

STAKEHOLDER RESPONSES – INTERIM COMPLIANCE PROCEDURE v1.0

Item	Section	Submission	Comment	ISO Response
1.	1.1.1	APA	Remove reference to “interim” in the final procedure.	No change refer to Rule A4.78
2.	1.1.2(a)	APA	Amend to “The ISO must monitor Rules Participants’ behaviour (including its own) for compliance with the Rules (including the Harmonised Technical Rules) and may take enforcement action under Subchapter 12.1 of the Rules” for consistency with the Rules.	Updated paragraph 1.1.2(a)
3.	1.1.2(b)	APA	Amend to “The ISO must endeavour to perform its compliance function under Subchapter 12.1 of the Rules with as little formality and as much expedition as reasonably practicable” for consistency with the Rules.	Updated paragraph 1.1.2(b)
4.	1.1.3	APA	Amend to “The Compliance Procedure may, as outlined in Rule 309(1) of the Rules, include” for greater clarity.	Updated paragraph 1.1.3
5.	1.1.3(b), (c), (d)	APA	Amend 'these Rules' to 'the Rules'	Updated paragraph 1.1.3 (b), (c), (d)
6.	1.1.3(f)	APA	Amend to “Rule 309(1) above does not limit the matters the Compliance Procedure may deal with”.	Updated paragraph 1.1.3 (f)
7.	2.1.1(a)	APA	Amend to “assist Rule Participants to understand their obligations, noting that the responsibility for meeting compliance obligations rests with the individual Rule Participant” for clarity.	Updated paragraph 2.1.1(a)
8.	2.3.1	APA	Amend to “The ISO must prepare a register of obligations which sets out the obligations of the ISO, ISO Control Desk, NSPs, Facility Controller, Integrated Mining Networks, Connection Point Compliance facilities and Networks under the Rules” for clarity.	Updated paragraph 2.3.1

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9.	2.3.2 & 4.4.5(a)	APA	<p>Baseline risk score</p> <p>Clause 4.4.5(a) of the Procedure outlines that the ISO will consider the baseline risk score of the obligation under section 2.3 of this Procedure when assigning the risk rating to a self-reported non-compliance or alleged breach of the Rules or Procedures. However, section 2.3 of the Procedure does not include any drafting to determine a baseline risk score only that the ISO must undertake a baseline risk assessment.</p> <p>Recommendation</p> <p>APA recommends that clause 2.3.2 of the Procedure be updated to include a new subclause as drafted below:</p> <p>"The ISO must undertake a baseline risk assessment on each of the obligations to determine:</p> <p>(h) the baseline risk score of each of the obligations.</p>	Updated paragraph 2.3.2
10.	2.3.2(g)	APA	Amend to "Any compliance action or enforcement following the determination a breach that has occurred" for clarity.	Updated paragraph 2.3.2(g)
11.	2.3.5	APA	Amend to "In the absence of a published baseline risk assessment in accordance with paragraph 2.3.3 of this Procedure all non-compliances must be reported to the ISO as soon as reasonably possible" for clarity.	Updated paragraph 2.3.5
12.	2.4.1	APA	Amend to "Table 1 below provides an outline of ISO's compliance activities as determined by the risk rating of the obligation and potential non-compliance activity" for clarity.	Updated paragraph 2.4.1
13.	3.1.1	APA	Amend to "Note: Rule 310 of the Rules requires a Rules Participant to inform the ISO in writing if it considers it has breached the Rules or has reasonable cause to suspect that it may have breached the Rules and must provide details of the breach. This is discussed further in section 4 of the Procedure" for consistency with the Rules.	Updated paragraph 3.1.1 Note

