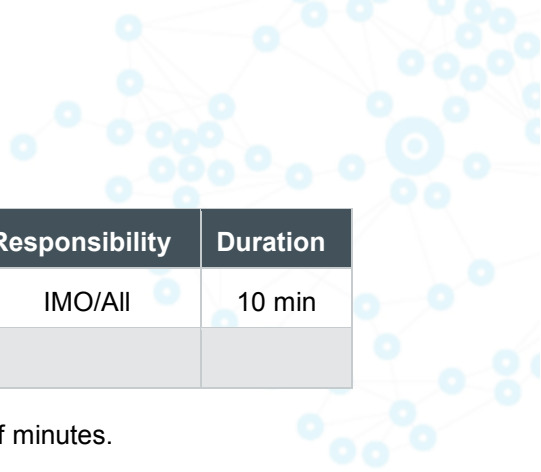




Agenda

MEETING TITLE	Market Advisory Committee
MEETING NO	78
DATE	Thursday 12 February 2014
TIME	2:00 PM – 5:00PM
LOCATION	IMO Board Room, Level 17, 197 St Georges Terrace, Perth

Item	Responsibility	Duration
1. Welcome	Chair	2 min
2. Meeting apologies/attendance	Chair	2 min
3. Minutes of previous meeting	Chair	5 min
4. Actions arising	Chair	10 min
4.1 Action Item 37: Accuracy of Balancing Prices	IMO	15 min
4.2 Action Item 58: 2014 Market Audit Presentation	IMO	15 min
4.3 Action Item 55: Constrained Network Access: Update	Western Power	15 min
4.4 Action Item 56: LFAS Update: Auxiliary Load Forecasting Error	System Management	15 min
5. Rule Change Proposals		
5.1 Overview	IMO	2 min
5.2 Pre Rule Change Proposal: Managing Market Information (RC_2014_09)	IMO	45 min
5.3 Pre Rule Change Proposal: Removal of Market Operation Market Procedures (RC_2015_01)	IMO	15 min
6. Market Procedures		
6.1 Overview	IMO	2 min
7. Working Groups	IMO	2 min
8. General Business	IMO	
8.1 System Restart Services	System Management	10 min
8.2 System Management Dispatch Systems: Update	System Management	10 min



Item	Responsibility	Duration
8.3 Recent Outages: Discussion	IMO/All	10 min
9. Next Meeting: 18 March 2015		

Please note this meeting will be recorded to assist with the preparation of minutes.



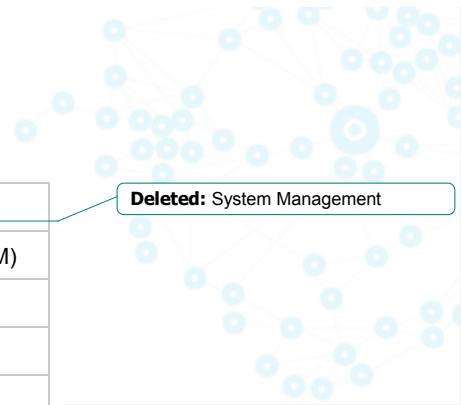
DRAFT - Minutes

MEETING TITLE	Market Advisory Committee
MEETING NO	77
DATE	Wednesday 3 December 2014
TIME	2:00 PM – 5:15 PM
LOCATION	Level 17, 197 St Georges Terrace, Perth

Attendees	Class	Comment
Allan Dawson	Chair	
Kate Ryan	Compulsory – IMO	
Dean Sharafi	Compulsory – System Management	
Matthew Cronin	Compulsory – Western Power	Proxy
Will Bargmann	Compulsory – Synergy	
Shane Cremin	Discretionary – Generator	
Andrew Stevens	Discretionary – Generator	
Michael Zammit	Discretionary – Customer	
Steve Gould	Discretionary – Customer	
Geoff Gaston	Discretionary – Customer	
Peter Huxtable	Discretionary – Contestable Customers	
Simon Middleton	Minister's Appointee – Observer	(2:45 PM – 5:15 PM)
Elizabeth Walters	Economic Regulation Authority (ERA) – Observer	(2:00 PM – 5:05 PM)

Apologies	Class	Comment
Ray Challen	Minister's Appointee – Small Use Consumers Representative	
Shane Duryea	Compulsory – Western Power	

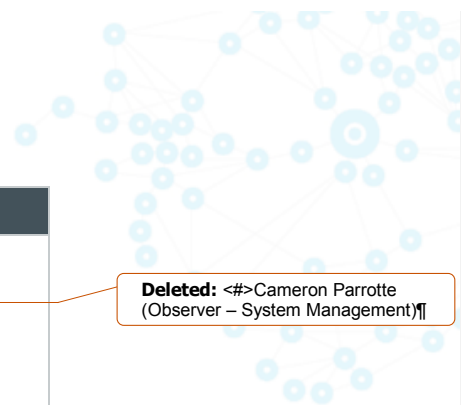
Also in attendance	From	Comment
Mike Davidson	System Management	Observer
Matt Pember	System Management	Observer (2:00 PM – 4:30 PM)



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Cameron Parrotte	Western Power	Observer
Paul Hynch	Public Utilities Office (PUO)	Observer (2:00 PM – 4:30 PM)
Wendy Ng	ERM Power	Observer
Brent Graham	Alinta Energy	Observer
Richard Wilson	EnerNOC	Observer
Liz Aitken	Western Power	Presenter (2:00 PM – 4:30 PM)
Martin Maticka	IMO	Observer
Greg Ruthven	IMO	Observer
Tim Middlehurst	IMO	Observer
Mike Hales	IMO	Observer (2:40 PM – 4:00 PM)
Laura Koziol	IMO	Observer
Aditi Varma	IMO	Observer
Christina Madsen	IMO	Observer (2:00 PM – 2:45 PM)
Kang Chew	IMO	Observer (2:00 PM – 2:45 PM)
Courtney Roberts	IMO	Observer
Kylie O’Keeffe	IMO	Presenter (4:45 PM – 5:15 PM)
Mark Brodziak	IMO	Presenter (2:00 PM – 2:45 PM)
Erin Stone	IMO	Presenter
Jenny Laidlaw	IMO	Presenter
George Sproule	IMO	Presenter
Marc Hettler	IMO	Presenter and Minutes

Item	Subject	Action
1.	<p>WELCOME</p> <p>The Chair opened the meeting at 2:00 PM and welcomed members to the 77th meeting of the Market Advisory Committee (MAC).</p>	
2.	<p>MEETING APOLOGIES / ATTENDANCE</p> <p>The following apologies were received:</p> <ul style="list-style-type: none"> • Ray Challen (Minister’s Appointee –Small Use Consumers Representative) • Shane Duryea (Compulsory – Western Power) <p>The following proxies were noted:</p> <ul style="list-style-type: none"> • Matthew Cronin for Shane Duryea (Compulsory – Western Power) <p>The following presenters and observers were noted:</p> <ul style="list-style-type: none"> • Mike Davidson (Observer – System Management) 	



