS Accreditation Shortfall

A FCESS Participation Shortfall occurs where AEMO has directed a Market Participant to commit a Facility to provide a Frequency Co-optimised Essential System Service in a single Dispatch Interval, due to a forecast real-time shortfall not being resolved in response to a Low Reserve Condition Declaration **[Clause 3.11.2(b)]**.

While AEMO is required to publish each FCESS Participation Shortfall, a single FCESS Participation Shortfall does not itself trigger SESSM. Instead, AEMO must specify the number of FCESS Participation Shortfalls in any 90 Trading Day period that, if reached, will trigger SESSM **[Clause 3.11.6]**. This Procedure refers to a single FCESS Participation Shortfall (e.g. a single Dispatch Interval) as a FCESS Participation Shortfall Event.

AEMO is required to trigger SESSM in the event of a FCESS Accreditation Shortfall **[Clauses 3.11.1 and 3.11.6]**. As the trigger process is adequately prescribed under the ESM Rules, this Procedure does not include further prescription on triggers for FCESS Accreditation Shortfalls. Rather, FCESS Accreditation Shortfalls are relevant to the determination of the SESSM Service Specification under paragraph 3, the procurement of SESSM under paragraphs 4 and 5, and the monitoring requirements under paragraphs 6 and 7.

- 2.1.1. Paragraph 2 applies to SESSM Participation Shortfalls.
- 2.1.2. The number of FCESS Participation Shortfall Events within a 90 Trading Day period after which AEMO will trigger SESSM **[Clause 3.11.6(b)]** is:
 - (a) for Regulation Raise, 320 Dispatch Intervals;
 - (b) for Regulation Lower, 320 Dispatch Intervals;
 - (c) for Contingency Reserve Raise, 320 Dispatch Intervals;
 - (d) for Contingency Reserve Lower, 320 Dispatch Intervals; and
 - (e) for RoCoF Control Service, 4,320 Dispatch Intervals.

E[B] Notes on directions

Paragraph 2.1.3 is included to provide clarity on the clauses under the ESM Rules under which AEMO may direct a Market Participant to provide Frequency Co-optimised Essential System Services, that may be an FCESS Participation Shortfall Event. However, note that not all directions under these clauses are FCESS Participation Shortfall Events. For example, the following are not considered FCESS Participation Shortfall Events, irrespective of whether they occur in a Low Reserve Condition Declaration period:

- where a Facility is already committed when it is issued a direction to increase the level of its service;
- where a Facility is directed to offer a Frequency Co-optimised Essential System Service, but this is not to resolve a real-time market shortfall; and
- where a Facility is directed to stop providing a Frequency Co-optimised Essential System Service.

- 2.1.3. Directions under the following clauses to provide a Frequency Co-optimised Essential System Service due to a forecast real-time shortfall not being resolved in response to a Low Reserve Condition Declaration apply for the purpose of determining FCESS Participation Shortfall Events under clause 3.11.2(b):
 - (a) 3.4.4(d);

- (b) 3.4.5;
- (c) 3.5.5(a);
- (d) 3.5.5(c); and
- (e) 7.7.5.

2.1.4. For the avoidance of doubt, a direction to one or more Facilities in a single Dispatch Interval under a clause referred to in paragraph 2.1.3 will be counted as one FCESS Participation Shortfall Event for the purpose of clause 3.11.2(b).

E[C] Basis of the number of FCESS Participation Shortfall Events to trigger SESSM

As this is AEMO's first SESSM WEM Procedure and the SESSM mechanism has not previously been triggered, there are limitations in how AEMO can determine the number of FCESS Participation Shortfall Events identified in paragraph 2.1.2. To arrive at these values, AEMO has used a combination of practical experience in directing Facilities to offer services, actual and estimated costs (direct and indirect) to the market, and past experience with the procurement of other off-market services.

As AEMO gains more experience in this area, the values under paragraph 2.1.2 and basis under paragraph 2.1.5 may be amended via the Procedure Change Process.