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14.	3.1.2(b)	APA	Amend to "Monitoring activities are carried out with minimal resource and regulatory burden on Rules Participants (including the ISO)" for consistency with the Rules.	Updated paragraph 3.1.2(b)
15.	3.1.4(b)	APA	Amend to "Industry intelligence: Rule 310(2) of the Rules requires a Rules Participant or other person may inform the ISO in writing if it considers that another Rules Participant has breached the Rules or a Procedure, and may provide evidence of the breach" for consistency with the Rules.	Updated paragraph 3.1.4(b)
16.	3.1.5	APA	Amend to "Rules Participants must cooperate with the ISO by providing any information and records in the Rules Participant's possession or control which may assist the ISO to monitor compliance with obligations in the Rules or Procedures within the time requested by the ISO unless otherwise agreed" for consistency with the Rules.	Updated paragraph 3.1.5
17.	3.2.2(a)	APA	Amend to "The development of an ISO obligations register, which identifies all of the ISO's Rules obligations" for clarity.	Updated paragraph 3.2.2(a)
18.	3.2.2(b)	APA	Amend to "Business planning processes, which identifies how and when the ISO's obligations are being carried out" for clarity.	Updated paragraph 3.2.2(b)
19.	3.2.2(c)	APA	Amend to "Industry intelligence: Rule 310(2)(b) of the Rules outlines that subject to the Compliance Procedure, a Rules Participant or other person may inform the Authority and the ISO in writing, if it considers that the ISO has breached the Rules, and may provide evidence of the breach" for consistency with the Rules.	Updated paragraph 3.2.2(c)
20.	3.2.2(d)	APA	Amend to "ISO Audit: In accordance with Rule 318 of the Rules, the ISO must appoint an auditor no later than 2 years after the Rules commencement date to undertake an audit of: <ul style="list-style-type: none"> (i) the ISO's internal Procedures and business processes' compliance with these Rules; (ii) the ISO's compliance with Rules and Procedures; (iii) the ISO's software systems and processes for software management; and (iv) any other matter the ISO considers appropriate. 	Updated paragraph 3.2.2(d)

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21.	3.2.3	APA	Amend to "further investigation" for clarity.	Updated paragraph 3.2.3
22.	3.2.5	APA	Amend to "Any person may refer an alleged Rules breach by the ISO to the Authority, by written notice given to the ISO and Authority" for clarity.	Updated paragraph 3.2.5
23.	3.1.4	APA	<p>Targeted monitoring</p> <p>The Procedure outlines that the ISO monitors Rules Participants compliance using various methods including targeted monitoring of Rules Participants to assess compliance with specific rule obligations or groups of obligations or areas identified as being of particular compliance concern. The Procedure is unclear on how the ISO will complete this targeted monitoring of Rules Participants and what process will be followed.</p> <p>Recommendation</p> <p>APA recommends that the Procedure outline the process the ISO will follow to complete the target reviews of Rules Participants.</p>	Updated paragraph 3.1.4 (d)
24.	4.1.2	APA	Amend to "If a Rules Participant determines that it is non-compliant, or has reasonable cause to suspect it is non-compliant with the Rules or a Procedure, subject to the Compliance Procedure that Rules Participant must report in writing the non-compliance or suspected non-compliance to the ISO. Any notifications of non-compliance by a Rules Participant must be in accordance with section 4.3 of this Procedure" for consistency with the Rules.	Updated paragraph 4.1.2
25.	4.1.3	APA	Amend to "A Rules Participant or other person may notify the ISO in writing if it considers that another Rule Participant is noncompliant with the Rules or Procedures. If a Rules Participant or other person reports a non-compliance, they must provide reasonable information in support of that non-compliance, and may provide evidence of the non-compliance to the ISO. Any notifications of non-compliance by another Rule Participant must be in accordance with section 4.3 of this Procedure" for clarity.	Updated paragraph 4.1.3

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26.	4.1.4	APA	Amend to "A Rules Participant or other person may notify the Authority and ISO in writing if it considers that the ISO is noncompliant with the Rules or Procedures. If a Rules Participant or other person reports a non-compliance they must provide reasonable information in support of that non-compliance, and may provide evidence of the non compliance. Any notifications of non-compliance by the ISO must be in accordance with section 4.3 of this Procedure.	Updated paragraph 4.1.4
27.	4.2	APA	<p>Reporting timeframe</p> <p>Table 1 of the Procedure provides an outline of the ISO's compliance activities as determined by the risk rating of the obligation and potential non-compliance activity. APA will use good electricity industry practice to resolve a compliance activity which is deemed an extreme risk as soon as reasonably possible but is concerned that 20 Business Days to report on a compliance activity which is deemed an extreme risk is too short. Compliance activities with an extreme risk rating require a detailed internal investigation that include the preparation of reports and internal approvals which can take longer than 20 Business Days. APA notes that clause 4.2.2 of the Procedure allows the Rules Participant to request an extension but APA's preference is to increase the reporting on a compliance activity which is deemed an extreme risk to 30 Business Days.</p> <p>Recommendation</p> <p>APA recommends that the reporting on a compliance activity which is deemed an extreme risk is increased to 30 Business Days.</p>	<p>No change. This is aligned with ERA's Compliance Monitoring Protocol for the Wholesale Electricity Market.</p> <p>As per APA's comments, under paragraph 4.2.2 of the Procedure a Rules Participant can contact ISO to request and extension if this timeframe is insufficient.</p> <p>As per paragraph 4.3.8 of the Procedure, a Rules Participant may also provide updated information at any time after making a notification of suspected non-compliance.</p>
28.	4.2.1	APA	Amend to "of this Procedure" for clarity.	Updated paragraph 4.2.1
29.	4.3.1	APA	Amend to "of this Procedure" for clarity.	Updated paragraph 4.3.1
30.	4.3.1	APA	Amend to "a self-reported non-compliance by a Rules Participant" for clarity.	Updated paragraph 4.3.1
31.	4.3.2	APA	Template	No change to Procedure.