Item	Subject	Action
	<ul style="list-style-type: none"> • Matt Pember (Observer – System Management) • Paul Hynch (Observer – PUO) • Wendy Ng (Observer – ERM Power) • Brent Graham (Observer – Alinta Energy) • Richard Wilson (Observer – EnerNOC) • Liz Aitken (Presenter – Western Power) • <u>Cameron Parrotte (Observer – Western Power)</u> • Martin Maticka (Observer – IMO) • Kylie O’Keeffe (Observer – IMO) • Greg Ruthven (Observer – IMO) • Tim Middlehurst (Observer – IMO) • Mike Hales (Observer – IMO) • Laura Koziol (Observer – IMO) • Aditi Varma (Observer – IMO) • Christina Madsen (Observer – IMO) • Kang Chew (Observer – IMO) • Courtney Roberts (Observer – IMO) • Mark Brodziak (Presenter– IMO) • Erin Stone (Presenter – IMO) • Jenny Laidlaw (Presenter – IMO) • George Sproule (Presenter – IMO) • Marc Hettler (Presenter and Minutes – IMO) 	
3.	<p>MINUTES OF PREVIOUS MEETING</p> <p>The minutes of MAC Meeting No. 75, held on 24 September 2014, were circulated to members prior to the meeting. The minutes were accepted as a true record of the meeting.</p> <p><i>Action Point: The IMO to publish the minutes of Meeting No. 75 on the Market Web Site as final.</i></p>	IMO
4.	<p>ACTIONS ARISING</p> <p>The Chair invited Ms Kate Ryan to update the MAC on the current action items. The following points were noted:</p> <ul style="list-style-type: none"> • Item 18: Ms Ryan noted that the IMO had undertaken analysis on the impact of public liability insurance cost on the Maximum Reserve Capacity Price (MRCP). A summary was provided in the MAC papers. Based on the findings that the impact is minor, the Chair proposed, and MAC members agreed, that no change was required and to close out the action. • Item 20: Ms Ryan noted that the final update on the Muja transformer failure was presented in October 2014 and that the presentation is available on the IMO website. No further updates are planned unless the situation changes. Ms Ryan proposed, and MAC members agreed, to close out the ongoing action. • Action 37: Ms Ryan noted that this action item is planned to be 	

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Item	Subject	Action
	<p>discussed at the first MAC meeting next year.</p> <ul style="list-style-type: none"> • Action 43: Ms Ryan noted that the Rule Change Proposal: Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Price (RC_2014_05) was published on 2 December 2014. • Action 46: Ms Ryan noted that the letter sent to the PUO on behalf of the MAC requesting a policy position on the difference between Dispatch Support Services and Network Control Services was included in the MAC papers. Ms Ryan noted that the IMO had not yet received a response. • Action 47: Ms Ryan noted that this action is contingent upon a response from the PUO referred to in Action 46. Therefore, the action remains open. 	
5.	<p>IMO WEBSITE AND DATA VISUALISATIONS</p> <p>The Chair introduced Mr Mark Brodziak to provide an overview of the new IMO website and data visualisations. The following key points were discussed:</p> <ul style="list-style-type: none"> • Mr Dean Sharafi asked if there is a visualisation which shows the generation by fuel type. Mr Brodziak noted that the generation mix information currently available is not accurate enough to publish. The Chair noted that the IMO could work with Market Participants to make this data accurate and available if it would be useful. • Mr Sharafi pointed out that the non-scheduled generation quantity for a certain interval seemed to be incorrect. Mr Brodziak noted that he would look into this issue and verify the data. • Mr Matthew Cronin asked if the visualisation have been developed in-house and which kind of architecture has been used. Mr Brodziak responded that the visualisations had been developed in-house with ThoughtWorks, an external consulting company. Mr Brodziak advised that the architecture is Java Script driven. Several MAC members noted that the visualisations were very useful and complemented the response time of the visualisations. • The Chair reiterated that the visualisations have been developed to provide data in a format which is easy to process for Market Participants. The Chair noted that the IMO is investigating options for new visualisations welcomed input from Market Participants. However, options are currently limited by the confidentiality of information under chapter 10 of the Market Rules. 	
6.1	<p>CONCEPT PAPER: MANAGING MARKET INFORMATION (RC_2014_09)</p> <p>The Chair introduced Ms Erin Stone to provide an overview of the changes proposed in the concept paper. The following key points were discussed:</p> <ul style="list-style-type: none"> • Mr Michael Zammit asked what deficiency was identified with respect to demand-side information. The Chair noted that the Market Rules had been drafted with a supply-side focus and the same principles had not been applied to demand-side information such as meter data. 	



Item	Subject	Action
	<ul style="list-style-type: none"> • Mr Will Bargmann asked whether the principle related to protecting parties against the disclosure of information would also cover third parties. Ms Stone agreed that it would. • The Chair clarified that the proposal to share information between governance parties related only to market information under the Market Rules and noted that information obtained for other purposes may be treated differently under other legislative instruments. Mr Geoff Gaston asked for an example. The Chair provided an example that the ERA would have powers under the ERA Act under which they could obtain information that would not be covered by this proposal. • The Chair clarified that just because a piece of information is public does not mean necessarily that it will be published on the IMO website, but that it can be made available publicly. Mr Bargmann asked whether it was up to the IMO's discretion as to what would be published. The Chair responded that the IMO would continue to publish useful information in a meaningful way. • Mr Gaston asked whether the IMO would form a Working Group outside of the MAC to consider the initial confidentiality list. The Chair noted that the IMO had planned to establish the initial list over the Christmas period and had intended to bring it back to the MAC as it was unlikely to be a very long list but it could be taken to a Working Group instead if MAC members considered it necessary. • Mr Gaston asked if there was a way to stage the process such that more time was available to ensure that there were no oversights. The Chair noted that the proposal included a process to determine the confidentiality of a piece of information as a result of a request from a Market Participant. Ms Stone further noted that the timeframes for the Standard Rule Change Process should allow sufficient time for Market Participants to consider the proposed status of each relevant piece of information. • Mr Sharafi noted that System Management supported the proposal to clarify how information should be treated on the basis that the current inconsistencies with respect to the provision of information had led to issues in the past. • Mr Peter Huxtable noted that the release of demand-side information would be a significant shift from what is currently made public and questioned whether there were principles that the IMO proposed to apply. The Chair noted that the proposal intended to treat supply-side and demand-side information equitably. The Chair provided an example of meter data aggregated by Market Participant. Mr Zammit asked if the IMO was considering solar generation as well. The Chair noted that the IMO was investigating third party provision of solar generation data in the SWIS. • Mr Brent Graham asked if other markets also used a similar approach to that proposed by the IMO. The Chair noted that demand-side information is published in some other markets. He further noted that the WEM started with an unusually complex set of confidentiality provisions that had been somewhat simplified but still prevented the release of information that could be beneficial to the 	



Item	Subject	Action
	<p>market. Ms Ryan noted that most other jurisdictions had a similar framework that balanced the public benefit of the release of information against any detriment to parties.</p> <ul style="list-style-type: none"> Mr Huxtable noted that <u>although a certain piece of information may not directly disclose confidential information, it could be considered together with other public information and therefore led to confidential information being determined (for example publishing volumetric information which, when considered together with other information required to be publicly reported, may enable energy intensities to be determined)</u>. The Chair agreed noting that similar <u>issues needed to be resolved, when</u> designing the Gas Services Information Rules, for example using delays in the release of information. Mr Bargmann asked if the IMO planned on making the decision subject to review. Ms Stone noted that the IMO could propose that the decision is made a Reviewable Decision. Mr Bargmann also raised a specific concern about the treatment of third party information considered confidential under a contractual arrangement and the ability for the Market Rules to override such provisions. The Chair noted that such specific issues would be considered through the development of the initial confidentiality list. Mr Bargmann noted that the exercise to establish the initial confidentiality list would be resource intensive for each Market Participant to ensure that the list appropriately covered each piece of information. The Chair noted Mr Bargmann's concerns. <p><i>Action Point: The IMO to consider MAC members' feedback and establish a proposed confidentiality list for consideration at an upcoming MAC meeting.</i></p>	IMO
7.1	<p>RULE CHANGE OVERVIEW</p> <ul style="list-style-type: none"> Ms Ryan noted that the Rule Change Proposals RC_2013_15, RC_2013_20 and RC_2013_21 were dependent on the outcomes of the Electricity Market Review (EMR) and the IMO was likely to extend the timeframes for progressing them until the outcomes of the EMR are known. The Chair asked Mr Simon Middleton if he could provide information regarding the timeframes of the EMR. Mr Middleton noted that first steps to form a view of the potential outcomes were likely to be taken during the first quarter of 2015. Mr Richard Wilson noted that the 2014 Reserve Capacity Cycle was suspended and that no timeline had been communicated to resolve this issue. The Chair responded that the IMO has provided information to the PUO regarding the latest point in time when a decision to go ahead or further defer the Reserve Capacity Cycle must be made. The Chair offered to share this information with Market Participants. <p><i>Action Point: The IMO to provide MAC members and observers information with respect to the latest timing of the 2014 Reserve Capacity Cycle.</i></p>	IMO
7.2	<p>PRE RULE CHANGE PROPOSAL: REMOVAL OF RESOURCE PLANS</p>	