2.1.5. The number of Dispatch Intervals identified under paragraph 2.1.2 is based on AEMO's experience with, and assessment of, the following **[Clause 3.11.4]**:

- (a) the practical limits associated with AEMO's ability to intervene to resolve shortfalls of Frequency Co-optimised Essential System Services through an assessment of historical interventions and any associated risk to maintaining Power System Security and Power System Reliability with this level of intervention;
- (b) the number of similar directions made during the 90 Trading Days associated with the summer months of December 2024 to February 2025;
- (c) costs to Market Participants in issuing directions, including Energy Uplift Payments; and
- (d) the expected costs of running a SESSM procurement process, based on previous experience with off-market procurement services.

3. SESSM Service Specification

3.1. Format and content of the SESSM Service Specification

E[D] Content of SESSM Specifications

AEMO encourages Market Participants to familiarise themselves with clause 3.15A.20, which provides the content that AEMO must include in the SESSM Submission and the requirements in relation to the SESSM Service Specification.

- 3.1.1. The SESSM Service Specification will include the content specified under clause 3.15A.6 of the ESM Rules.
- 3.1.2. The SESSM Service Specification will be provided in PDF format, with the exception of the SESSM Service Quantity Profile which will be provided in PDF or Microsoft Excel format.

3.2. Process for determining the SESSM Service Specification for an ERA SESSM Trigger

E[E] ERA SESSM Service Specification

The ERA must document in a WEM Procedure the process it will take to identify inefficient Real-Time Market outcomes **[Clause 3.15A.5]** in triggering SESSM. This WEM Procedure is available from the ERA's website.

- 3.2.1. Paragraph 3.2 applies to an ERA SESSM Trigger.
- 3.2.2. AEMO will prepare the SESSM Service Specification for an ERA SESSM Trigger based on information published by the ERA when triggering the SESSM **[Clause 3.15A.4]**, and any further information provided under paragraph 3.2.4.
- 3.2.3. AEMO will confirm that the information published by the ERA referenced in paragraph 3.2.2 contains:
 - (a) the name of the Frequency Co-optimised Essential System Service or services that are to be procured through SESSM **[Clauses 3.15A.4(b) and 3.15A.6(a)]**;
 - (b) the SESSM Service Commencement Date;
 - (c) the SESSM Service Timing;
 - (d) the SESSM Award Duration;
 - (e) the SESSM Availability Requirement **[Clause 3.15A.6(f)]**; and
 - (f) where relevant, the identities of the Registered Facilities that the ERA has designated to participate in the SESSM **[Clauses 3.15A.11 and 3.15A.14]**.

E[F] ERA SESSM Service Specification

When triggering SESSM, the ERA must publish the information outlined in clause 3.15A.4. When publishing the SESSM Service Specification, AEMO must include the information under clause 3.15A.6. Notwithstanding, clause 3.15A.4 does not include the full range of SESSM Service Specification requirements under clause 3.15A.6, and where the ERA has triggered SESSM, AEMO will not be able to prepare the SESSM Service

Specification without the complete information. As such, paragraph 3.2.4 specifies what AEMO should do if such a situation arises.

- 3.2.4. Where the information under paragraph 3.2.2 is incomplete or ambiguous, such that AEMO cannot determine the information requirements under paragraph 3.2.3 to produce the SESSM Service Specification, AEMO will request further information from the ERA, and the SESSM Service Specification will be produced by AEMO when all required information has been provided.