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			<p>The Procedure outlines that the ISO has created a non-compliance reporting template to support Rules Participants and that this template can be found on the ISO's website. APA notes this template is not currently available on the ISO's website for APA to review.</p> <p>Recommendation</p> <p>APA recommends the ISO include the non-compliance reporting template as an Appendix to this Procedure. APA recommends the ISO provide the Rules Participants with the non-compliance reporting template to review as this document is not currently available on the ISO's website.</p>	ISO will consult on the compliance reporting template prior to publication on its website.
32.	4.3.3	APA	Amend to "A notification of a non-compliance must include" for clarity.	Updated paragraph 4.3.3
33.	4.3.3 (c)	APA	Amend to "The specific Rules or clauses in the Procedure/s that are alleged to have not been complied with" for clarity.	Updated paragraph 4.3.3(c)
34.	4.3.4	APA	Amend to "If available, the notification in clause 4.3.3 of the Procedure should also include" for clarity.	Updated paragraph 4.3.4
35.	4.3.4 (iii)	APA	Amend to "Whether and how the non-compliance has been rectified; and" for clarity.	Updated paragraph 4.3.4 (iii)
36.	4.3.4 (iv)	APA	Amend "Actions planned or implemented to prevent recurrence of the non-compliance" for clarity.	Updated paragraph 4.3.4 (iv)
37.	4.3.4 (b)	APA	Amend to "Details of any known impact to the Rules Participant, or other Rules Participants; and" for clarity.	Updated paragraph 4.3.4 (b)
38.	4.3.7	APA	Amend to "On receiving written notification under paragraph 4.3.1 of this Procedure, the ISO will record the details of the suspected non-compliance" for clarity.	Updated paragraph 4.3.7
39.	4.3.9	APA	Amend to "the ISO will consider whether it is appropriate to disclose to the Rule Participant alleged to have committed the noncompliance the identity of the Rules Participant" for clarity.	Updated paragraph 4.3.9

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40.	4.4.2	APA	Amend to "Table 4 in Appendix B".	Updated paragraph 4.4.2
41.	4.4.2	APA	Amend to "The ISO will inform the Rules Participant in writing that no breach has occurred" for clarity.	Updated paragraph 4.4.2
42.	4.4.3	APA	Remove the underline text in clause 4.4.3	Updated paragraph 4.4.3
43.	4.4.3	APA	Amend to "the ISO will take the following actions, in accordance with Rule 311 of the Rules: (a) it must record the alleged breach; and (b) if required by the Compliance Procedure it must, and otherwise it may, investigate the alleged breach; and (c) it may meet with the Rule Participant on one or more occasions to discuss the alleged breach and possible actions to remedy the alleged breach and prevent recurrence" for consistency with the Rules."	Updated paragraph 4.4.3
44.	Table 2	APA	Remove line 2 in Table 2 as this is redundant drafting.	Updated Table 2
45.	5.1.1	APA	Amend to "If the ISO has determined that an alleged breach should be investigated, Rules Participants must cooperate with an investigation by the ISO into an alleged breach and not engage in materially false or misleading conduct in Connection with an investigation, See Rule [312 (4)(a)], including:" for consistency with the Rules.	Updated paragraph 5.1.1
46.	5.1.9	APA	Amend to "When the Authority is investigating an alleged breach by the ISO under Rule 313 of the Rules, the ISO's investigation powers and functions described in this section 5.1 of this Procedure are to be read as references to the Authorities powers and functions" for clarity.	Updated paragraph 5.1.9
47.	5.2.2(b)	APA	Amend to "Assign a risk rating to the alleged breach to determine if an investigation is required and determine the priority of the investigation" for clarity.	Updated paragraph 5.2.2(b)