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Item	Subject	Action
	<p>AND DISPATCHABLE LOADS (RC_2014_06)</p> <p>The Chair introduced Ms Jenny Laidlaw to provide an overview of the pre Rule Change Proposal. The following key points were discussed:</p> <ul style="list-style-type: none"> Mr Sharafi suggested that Dispatch Plans may no longer be necessary and asked whether the proposal could be extended to remove the requirement for System Management to prepare them. Ms Laidlaw indicated that the IMO would consider the change if it was supported by both System Management and Synergy and suggested that the IMO could meet with representatives from System Management and Synergy to discuss this suggestion. Mr Sharafi also suggested the inclusion of additional Standing Data requirements for generators serving Intermittent Loads. Ms Ryan considered that this issue was outside the scope of this proposal. Mr Andrew Stevens suggested that changes may be required to the format of STEM Submissions to remove references to Fuel Declarations and to some settlement files. Ms Laidlaw noted that the IMO's IT team was currently reviewing the proposal and would design any changes to minimise the impact on Market Participants. Mr Stevens considered it likely that the commencement date for the proposal may need to be extended to allow for these changes. Mr Shane Cremin sought clarification about the impact of the proposed changes to clauses 4.12.1 and 4.26.2. Ms Laidlaw explained that the proposed amendments would require Independent Power Producer (IPP) gentailers to make STEM Submissions that covered their own load to avoid incurring Net STEM Refunds. However in practice IPP gentailers already made STEM Submissions as a matter of course. Ms Laidlaw noted that an IPP with only Non-Scheduled Generators would still not need to provide STEM Submissions as its Reserve Capacity Obligation Quantity would remain zero. Mr Gaston raised a concern that a Market Participant who failed to make a STEM Submission would not only be liable for substantial Capacity Cost Refunds but would also be considered to have breached the Market Rules. Ms Laidlaw replied that this was not the IMO's intent and proposed to clarify the relevant clauses. Mr Gaston reiterated his view that participation in the STEM should not be mandatory. The Chair replied that a review of the STEM was included in the Market Rules Evolution Plan but was waiting on the outcomes of the EMR. In response to a question from Mr Stevens, Ms Ryan and Ms Laidlaw confirmed that a Balancing Submission for a Facility undertaking a Commissioning Test under an Operating Instruction would still need to include the planned output quantity at the Minimum STEM Price. The proposed changes to clause 7A.2.3 were intended to cover other situations, for example where a Balancing Submission needed to offer some capacity at a maximum Price Cap to ensure it was not cleared for dispatch. <p><i>Action Point: The IMO to liaise with System Management to arrange a meeting with Synergy to discuss System Management's suggestion to</i></p>	<p>IMO</p>

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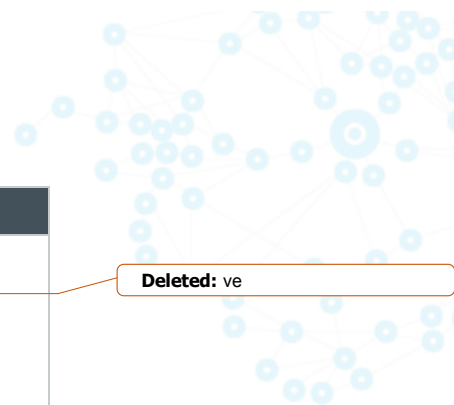
Item	Subject	Action
	<p>remove the requirement to prepare Dispatch Plans from the Market Rules.</p> <p><i>Action Point: The IMO to review the proposed drafting of clauses 4.12.1 and 4.26.2 in the Rule Change Proposal: Removal of Resource Plans and Dispatchable Loads (RC_2014_06) to ensure that a failure to submit a STEM Submission is not a breach of the Market Rules.</i></p>	IMO
7.3	<p>PRE RULE CHANGE PROPOSAL: OMNIBUS RULE CHANGE (RC_2014_07)</p> <p>The Chair introduced Mr Marc Hettler to provide an overview of the pre Rule Change Proposal. MAC members agreed for the IMO to progress the Rule Change Proposal into the formal process.</p> <p><i>Action Point: The IMO to submit the Rule Change Proposal: Omnibus Rule Change (RC_2014_07) into the formal process and progress it under the Standard Rule Change Process.</i></p>	IMO
7.4	<p>PRE RULE CHANGE PROPOSAL: PROVISION OF NETWORK INFORMATION TO SYSTEM MANAGEMENT (RC_2014_10)</p> <p>The Chair introduced Mr George Sproule to provide an overview of the pre Rule Change Proposal. The following key points were discussed:</p> <ul style="list-style-type: none"> • Mr Sharafi noted that System Management would not be able to store or be responsible for the network information provided to it. Ms Stone clarified that the obligation on a Network Operator was to provide System Management with access to its network information, consistent with current practice. • Mr Cremin queried where the existing obligations for a Network Operator to provide network information via the IMO to System Management resides. Ms Ryan responded that the obligation exists in the Standing Data requirements in the Market Rules. <p><i>Action Point: The IMO to submit the Rule Change Proposal: Provision of Network Information to System Management (RC_2014_10) into the formal process and progress it under the Standard Rule Change Process.</i></p>	IMO
8.1	<p>DISCUSSION PAPER: DEVELOPMENT OF A CONSTRAINED GRID</p> <p>The Chair introduced Ms Liz Aitken to provide an overview of the discussion paper. The following key points were discussed:</p> <ul style="list-style-type: none"> • Mr Cronin asked whether MAC members understood what a post-contingent run-back scheme was. The Chair said it was not universally understood and asked for an explanation. Mr Cronin noted that Western Power negotiated a non-reference connection service and ran a number of contingency scenarios. Under the arrangement, where the contingency would bind the connected generator agreed that it could be curtailed. • The Chair sought further clarification about how this practically applied in the current market. Mr Cremin noted that instead of the curtailment happening after the event as it does now, the proposal would mean that it would now happen before the event. • Mr Cremin questioned how Western Power had determined that there is no ability for the network to support any further post-contingent run-back schemes, noting that no analysis had been provided by Western Power to support this conclusion. He noted that recently the 	