3.3. Process for determining the SESSM Service Specification for an AEMO SESSM Trigger

- 3.3.1. Paragraph 3.3 applies to an AEMO SESSM Trigger, whether applicable to a FCESS Participation Shortfall or a FCESS Accreditation Shortfall.
- 3.3.2. Where AEMO has triggered the SESSM, it will prepare and publish the SESSM Service Specification within the timeframes required under the ESM Rules **[Clause 3.15A.3]**.
- 3.3.3. AEMO will determine each element of the SESSM Service Specification for each relevant Frequency Co-optimised Essential System Service as follows:
- (a) the Frequency Co-optimised Essential System Service(s) being procured under the SESSM **[Clause 3.15A.6(a)]** will be determined based on the most suitable type of service to address the forecast shortfall identified under clause 3.11.6 for which the SESSM has been triggered;
 - (b) the SESSM Service Commencement Date will be determined on a case-by-case basis, taking into consideration:
 - (i) reasonable timeframes for respondents to prepare submissions, AEMO to assess submissions, and the ERA to determine whether to veto AEMO's decision **[Clauses 3.15A.17, 3.15A.26, and 3.15A.31]**;
 - (ii) any likely timing obligations with regard to Facility registration **[Clause 2.31]**, Frequency Co-optimised Essential System Service accreditation **[Clause 2.34A]**, or proposed increases to a Facility's accredited capacity from which the relevant Frequency Co-optimised Essential System Service will be provided **[Clause 3.15A.10]**;
 - (iii) the time of the earliest affected Dispatch Interval published in accordance with clause 3.11.6 for the relevant Frequency Co-optimised Essential System Service;
 - (iv) for a FCESS Accreditation Shortfall, the severity of the shortfall and subsequent potential impacts on Power System Security and Power System Reliability; and
 - (v) for a FCESS Participation Shortfall, the impact of directions on AEMO's dispatch processes, and the estimated costs to the market of ongoing similar directions made under the clauses identified in paragraph 2.1.3 **[Clauses 3.11.3(c) and 3.11.5]**;
 - (c) the SESSM Service Timing for a FCESS Accreditation Shortfall or a FCESS Participation Shortfall will be:
 - (i) the Dispatch Intervals forecast in accordance with clause 3.11.6; and

- (ii) the time period between the commencement of the first Dispatch Interval and completion of the last Dispatch Interval published in accordance with clause 3.11.6 **[Clause 3.15A.7]**;
- (d) the SESSM Service Quantity Profile for a FCESS Accreditation Shortfall or a FCESS Participation Shortfall will be the quantity of Frequency Co-optimised Essential System Services within each Dispatch Interval under paragraph 3.3.3(c)(i) forecast in accordance with clause 3.11.6 **[Clause 3.15A.7]**, which may account for Outage rates that could reasonably impact the Outage Capability of a Facility in respect to the Frequency Co-optimised Essential System Service;

E[G] SESSM Award Duration

Note that the definition of SESSM Award Duration under the ESM Rules limits the duration to three years.

- (e) the SESSM Award Duration, will be determined on a case-by-case basis, taking into consideration:
 - (i) limitations under the ESM Rules;
 - (ii) the SESSM Service Timing; and
 - (iii) any likely timing obligations with regard to Facility registration **[Clause 2.31]**, Frequency Co-optimised Essential System Service accreditation **[Clause 2.34A]**, or proposed increases to a Facility's accredited capacity from which the relevant Frequency Co-optimised Essential System Service will be provided **[Clause 3.15A.10]**; and
- (f) the SESSM Availability Requirement which will be determined on a case-by-case basis taking into consideration:
 - (i) for a FCESS Accreditation Shortfall, the minimum quantity of Frequency Co-optimised Essential System Service within each Dispatch Interval that must be acquired from a Facility to ensure that the aggregate minimum quantities across all Facilities will meet the SESSM Service Quantity Profile;
 - (ii) for a FCESS Participation Shortfall, the quantity of accredited capacity that may be directed to provide Frequency Co-optimised Essential System Services under paragraph 2.1.3; and
 - (iii) for a FCESS Accreditation Shortfall and/or a FCESS Participation Shortfall, Outage rates that could reasonably impact the Outage Capability of a Facility in respect to the Frequency Co-optimised Essential System Service.

