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## Wholesale Electricity Market Pre Market Rule Change Discussion Paper

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### Submitted by

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<b>Urgency:</b>	High
<b>Change Proposal title:</b>	<b>STEM Notification of Plant Availability</b>
<b>Market Rule(s) affected:</b>	Clause 7.13.1A

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### Introduction

This Pre Market Rule Change Discussion Paper can be posted, faxed or emailed to:

**Independent Market Operator**

Attn: Dora Guzeleva, Manager Market Administration

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The discussion paper should explain how it will enable the Market Rules to better contribute to the achievement of the wholesale electricity market objectives. The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

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## Details of the proposed Market Rule Change

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### 1) Describe the concern with the existing Market Rules that is to be addressed by the proposed Market Rule change:

From 4th October 2007, as per MR 7.12.1A

'System Management must provide the IMO with the following data for a Trading Data by noon on the fifteenth Business Day following the day on which the Trading Day ends:

- (a) the MWh quantity of non-compliance by the Electricity Generation Corporation by Trading Interval;
- (b) the schedule of all Planned Outages, Forced Outages and Consequential Outages relating to each Trading Interval in the Trading Day by Market Participant and Facility'

This data had always been provided previously but the deadline for providing it was extended. The Planned Outage, Forced Outage and Consequential Outage data has always reflected the position after the STEM Submission has been made.

Where a Market Participant has a facility that at the time of the STEM Submission is in the process of undergoing a Planned Outage, the Market Participant is not be able to bid that capacity into the STEM. This facility may subsequently become available before the scheduled end of the Planned Outage, and the Planned Outage will be updated to reflect this.

At present, the Planned Outage details that System Management provides to the IMO for settlement purposes reflects the facility's position after the STEM Submission and, in the above situation, would under MR 4.26.2 result in a calculated shortfall in the STEM Submission and a subsequent Reserve Capacity Refund.

The data provided by System Management for settlement purposes should reflect the Planned Outage position before the STEM Submission in order to correctly calculate any shortfall at the time of the STEM Submission. Therefore the market rules should be amended as proposed below.

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### 2) Explain the reason for the degree of urgency:

This change is considered relatively urgent as it corrects a fault in the Market Rules whereby participants can be unfairly penalised for bringing facilities back from outages early. Therefore it should be implemented as soon as practicable.

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### 3) Provide any proposed specific changes to particular Rules (for clarity, please use the current wording of the Rules and place a ~~strikethrough~~ where words are deleted and underline words added)

7.13.1A. System Management must provide the IMO with the following data for a Trading Day by noon on the fifteenth Business Day following the day on which the Trading Day ends:

(a) the MWh quantity of non-compliance by the Electricity Generation Corporation by Trading Interval;

(b) the schedule of all Planned Outages, Forced Outages and Consequential Outages relating to each Trading Interval in the Trading Day by Market Participant and Facility, for any Facility with a Reserve Capacity Obligation Quantity greater than zero, where:

- i. outages are calculated in accordance with clause 3.21.6; and
- ii. the Planned Outages are those provided by System Management in accordance with clause 7.3.4.

#### **4) Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:**

This proposed Rule Change would better address the following Market Objectives:

- (b) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system;

This Rule Change Proposal will prevent generators from being incorrectly charged capacity refunds when they have, in fact, been able to bring facilities back from planned outages earlier than anticipated.

#### **5) Provide any identifiable costs and benefits of the change:**

Benefits:

- Removes any disincentive for generators not to make facilities available before the scheduled end of any planned outages
- Reduced costs to Participants

Costs:

- This change will require minimal changes to SMMITS