Item	Subject	Action
	<p>ERA had approved a run-back scheme that had not gone ahead and that this should mean that there is still capacity for post-contingent run-back schemes. Mr Cronin noted that although this had not yet eventuated, the capacity with respect to that connection had not been relinquished.</p> <ul style="list-style-type: none"> Mr Cremin noted that Western Power could be looking at developing and implementing an expensive scheme that could become redundant if the Government adopted a constrained grid policy as part of the EMR outcomes. Ms Aitken noted that Western Power agreed with the view that the network needed to move to a fully constrained grid model to support economic dispatch in the future. Mr Cronin noted that the proposal for an interim solution was time critical as Western Power was required to provide preliminary access offers to the members of the Competing Access Group (CAG) by February 2015. Mr Greg Ruthven asked where the timeframes were prescribed. Ms Aitken noted that under the Access Code and Applications and Queuing Policy, Western Power is required to make reasonable endeavours to connect customers in the manner in which they request. Mr Cremin noted that Western Power had already been given a reasonable amount of time to progress the necessary changes and the process to date is unlikely to be considered prudent. Mr Cronin noted that this proposal was the outcome of several months of work with the IMO and ERA. Mr Stevens noted that the concepts and processes of the CAGs and run-back schemes were not transparent and that Western Power had not addressed the main problem, which is that it introduced post-contingent run-back schemes in what is supposed to be an unconstrained grid. Mr Cronin said he believed that Western Power had presented to the MAC earlier this year on the concepts. MAC members noted that they had not. Mr Cremin noted that the lack of transparency may be because this problem has resulted from the amalgamation of a number of commercial arrangements for connection. Mr Cronin said he would take the need for greater transparency and communication on board. The Chair asked how many times a post-contingent run-back scheme had been used in the last 12 months. Mr Cronin said it was likely to be very few. The Chair noted that the level of constrained on and off payments were minimal at the moment which would appear to mean that the introduction of pre-contingent constraints is less time critical. Mr Cronin noted that the application process revealed a large number of potential connections in a constrained area. The Chair noted that under the current market conditions it was unlikely that all members would still require connections. Mr Cremin noted that it was unlikely that all parties in the queue would actually connect, in particular because of the uncertainty in the market. Mr Cremin further noted that it seemed that the proposal would be an expensive and time-consuming way for Western Power to meet its obligations under the Access Code, which may not be prudent. Mr Cronin indicated that Western Power was obliged to progress the connection applications. He suggested that the intellectual property and algorithms behind the proposed solution would hopefully be 	

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Item	Subject	Action
	<p><u>transferable to a fully constrained dispatch model. The Chair noted that the proposed algorithms had not yet been shared with the IMO. He indicated that the IMO agreed with Western Power on the need for a fully constrained market model but that Western Power had yet to demonstrate that an interim solution could be practically implemented.</u></p> <ul style="list-style-type: none"> Mr Middleton asked to what extent the proposed interim solution would affect participants that were not part of a CAG. Ms Ryan clarified that the only intent is for a pre-contingent constraint to affect the relevant CAG member but noted that a Market Participant that was not in the CAG could be constrained on under the current arrangements. The Chair clarified that where a Facility that is constrained off is below the Balancing Price this would distort the Balancing Merit Order <u>(BMO)</u>, economic dispatch and forecast price signal. The Chair questioned if there was an option to run-back one Facility under a pre-contingent scheme and another under a post-contingent scheme which would be curtailed. Ms Aitken noted that the pre contingent scheme would be called first as the contract is for non-firm access, whereas under a post-contingent scheme the contract has firm access. Mr Cronin added that System Management would make a decision within each of the firm and non-firm groups on the basis of price. The Chair reiterated that this would undermine the Wholesale Market Objectives and economic dispatch. The MAC discussed the practicalities of System Management applying price data to dispatch solutions where a constraint affects the members of a CAG. <u>Mr Ruthven asked Ms Aitken if the adjustment for the constrained, dispatch would be applied pre or post gate closure. Ms Aitken replied that it would probably occur post gate closure to minimise the required rule changes. Mr Ruthven clarified that this would diminish the value of the BMO and would mean that the last BMO before gate closure would be less reflective of the actual dispatch. Ms Aitken agreed and suggested that a re-bidding mechanism could be implemented to allow Market Participants to change bid prices after being notified of a constraint event.</u>The Chair reiterated that because the CAGs are embedded in the network, they also affect, <u>and are affected by,</u> the bidding and dispatch of participants outside of the CAG and noted that the proposal would require the development of accurate regional load forecasts. Mr Cremin questioned the necessity for Western Power to undertake this project now on the basis that post-contingent run-back schemes were likely to suffice for the next few years before the EMR outcomes are implemented. Mr Cameron Parrotte noted that the timing of February 2015 was for preliminary access offers and not connections. Mr Parrotte noted that Western Power would offer time bound post-contingent access where the option is technically available. Ms Aitken offered stakeholders to provide any further feedback to Western Power directly. The Chair noted that further information on Western Power's proposed option would need to be provided to MAC 	

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Item	Subject	Action
	<p>before its members were able to support any proposed changes. The Chair also requested worked examples to allow a better understanding of what would happen when a constraint binds.</p> <ul style="list-style-type: none"> Mr Stevens asked what Western Power needed from the MAC prior to February 2015. Ms Aitken responded that MAC members' feedback received to date would be incorporated into a proposal for a Rule Change Proposal if required. Mr Cremin noted that if Market Rules need to be changed to implement the proposed interim solution, it would be a material risk for the CAG applicants and that there should be a pragmatic fall-back to connect members on a post-contingent run-back scheme if Western Power is able to. Mr Stevens noted that new generators are applying for connection under the legislative framework currently in place and therefore should act in accordance with those requirements. He noted that the Market Rules shouldn't necessarily be changed to accommodate those applicants who would otherwise need to pay to augment the network to allow firm access, although perhaps it is more practical. Mr Cronin noted that Western Power would document an overview of the concepts involved, timing, specifics of the proposal and discussions and views to date. Mr Cremin acknowledged that Western Power could continue to offer access contracts under the Access Code without making any changes to the Market Rules but that it would significantly affect the market. <p><i>Action Point: Western Power to provide an update of its progress with respect to the CAG process at the February 2015 MAC meeting.</i></p>	Western Power
8.2	<p>PRESENTATION: LFAS INVESTIGATION UPDATE</p> <p>The Chair invited Ms Ryan to present an update on the IMO and System Management's LFAS investigation. The following key points were discussed:</p> <ul style="list-style-type: none"> There was some discussion about why the cost of LFAS was much greater in the Wholesale Electricity Market (WEM) than in the National Electricity Market (NEM). Several reasons were suggested, including the availability of cheap LFAS from 'must run' hydro-electric generators in the Snowy Mountains Scheme, the shorter, five minute dispatch cycle in the NEM, the increased ability of a large market to absorb fluctuations in load and generation and the existence of more generation capacity in the NEM that are able to provide LFAS at low cost. Ms Ryan noted that while the NEM was able to afford very high frequency performance levels due to its very low LFAS costs, its black start costs were extremely high by international standards and had been the subject of considerable recent scrutiny. Ms Ryan considered it unlikely that the NEM's frequency keeping performance would be at its current level if the cost of LFAS provision was significantly higher. Mr Zammit noted that the New Zealand market had also suffered from high LFAS costs in the past and could perhaps provide a better 	