4. Additional requirements

E[H] Explanatory note for paragraph 4

Regardless of whether AEMO or the ERA triggers the SESSM, AEMO may set out additional evidence or requirements to be supplied by any Market Participant seeking to participate in the SESSM procurement process. The purpose of this additional information is to enable more efficient processing in the selection analysis and approval stages of the procurement process.

- 4.1.1. Paragraph 4 applies to both an AEMO SESSM Trigger and an ERA SESSM Trigger.
- 4.1.2. In addition to the SESSM Submission form and other requirements in relation to a SESSM Submission under the ESM Rules [**Clauses 3.15A.21 to 3.15A.25**], a Market Participant seeking to make a SESSM Submission must provide the following information with their SESSM Submission:
 - (a) for a new Facility that is yet to commence operation, evidence that:
 - (i) the Facility can meet its Key Project Dates, which may include documents such as financial approvals, land acquisition materials, external planning approvals, building schedules, internal planning documents; and
 - (ii) the Facility will meet any required environmental approvals by the SESSM Service Commencement Date; and
 - (b) for a new Facility that is yet to commence operation, or an existing Facility seeking to increase its capacity to provide Frequency Co-optimised Essential System Services:
 - (i) the status of network access and supporting information, including in relation to a connection offer, or variation to the Facility's Declared Sent Out Capacity or Contract Maximum Demand (as applicable) from the Network Operator, sufficient to demonstrate that adequate network access is likely to be obtained by the SESSM Service Commencement Date; and
 - (ii) evidence that the Facility will meet the requirements for Frequency Co-optimised Essential System Service accreditation in accordance with the WEM Procedure: Frequency Co-optimised Essential System Services Accreditation by the SESSM Service Commencement Date.

5. Selection analysis and approval

E[I] SESSM Submission and selection analysis

The ESM Rules specify the obligations on AEMO with respect to the development of the SESSM Submission form and calling for SESSM Submissions, including timeframes, content, and publishing requirements [Clauses 3.15A.17 to 3.15A.20].

Following the closure of the application period, the ESM Rules provide prescriptive processes for the selection analysis and approval of SESSM Submissions [Clauses 3.15A.26 to 3.15A.28]. Paragraph 5 specifies the methodology AEMO will use to select, approve and grant SESSM Awards that are additional to those outlined under the ESM Rules.

5.1. Selecting SESSM Submissions

- 5.1.1. Paragraph 5.1 applies to both an AEMO SESSM Trigger and an ERA SESSM Trigger.
- 5.1.2. In addition to requirements under the ESM Rules [Clauses 3.15A.27(a) and 3.15A.27(b)], AEMO will exclude SESSM Submissions that do not comply with paragraph 4.1.2.
- 5.1.3. For SESSM Submissions that have not been excluded following the assessment under paragraph 5.1.2 and the ESM Rules, AEMO may adjust the proposed SESSM Availability Quantity to a value that AEMO considers is reasonably achievable where the output of the Facility is likely to be affected by:
 - (a) a Network Constraint, as determined in accordance with the WEM Procedure: Network Access Quantity Model [Clause 3.15A.27(g)]; and
 - (b) changes in ambient temperature [Clause 3.15A.27(h)],and inform the relevant Market Participant accordingly.

E[J] Identifying historical Dispatch Intervals under clause 3.15A.27(c)

The ESM Rules require AEMO to undertake certain assessments when selecting the lowest cost combination of SESSM Submissions [Clause 3.15A.27]. This includes an assessment of historical Dispatch Intervals matching the SESSM Service specification, and then calculating energy price profiles of low, average and high (enabling an estimation of the Energy Uplift Payments likely to be applicable). Further, AEMO is required to calculate the lowest cost combination of SESSM Submissions to deliver the requirement under each of the three energy price profiles.

Paragraphs 5.1.4 to 5.1.6 below specify how AEMO will determine the duration of the historical time-period and undertake the following assessment.

