
Wholesale Electricity Market Pre Market Rule Change Discussion Paper

Submitted by

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Urgency:	Normal rule change process
Change Proposal title:	System Management Capacity Test Notification To The IMO
Market Rule(s) affected:	Clause 4.25.9(e)

Introduction

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

Independent Market Operator

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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.

Details of the proposed Market Rule Change

1) Outline the issue concerning the existing Market Rules that is to be addressed by the proposed Market Rule change:

Market Rule 4.25.9 (e) states:

In conducting a test, System Management:

- (a) ...
- (e) must report to the IMO whether the test was successful, and if not, report the generation achieved by the Facility during the test;

This clause currently imposes an obligation for System Management to report to the IMO whether a reserve capacity verification test was successful. System Management is unable to comply with this obligation, as it only has access to SCADA data – rather than meter data – and, in any event, does not have access to temperature curves used by the IMO to compare plant performance at variable temperatures with the reserve capacity obligation at 41 degrees Celsius.

It is submitted that this provision be amended to more accurately reflect what System Management is able to do. Consequently, it is proposed that the clause be limited to only require System Management to report whether the test was successfully *performed*.

2) Explain the reason for the degree of urgency:

System Management submits that the above rule changes proceed under the normal rule change process.

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

4.25.9 In conducting a test, System Management:

- (a) ...
- ...

- (e) must report to the IMO whether the test was successfully performed, and if not, report the generation achieved by the Facility during the test;

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 objective (a) of the Market Objectives. The changes as submitted would promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system.

The rule change would increase the certainty of the application of the rules, and aid economically efficient outcomes through the removal of an obligation which cannot be satisfied.

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

Benefits:

- The changes would remove an obligation which is impossible to perform, removing a source of non-compliance for System Management.

Costs:

- No costs are anticipated to arise due to the changes.
- No changes to WEMS are required.
- No changes to Participant processes are required.