Item	Subject	Action
	<p>example for the WEM than the NEM, due to its more similar network structure.</p> <ul style="list-style-type: none"> • <u>Mr Parrotte noted that during the initial development of the Balancing Market he had</u> sought the views of Market Generators on being dispatched at rates other than their nominated Ramp Rate Limit. Ms Laidlaw noted there would need to be some restrictions on the ramp rates System Management could request. Ms Ryan noted that System Management was already permitted under the Market Rules to dispatch a generator at less than its nominated Ramp Rate Limit. • Mr Parrotte queried whether the potential savings of improving System Management's response to Scheduled Generator failures had been estimated, noting that the cost of an additional control room shift would be in order of \$1.4 million per year. Ms Ryan considered it would be helpful for System Management to develop an estimate, while noting the current difficulties in calculating an accurate measure of LFAS usage. • The Chair noted that the current frequency performance in the WEM was extraordinarily good and expected that the LFAS Requirement could be reduced without breaching the 99 percent frequency standard in the Technical Rules. Mr Stevens and Ms Ryan noted the significant reductions in LFAS costs that had resulted from previous reductions of the LFAS Requirement, from +/-90 MW to +/-80 MW and then to +/-72 MW, indicating good potential for further savings to be achieved. • There was some discussion about the boundaries between LFAS and Spinning Reserve Service. Ms Ryan noted that the analysis had found several cases where a large generator had failed without the system frequency dropping to the level (49.68 Hz) currently associated with a 'Spinning Reserve Event'. • Ms Ryan suggested there could be benefit in automatically freezing the position of Scheduled Generators that failed to comply with their Dispatch Instructions (e.g. following a trip or failure to start), to allow System Management to re-dispatch and reduce LFAS usage as quickly as possible. Mr Stevens noted that System Management already 'locked out' Scheduled Generators that failed to comply with their Dispatch Instructions. Ms Ryan observed that sometimes there was a considerable delay before this happened, if in fact it happened at all. • In response to a question from Mr Ruthven, it was confirmed that LFAS Prices were usually higher overnight. The Chair noted that reducing the LFAS Requirement was likely to not only reduce the LFAS Price but also allow Synergy to avoid the costs of operating an additional Facility solely to provide LFAS. • Mr Middleton noted that the EMR was expected to comprise a number of phases, with the first phase now approaching completion. The outcomes of the first phase are expected to include a mandate to progress and an architecture within which a detailed design will fit, followed by development of the detailed design including consultation. Mr Middleton wished to dispel any thought that early next year the EMR would be in a position to provide a complete and 	

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Item	Subject	Action
	<p>detailed solution to issues such as those that had been identified by the LFAS Requirement investigation.</p> <ul style="list-style-type: none"> Mr Sharafi suggested that changes to the Market Rules were needed to bring about any significant reduction in the LFAS Requirement. The Chair disagreed and confirmed that the Market Rules and IMO's systems can already accommodate the sculpting of the LFAS Requirement. Mr Sharafi considered that sculpting was something that had not been done anywhere else in the world. The Chair disagreed, noting that most markets set Ancillary Service levels to different values at different times of the day. Mr Sharafi thought it would be difficult to make the necessary weather predictions in the required timeframes. Given the magnitude of current LFAS costs, Mr Sharafi questioned whether the proposed changes, such as the reduction of gate closure and dispatch cycle times, should wait on the EMR outcomes or proceed immediately. The Chair reiterated that the current frequency performance was excessively high and there was room for a reduction. Mr Sharafi noted that the NEM exhibited a similar frequency performance. Ms Ryan again noted the much lower cost of LFAS in the NEM. Mr Stevens considered that the WEM did not actually require such a high performance level, and that reducing it could result in substantial cost savings without creating any significant system impacts. Mr Parrotte noted that System Management had committed to work on sculpting but questioned whether any of the other options involving rule changes could be progressed now, rather than waiting on the outcomes of the EMR. Mr Wilson suggested waiting on the publication of the EMR options paper, which he expected would become available in the not too distant future. There was further discussion about the potential benefits of sculpting the LFAS Requirement. Mr Middleton noted that his role as the Minister's representative on the MAC was to gain an appreciation of potential changes to the Market Rules. Mr Middleton suggested that a sensible rule change with the potential to bring significant benefits would not necessarily need to wait on the EMR, and suggested further discussion about the proposed changes. Mr Sharafi considered that the proposed changes were likely to be consistent with the EMR's recommended evolution path and would provide the greatest benefits by reducing the impact of forecasting errors. Mr Mike Davidson noted that System Management had committed to report back to the February 2015 MAC meeting on its progress in correcting auxiliary load forecasting errors, and to provide a report on sculpting the LFAS Requirement to the March 2015 MAC meeting. <p><i>Action Point: System Management to provide a report to the February 2015 MAC meeting on its progress in correcting auxiliary load forecasting errors in the Real Time Dispatch Engine.</i></p> <p><i>Action Point: System Management to provide a report to the March 2015 MAC meeting on its investigation of options to sculpt the LFAS Requirement.</i></p>	<p>System Management</p> <p>System Management</p>



Item	Subject	Action
8.3	<p>PRESENTATION: 2014 MARKET AUDIT</p> <p>The Chair deferred the presentation on the 2014 Market Audit to an upcoming MAC meeting.</p> <p><i>Action Point: The IMO to present the outcomes of the 2014 Market Audit at an upcoming MAC meeting.</i></p>	IMO
8.4	<p>MARKET RULES EVOLUTION PLAN UPDATE</p> <p>Ms Ryan asked the MAC members if the Market Rules Evolution Plan could be taken as read and proposed to revisit the plan once the EMR outcomes are known. The MAC members agreed.</p>	
9.1	<p>PROCEDURE CHANGE OVERVIEW</p> <p>Ms Ryan asked MAC members is the Market Procedures Overview could be taken as read. MAC members agreed.</p> <p>Ms Ryan added that the further submission period for the Procedure Change: Changes to Market Procedure for Reserve Capacity Security (PC_2013_05) had closed.</p>	
10.1	<p>WORKING GROUP OVERVIEW AND MEMBERSHIP UPDATES</p> <p>Ms Ryan asked the MAC members to formally note that the IMO has received a request to change Synergy's representation on the IMO Procedure Change and Development Working Group. Jacinda Papps will be replaced by Brad Huppatz.</p>	
11	<p>GENERAL BUSINESS</p> <p>Ms Ryan noted that the annual MAC membership review was underway with 5 positions for re-nomination and that applications are due by 17 December 2014. Ms Ryan requested that applicants for compulsory positions include a CV or statement of their skills and <u>experience</u> for assessment purposes.</p>	
11.1	<p>2014 YEAR IN REVIEW</p> <p>The Chair noted that 2014 has been slow with respect to the number of Rule Change Proposals due to the impact of the uncertainty with respect to the outcomes of the EMR. However, the IMO had continued to progress work that was not likely to be affected. The Chair noted that a number of options for improvement had been considered and that they were ready to be implemented when the IMO receives the mandate to do so.</p>	
11.2	<p>PROPOSED MAC MEETING DATES FOR 2015</p> <p>The Chair noted that proposed dates for next year's MAC meetings were included in the MAC papers. The Chair noted that the proposed dates could be modified if need be and requested that MAC notify the IMO if there are any problems, such as clashes with industry events.</p>	
<p>CLOSED: The Chair declared the meeting closed at 5:15 PM.</p>		

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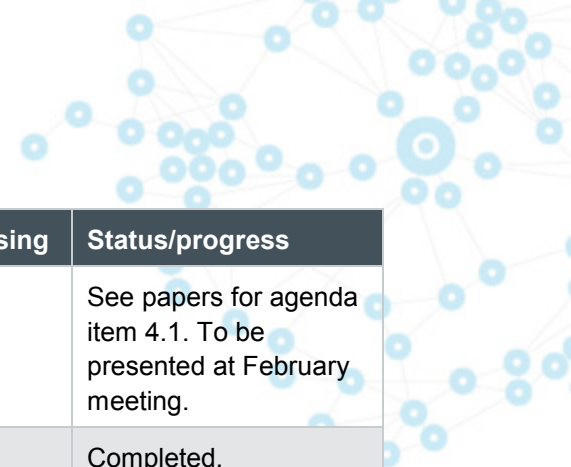
Agenda item 4: 2015 MAC action items