- 5.1.4. AEMO will choose a time-period within which to identify historical Dispatch Intervals under clause 3.15A.27(c) and paragraph 5.1.5 that contains a sufficiently large sample of Dispatch Intervals, after accounting for, or eliminating, any Dispatch Intervals with unusual outcomes.
- 5.1.5. For the purposes of clause 3.15A.27(d), AEMO will determine the energy price profiles for high, average, and low cost categories by:
 - (a) identifying the Energy Market Clearing Price determined for each of the Dispatch Intervals identified in paragraph 5.1.4 and model the probability distribution; and
 - (b) applying high, average, and low probabilities of exceedance thresholds to the probability distribution determined under paragraph 5.1.5(a).

- 5.1.6. For the purposes of clauses 3.15A.27(e) to (f), for each SESSM Submission that has not been excluded under paragraph 5.1.2 and the ESM Rules, AEMO will:
- (a) estimate the Energy Uplift Payments likely to be applicable under the high, average, and low probabilities in each relevant Dispatch Interval taking into consideration:
 - (i) the Facility's historical Real-Time Market Offers for energy;
 - (ii) the factors under clause 3.15A.27(e)(iii); and
 - (iii) the quantities offered under the SESSM Submission, which may be adjusted in accordance with paragraph 5.1.3;
 - (b) combine the values determined under paragraph 5.1.6(a) with the values determined under clauses 3.15A.27(e)(i) and 3.15A.27(e)(ii) for each relevant Dispatch Interval; and
 - (c) subject to paragraphs 5.1.7 and 5.1.8, select the likely lowest cost combination of SESSM Submissions that will meet the SESSM Service Specification under the high, average, and low probabilities **[Clause 3.15A.26(a)]**.
- 5.1.7. Where SESSM is being triggered in relation to a FCESS Participation Shortfall, AEMO may exclude SESSM Submissions that, in AEMO's reasonable opinion, are likely to exceed the cost of intervening in the Real-Time Market as a result of directing Facilities to offer the relevant Frequency Co-optimised Essential System Service during the equivalent Dispatch Intervals.
- 5.1.8. Without limiting paragraph 5.1.7, where under paragraph 5.1.6 (c) AEMO is unable to select SESSM Submissions that meet the requirements of the SESSM Service Timing, SESSM Award Duration, or SESSM Service Quantity Profile, it must seek to select the lowest cost combination of SESSM Submissions that minimise the FCESS Participation Shortfall or FCESS Accreditation Shortfall, as applicable.
- 5.1.9. If, under paragraph 5.1.6 (which may be amended in accordance with paragraph 5.1.7), AEMO has selected zero SESSM Submissions, AEMO will:
- (a) notify the ERA and the Coordinator of Energy of the outcome;
 - (b) notify each Market Participant that made a SESSM Submission of the outcome; and
 - (c) publish a notice on the WEM Website outlining the outcome.

5.2. Granting SESSM Awards

E[K] ERA right to veto

Under the ESM Rules AEMO must notify the ERA of the outcome of the SESSM, including the provision of a range of summary information **[Clause 3.15A.29]** and the information specific to each SESSM Submission **[Clause 3.15A.30]**. Following, the ERA may veto AEMO's decision if it considers that AEMO has not followed due process, after which, AEMO must revise its selection assessment in accordance with the processes under clauses 3.15A.26 and 3.15A.27, which are supported by the processes in paragraph 5.1 **[Clause 3.15A.32]**.

Paragraph 5.2.1 provides additional information on processes in relation to an ERA veto.