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48.	5.2.3(c)(i)	APA	Amend to "ISO Control Desk".	Updated paragraph 5.2.3(c)(i)
49.	5.2.4(b)	APA	Amend to "The ISO will notify the Rules Participant of the outcome of its investigation" for clarity.	Updated paragraph 5.2.4(b)
50.	5.2.4(c)	APA	Amend to "If an investigation finds that a breach has occurred, must Publish a notice identifying the breaching Rules Participant and, subject to rule 316, setting out reasonable details of the breach; and may Direct the Rules Participant do or refrain from doing a thing in order to remedy the breach or prevent its recurrence See Rule [312(6)(a)(i)]. This notice must meet the requirements of Rule 316, confidentiality of compliance matters" for consistency with the Rules.	Updated paragraph 5.2.4(c)
51.	5.2.4(d)	APA	Amend to "The ISO will assess the final risk of the non-compliance to determine the" for clarity.	Updated paragraph 5.2.4(d)
52.	5.2.4(d)(iii)	APA	Amend to "Whether it needs to direct a Rules Participant to do or refrain from doing a thing in order to remedy the breach or prevent its recurrence" for clarity.	Updated paragraph 5.2.4 (d)(iii)
53.	5.3.2(c)	APA	Amend to "issue a warning to the Rules Participant, and record the Rules Participants response to the warning [See Rule 312(2)(b) & (c)]" for clarity.	Updated paragraph 5.3.2(c)
54.	5.3.2(d)	APA	Amend to "direct the Rules Participant to remedy the breach if it is still occurring [See Rule 312(6)(a)(ii)]" for clarity.	Updated paragraph 5.3.2(d)
55.	5.3.4	APA	Amend to "Rules Participant" for consistency with the Rules.	Updated paragraph 5.3.4
56.	5.3.4	APA	Amend drafting of clause 5.3.4 as the current drafting is unclear.	Updated paragraph 5.3.4
57.	Table 3	APA	In the Compliance Action column or a Moderate risk rating amend "Potential to increased monitoring and prevent recurrence" to "Potential for increased monitoring to prevent recurrence" for clarity.	Updated Table 3

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58.	Table 3	APA	Amend to "Rules Participant" for consistency with the Rules.	Updated Table 3
59.	5.4.2(a)	APA	Amend to "During the investigation, the risk rating of the alleged breach falls to a moderate or low risk rating" for consistency with the Procedure.	Updated paragraph 5.4.2(a)
60.	5.4.5	APA	Amend to "New information is received that results in a decrease in the risk rating to a moderate or low risk rating of the alleged breach" for consistency with the Procedure.	Updated paragraph 5.4.5
61.	5.4.8	APA	Amend to "If the ISO reopens or closes a suspended investigation, it will notify the relevant Rules participant in accordance with paragraph 5.4.3 of this Procedure" for clarity.	Updated paragraph 5.4.8
62.	6.1.1	APA	Amend to "Where the ISO determines that a breach of the Rules has taken place, it may issue a warning to the Rules Participant to rectify the alleged breach" for consistency with the Rules.	Updated paragraph 6.1.1
63.	6.1.2(d)	APA	Amend to "Request rectification of the breach of the Rules or Procedures, where relevant, including a timeframe that the ISO considers to be reasonable to accomplish the request" for clarity.	Updated paragraph 6.1.2(d)
64.	6.1.3	APA	Amend to "under section 4.3.3 of this Procedure" for clarity.	Updated paragraph 6.1.3
65.	6.1.3	APA	Amend to "Rules Participant" for consistency with the Rules.	Updated paragraph 6.1.3
66.	6.1.4	APA	Amend to "under section 6.1.2(c) of this Procedure" for clarity.	Updated paragraph 6.1.4
67.	6.1.5	APA	Amend to "under section 6.1.2(c) of this Procedure" for clarity.	Updated paragraph 6.1.5
68.	7.1.1(c)	APA	Remove "alleged rules breach by the ISO" as this drafting is not required.	Updated paragraph 7.1.1(c)
69.	7.2.1	APA	Amend to "Rules Commencement Date" for consistency with the Rules.	Updated paragraph 7.2.1

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70.	New paragraph 7.2.1A	APA	Include additional clause "In each subsequent audit report, the auditor, having regard to the findings of its audit, is to recommend a period of no more than 5 years, within which the next audit must be conducted" for consistency with Rule 318(2) of the Rules.	New paragraph 7.2.2

ISO INITIATED CHANGES – INTERIM COMPLIANCE PROCEDURE v1.0

Item	Section	Initiated by	Comment	Change
1.	N/A	ISO	Standardisation across all of ISO's Procedures.	Updated wording, structure and formatting to standardise across all of ISO's Procedures.
2.	New paragraph	ISO	Transition	New paragraph 3.2.3