12 February 2015

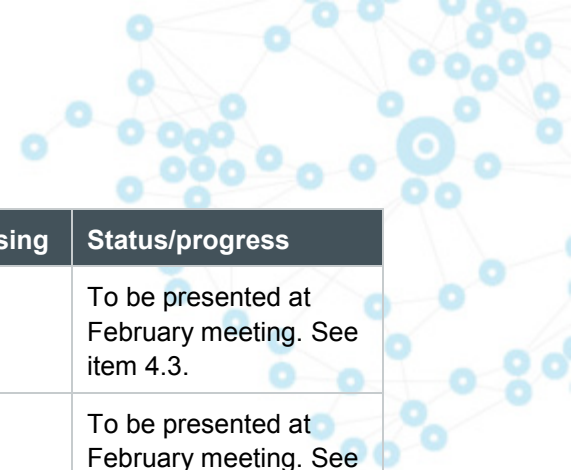
Table 1: Legend

Shaded	Shaded action points are actions that have been completed since the last MAC meeting.
Unshaded	Unshaded action points are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

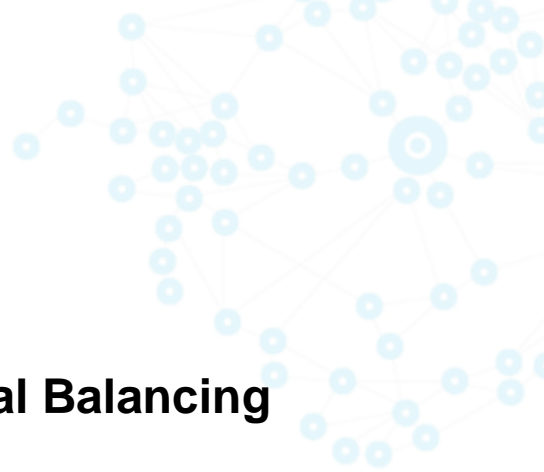
#	Year	Action	Responsibility	Meeting arising	Status/progress
4	2014	Western Power to provide an overview of Western Power's current approach to constrained access to the grid at the next MAC Meeting.	Western Power	March	Completed. Discussion Paper presented at Dec 2014 meeting – see action item 55 for follow-up action.
18	2014	Western Power to provide advice on the appropriate level of insurance coverage for the purposes of determining the Maximum Reserve Capacity Price.	Western Power	May	Completed.
20	2014	The IMO to engage with System Management to determine the financial impact of the transformer failures at Muja and provide forecast cost estimates based on the outcomes of that discussion.	IMO/System Management	May	Completed.



#	Year	Action	Responsibility	Meeting arising	Status/progress
37	2014	The IMO to assess the accuracy of Balancing Prices for discussion at a MAC meeting in six months' time.	IMO	June	See papers for agenda item 4.1. To be presented at February meeting.
43	2014	The IMO to consider feedback from MAC members and to progress the pre Rule Change Proposal: Reduced Frequency of Determining the Energy Price Limits and Maximum Reserve Capacity Price (PRC_2014_05) accordingly.	IMO	August	Completed. RC_2014_05 submitted 2 December 2014.
47	2014	The IMO to canvass MAC members' feedback on the proposal to expedite Ancillary Services procurement processes at a later date to assess if it should be progressed further.	IMO	September	
50	2014	The IMO to publish the minutes of Meeting No. 75 on the Market Web Site as final.	IMO	December	Completed.
51	2014	The IMO to consider MAC members' feedback and establish a proposed confidentiality list for consideration at an upcoming MAC meeting.	IMO	December	See papers for agenda item 5.2.
52	2014	The IMO to provide MAC members and observers information with respect to the latest timing of the 2014 Reserve Capacity Cycle.	IMO	December	Completed. Circulated via email 17 December 2014.
53	2014	The IMO to review the proposed drafting of clauses 4.12.1 and 4.26.2 in the Rule Change Proposal: Removal of Resource Plans and Dispatchable Loads (RC_2014_06) to ensure that a failure to submit a STEM Submission is not a breach of the Market Rules.	IMO	December	Completed. RC_2014_06 submitted 28 January 2015.
54	2014	The IMO to submit the Rule Change Proposal: Provision of Network Information to System Management (RC_2014_10) into the formal process and progress it under the Standard Rule Change Process.	IMO	December	Completed. RC_2014_10 submitted 13 January 2015.



#	Year	Action	Responsibility	Meeting arising	Status/progress
55	2014	Western Power to provide an update of its progress with respect to the CAG process at the February 2015 MAC meeting.	Western Power	December	To be presented at February meeting. See item 4.3.
56	2014	System Management to provide a report to the February 2015 MAC meeting on its progress in correcting auxiliary load forecasting errors in the Real Time Dispatch Engine.	System Management	December	To be presented at February meeting. See item 4.4.
57	2014	System Management to provide a report to the March 2015 MAC meeting on its investigation of options to sculpt the LFAS Requirement.	System Management	December	
58	2014	The IMO to present the outcomes of the 2014 Market Audit at an upcoming MAC meeting.	IMO	December	To be presented at February meeting. See item 4.2.



Agenda Item 4.1: Provisional and Final Balancing Prices

12 February 2015

1. Background

At the March 2014 Market Advisory Committee (MAC) meeting, a query was raised regarding the time between the publication of the Provisional and Final Balancing Prices by the IMO.

At the May 2014 MAC meeting, System Management confirmed that, as per clause 7A.3.9 of the Market Rules, this time is used to review and correct any errors in the data provided to the IMO which is used to set the Balancing Price.

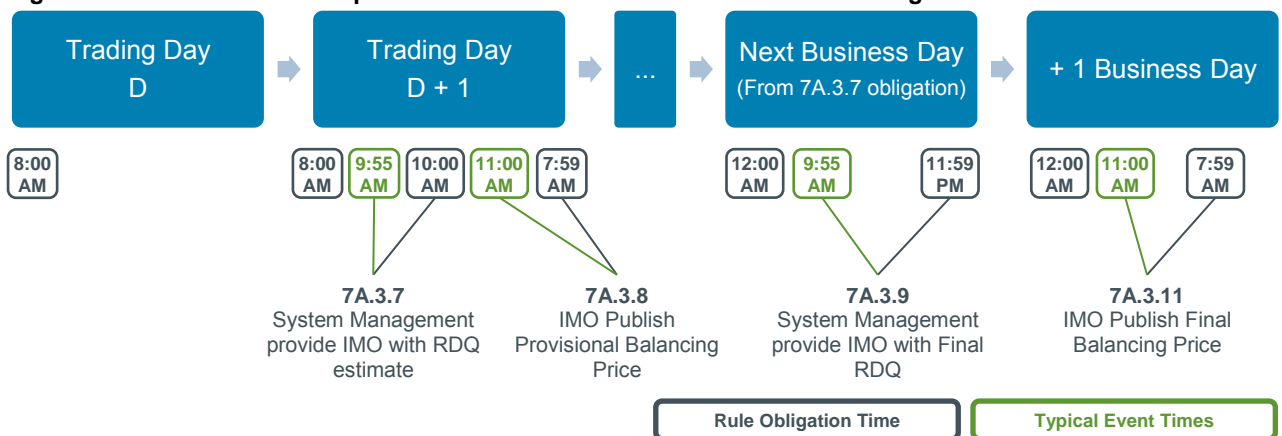
At the June 2014 MAC meeting, the IMO presented Agenda Item 6b: Provisional and Final Balancing Prices, which provided a summary of the timeline for determining Balancing Prices and compared Provisional Balancing Prices and Final Balancing Prices since the start of the Balancing Market. The following actions were recorded at that meeting and are addressed by this paper:

- The IMO to assess the accuracy of Balancing Prices for discussion at a MAC meeting in six months' time.
- The IMO to assess the operational impact of publishing the Provisional Balancing Price earlier and advise MAC members.