- 5.2.1. Where the ERA has requested that AEMO revise its selection assessment and approval according to the process under the ESM Rules **[Clause 3.15A.32]**, AEMO will consult with the ERA on:
- (a) specific aspects of the process under clauses 3.15A.26 and 3.15A.27 that the ERA considers AEMO has not followed;
 - (b) the timeframe within which any revisions should be conducted and reported back to the ERA; and
 - (c) any other matters that AEMO and the ERA consider relevant.
- 5.2.2. Where AEMO receives a notification from the ERA that it will not veto a SESSM Award **[Clause 3.15A.36]**, AEMO will:
- (a) notify the relevant Market Participant that it has selected to grant a SESSM Award **[Clause 3.15A.36]** by email, within five Business Days of receiving the ERA notification; and
 - (b) publish the information required under the ESM Rules **[Clause 3.15A.36(b) to (c)]** as soon as practicable after receiving the ERA notification.

6. Monitoring progress of SESSM Award Holders prior to the SESSM Commencement Date

- 6.1.1. Unless otherwise specified, paragraph 6 applies to Market Participants where the SESSM Award is granted to the Market Participant for the following Facilities:
- (a) Facilities yet to commence operation; and
 - (b) new or existing Facilities that are unaccredited to provide the relevant Frequency Co-optimised Essential System Service.
- 6.1.2. Subject to paragraph 6.1.3, within five Business Days of being granted a SESSM Award, the SESSM Award Holder must **[Clause 3.15A.39]**:
- (a) if the Facility is unregistered, submit an application to register the Facility in accordance with clause 2.31 of the ESM Rules; and
 - (b) for a new or existing Facility unaccredited for the relevant Frequency Co-optimised Essential System Service, submit an application for accreditation to provide the relevant Frequency Co-optimised Essential System Service in accordance with clause 2.34A of the ESM Rules and the WEM Procedure: Frequency Co-optimised Essential System Services Accreditation.
- 6.1.3. Where, following a request by the SESSM Award Holder, AEMO reasonably considers that the SESSM Award Holder will not be able to meet the timeframes under paragraph 6.1.2, AEMO may allow a longer timeframe, having regard to the SESSM Service Commencement Date and the particular circumstances of the Facility and SESSM Award Holder.
- 6.1.4. A SESSM Award Holder for a Facility that is yet to commence operation, must provide progress reports to AEMO in respect to the items under paragraph 4.1.2 (as applicable) and its ability to complete all Commissioning Tests for that Facility by the SESSM Service Commencement Date;
- (a) at least once every three months from the date the SESSM Award is confirmed under clause 3.15A.36; and
 - (b) at least once every month commencing on the date that is six months prior to the SESSM Service Commencement Date.
- 6.1.5. Where AEMO reasonably considers the Facility's progress against the information provided under paragraph 6.1.4 is unlikely to allow for the Facility to complete all Commissioning Tests by the SESSM Service Commencement Date, AEMO may, after consulting with the SESSM Award Holder:
- (a) require the SESSM Award Holder to provide further information or reports to AEMO on the progress of the Facility to be able to provide the relevant SESSM Availability Quantity by the SESSM Service Commencement Date;
 - (b) where considered acceptable by the SESSM Award Holder, require the SESSM Award Holder to revise the progress dates and provide new evidence to demonstrate the revised dates can be met;
 - (c) revise the SESSM Service Commencement Date; or
 - (d) cancel the SESSM Award in respect to that Facility **[Clause 3.15A.46(g)]**.

- 6.1.6. When determining the actions under paragraph 6.1.5, AEMO will have regard to:
- (a) whether the SESSM Award Holder can reasonably remediate the progress of the Facility with a time extension;
 - (b) in relation to the SESSM Service Commencement Date or cancellation of the SESSM Award:
 - (i) any impacts on the Real-time Market for the Frequency Co-optimised Essential System Services in which the SESSM Award Holder was to participate; and
 - (ii) any cost impacts on the Real-Time Market; and
 - (c) any other relevant factors.