2. Setting the Balancing Price

The process for setting the Provisional and Final Balancing Price is shown in Figure 2.1:

Figure 2.1: Determination and publication of the Provisional and Final Balancing Prices



3. Accuracy of the Provisional Balancing Price

3.1 Differences in Balancing Price

From the start of the Balancing Market to 31 December 2014, the Final Balancing Price has differed from the Provisional Balancing Price in 216 Trading Intervals (0.49% of all intervals). Of these, the Final Balancing Price was:

- higher than the Provisional Balancing Price in 104 Trading Intervals (48%); and
- lower than the Provisional Balancing Price in 112 Trading Intervals (52%).

Where there is a difference, the average difference between the Provisional Balancing Price and the Final Balancing Price is an increase of \$0.44/MWh however, in absolute terms the average difference is \$8.22/MWh. Differences range from a reduction of \$65.02/MWh to an increase of \$91.41/MWh.

Table 3.1 on the following page summarises the number of intervals where the Final and Provisional Balancing Prices have differed and the average absolute price difference on a monthly basis. The table also shows the absolute cost of the difference, obtained by multiplying the price difference by the quantity settled in the Balancing Market for that interval.

3.2 Differences in Relevant Dispatch Quantity

From the start of the Balancing Market to 31 December 2014, there have been 7,714 intervals (17.58% of all intervals) where the Provisional Relevant Dispatch Quantity (RDQ) estimate was revised by System Management within the window prescribed by clause 7A.3.9 of the Market Rules. Of these, the Final RDQ was:

- higher than the Provisional RDQ in 1,609 Trading Intervals (21%); and
- lower than the Provisional RDQ in 6,105 Trading Intervals (79%).

The average absolute deviation in RDQ is 0.84 MWh. Table 3.1 also provides a summary of the number of intervals where there is a difference in RDQ and the average absolute RDQ difference on a monthly basis. It should be noted that this is simply a measure of how often the RDQ is revised by System Management and not a measure of the accuracy of the RDQ.

Only 2.8% of the intervals with a difference in RDQ led to a difference in the Balancing Price (216 of 7,714 intervals). This can be attributed to relatively small differences in RDQ when they occur and low sensitivity in the Balancing Merit Order (BMO) when the Balancing Portfolio is the marginal generator (which it is 72% of the time).

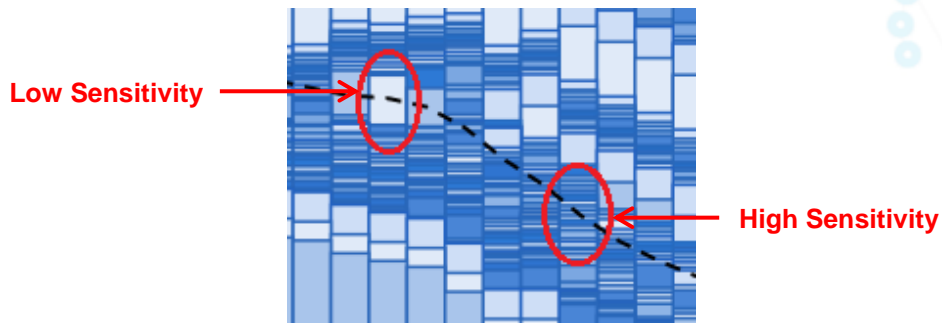
Table 3.1: Summary of the Occurrences and Impacts of Balancing Price Difference on a Monthly basis.

Month	Total Intervals with Price Difference	Average Absolute Difference (\$/MWh)	Total Absolute Cost Difference (\$)	Total Intervals with RDQ Difference	Average Absolute RDQ Difference (MWh)
2012					
Jul 2012	11	\$25.51	\$19,371.96	97	1.78
Aug 2012	31	\$6.91	\$27,437.04	8	10.80
Sep 2012	2	\$4.82	\$1,286.98	336	0.63
Oct 2012	1	\$1.39	\$162.59	488	0.83
Nov 2012	0	-	\$0.00	48	0.04
Dec 2012	47	\$11.50	\$92,312.51	161	4.57
2013					
Jan 2013	1	\$26.25	\$3,440.39	48	0.26
Feb 2013	0	-	\$0.00	8	1.21
Mar 2013	0	-	\$0.00	6	0.95
Apr 2013	8	\$4.51	\$4,645.96	98	1.66
May 2013	4	\$2.85	\$923.29	91	1.04
Jun 2013	0	-	\$0.00	228	0.16
Jul 2013	28	\$4.62	\$16,010.78	278	1.20
Aug 2013	30	\$6.12	\$20,302.40	445	1.81
Sep 2013	0	-	\$0.00	471	0.24
Oct 2013	10	\$4.27	\$4,669.32	267	0.38
Nov 2013	1	\$3.58	\$346.86	278	0.18
Dec 2013	7	\$4.49	\$4,149.42	469	0.44
2014					
Jan 2014	0	-	\$0.00	349	0.16
Feb 2014	3	\$5.63	\$2,371.84	398	0.28
Mar 2014	0	-	\$0.00	350	0.15
Apr 2014	1	\$0.05	\$7.39	124	0.37
May 2014	0	-	\$0.00	316	0.16
Jun 2014	0	-	\$0.00	250	0.30
Jul 2014	0	-	\$0.00	458	0.15
Aug 2014	0	-	\$0.00	260	0.13
Sep 2014	0	-	\$0.00	239	0.14
Oct 2014	0	-	\$0.00	403	0.16
Nov 2014	30	\$8.23	\$27,186.73	411	5.92
Dec 2014	1	\$0.02	\$0.00	331	0.17
Summary					
	216	\$8.22	\$224,625.44	7714	0.84

Note: Negative value indicates the Provisional Balancing Price was lower than the Final Balancing Price

Figure 3.1 illustrates instances of low and high sensitivity. A small difference in RDQ in a region of low sensitivity (i.e. where there are large tranches) is less likely to cause a difference in price than the same difference in RDQ in a region of high sensitivity (i.e. where there are lots of smaller tranches packed together tightly).