7. Monitoring performance of SESSM Award Holders

- 7.1.1. A SESSM Award Holder must advise AEMO as soon as practicable on becoming aware that the Facility for which it was granted the SESSM Award does not, or cannot, meet the SESSM Service Specification for its SESSM Award.
- 7.1.2. In addition to the requirements under the ESM Rules, AEMO will monitor the Facility's performance against the relevant Performance Requirements for the Frequency Co-optimised Essential System Service for which the Facility holds a SESSM Award, in accordance with the WEM Procedure: Frequency Co-optimised Essential System Services Accreditation [**Clauses 3.15A.44, 3.15A.45, and 3.15A.46(h)**].
- 7.1.3. Where AEMO considers the Facility's performance 7.1.2 does not meet the SESSM Specification or Performance Requirements, AEMO may reassess and re-determine (as applicable) the Facility's Frequency Co-optimised Essential System Service accreditation parameters under the relevant Amendment Process in accordance the WEM Procedure: Frequency Co-optimised Essential System Services Accreditation [**Clause 3.15A.46(h)**].
- 7.1.4. AEMO will monitor the total Frequency Co-optimised Essential System Service quantities offered in a SESSM Award Holder's Real-time Market Submissions for the Dispatch Intervals within the SESSM Service Timing.
- 7.1.5. Where the monitoring under paragraph 7.1.4 shows that the total Frequency Co-optimised Essential System Service quantities offered is less than the sum of the SESSM Availability Quantity and the Base ESS Quantity in respect to that Facility, after accounting for any approved Planned Outages, AEMO may revise the SESSM Availability Quantity and the Per-Dispatch Interval Availability Payment in accordance with the ESM Rules [**Clauses 3.15A.45 and 3.15A.46(j)**] and paragraphs 7.1.6 to 7.1.9.
- 7.1.6. Prior to revising the SESSM Availability Quantity and the Per-Dispatch Interval Availability Payment under paragraph 7.1.5, AEMO must notify the Market Participant in writing of AEMO's intention to reduce the SESSM Availability Quantity and Per-Dispatch Interval Availability Payment:
 - (a) specifying the proposed new SESSM Availability Quantity and Per-Dispatch Interval Availability Payment; and
 - (b) inviting the Market Participant to make a submission to AEMO within five Business Days if it considers that the SESSM Availability Quantity and Per-Dispatch Interval Availability Payment should not be reduced, providing information or evidence to support their position.
- 7.1.7. If no submission is made to AEMO under paragraph 7.1.6(b), AEMO must, as soon as practicable, reduce the SESSM Availability Quantity and Per-Dispatch Interval Availability Payment to the values notified in paragraph 7.1.6(a).
- 7.1.8. If a submission is made under paragraph 7.1.6(b), AEMO must:
 - (a) redetermine if the SESSM Availability Quantity and Per-Dispatch Interval Availability Payment should be reduced, taking into consideration the information or evidence provided under paragraph 7.1.6(b) and any other information available; and

- (b) following AEMO's determination under paragraph 7.1.8(a), notify the Market Participant of its decision, which may include:
 - (i) to maintain the proposed reduction in SESSM Availability Quantity and Per-Dispatch Interval Availability Payment notified in paragraph 7.1.6(a);
 - (ii) to reduce the SESSM Availability Quantity and Per-Dispatch Interval Availability Payment to values that differ from those provided in the notice under paragraph 7.1.6(a); or
 - (iii) not to reduce the SESSM Availability Quantity and Per-Dispatch Interval Availability Payment.

7.1.9. A notice under paragraph 7.1.8(b) must include the reasons for AEMO's decision and any applicable dates for the commencement of changes to the SESSM Availability Quantity and Per-Dispatch Interval Availability Payment.

Appendix A. Relevant clauses of the ESM Rules

Table 3 details:

- (a) the head of power clauses in the ESM Rules under which the Procedure has been developed; and
- (b) each clause in the ESM Rules requiring an obligation, process or requirement be documented in a WEM Procedure, where the obligation, process or requirement has been documented in this Procedure.

Table 3 Relevant clauses of the ESM Rules

Clause
3.15A.46
3.11.3
3.11.4