Figure 3.1: Sensitivity in the Balancing Merit Order



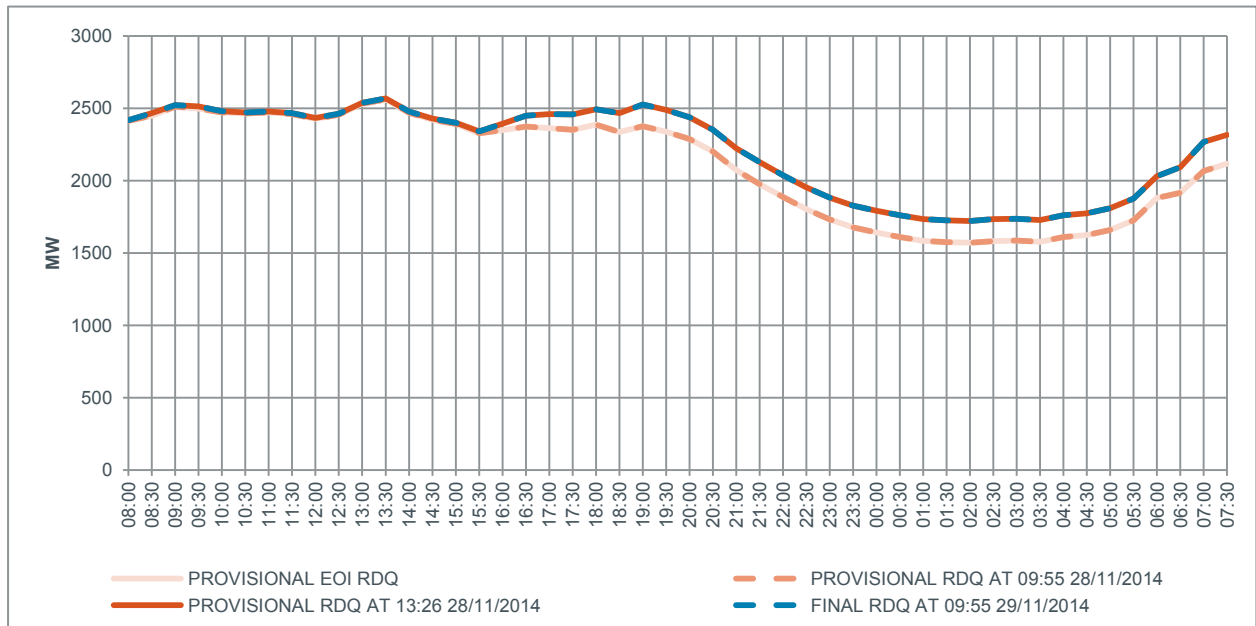
It should be noted that the Balancing Portfolio is responsible for the largest tranches in the BMO. Any future disaggregation of the Balancing Portfolio would lead to increased price sensitivity to RDQ changes. This would likely result in an increase in the number of intervals with differences between the Provisional and Final Balancing Prices.

3.3 Example

Of the 35 intervals where the Final Balancing Price differed from the Provisional Balancing Price in 2014, 30 of them occurred on 27 November 2014.

For this trading day, System Management provided the Provisional RDQ at 9:55 AM on 28 November and the IMO published the Provisional Price at 11:00 AM. System Management subsequently provided a revised version of the Provisional RDQ at 1:26 PM. The Final RDQ provided at 9:55 AM on 29 January matched revised Provisional RDQ. Figure 3.2 shows each of the Provisional and Final RDQ values received from System Management on this day.

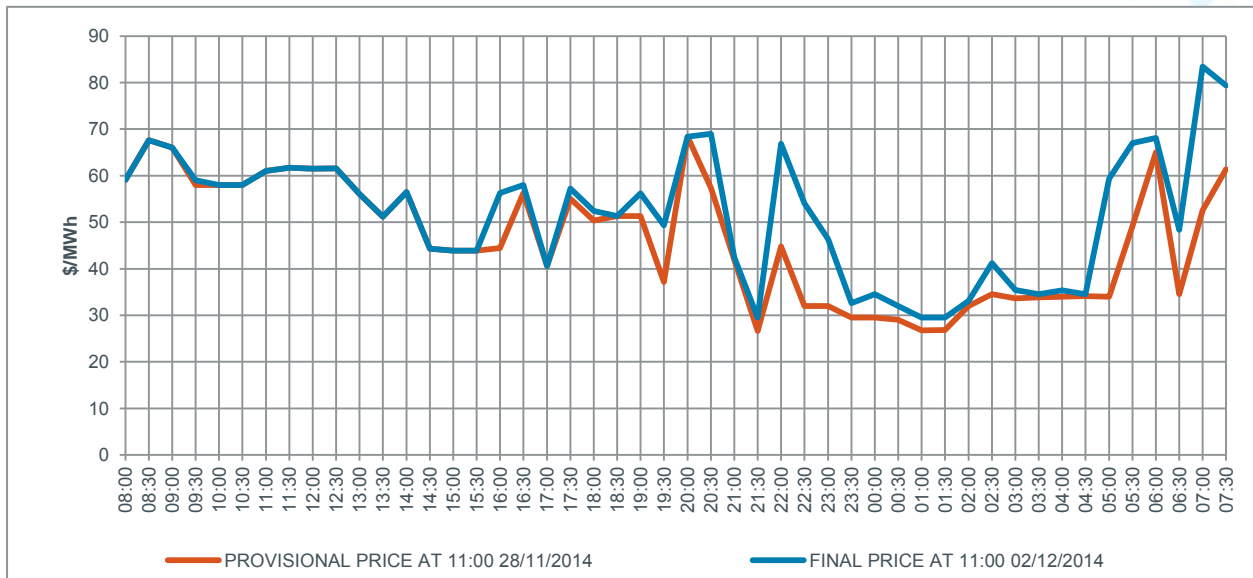
Figure 3.2: Provisional and Final RDQ for Trading Day 27/11/2014



The initial Provisional RDQ and Final RDQ differed in every interval, however it can be seen in Figure 3.2 that these differences were minor until 16:00. It can be seen in Figure 3.3,

which shows the Provisional and Final Balancing Prices published for this day, that the 30 intervals with price differences occurred from 16:00 onward and were caused by the significant RDQ differences.

Figure 3.3: Provisional and Final Balancing Prices for Trading Day 27/11/2014



This example affirms the assertion made by System Management at the May 2014 MAC meeting, that the time allowed by clause 7A.3.9 of the Market Rules can be used by System Management to make adjustments to the Provisional RDQ values used to set the Balancing Price.

4. Earlier Publication of the Provisional Balancing Price

As per action item 36 from the August 2014 MAC, the IMO rescheduled the publication of the Provisional Balancing Price from 7:00 AM the day after receipt of the data from System Management to 11:00 AM on the same day the data is received from System Management. This was effective 1 September 2014.

The Provisional Balancing Price is now published three hours after the end of the Trading Day.

5. Recommendation

Based on this analysis of the current process and timeline for setting the Provisional and Final Balancing Prices, the IMO recommends the following two changes, which will allow the earlier publication of both the Provisional and Final Balancing Prices:

1. Use the EOI RDQ provided by System Management 5 minutes after the Trading Interval to determine a Provisional Balancing Price and publish it as soon as practicable.
2. Determine and publish the Final Balancing Price as soon as practicable after System Management provides the RDQ at 9:55 AM.

Further details are provided in the following sections and Figure 5.1.

5.1 Using EOI RDQ to determine the Provisional Balancing Price

System Management is required to make reasonable endeavours to provide to the IMO with provisional RDQ values within 5 minutes of the end of the interval (clause 7A.3.7A).

System Management began providing the IMO with the EOI RDQ on 30 January 2013. Between this time and 31 December 2014, there were 904 intervals (2.69%) where the EOI RDQ received differed from the daily Provisional RDQ and 418 intervals (1.24%) where the EOI RDQ was not received. It should be noted that in 2014 there were only 85 intervals where the EOI RDQ received differed from the daily Provisional RDQ and 206 intervals where the EOI RDQ was not received.

The IMO could use this data to determine and publish a Provisional Balancing Price immediately upon receipt of the file. This could replace the current Provisional Balancing Price. The IMO would, however, need to consider contingencies in the event that an EOI RDQ file is not received from System Management within the specified timeframe.

It should be noted that clauses 7A.3.7, 7A.3.7 and 7A.3.8 of the Market Rules are currently drafted such that the timeframes consider the latest time by which the steps in this process must be done. However, the IMO would propose amendments to align the timeframes in these clauses in due course to ensure that the Provisional Balancing Price cannot change once it is published.

Significant adjustments to the IMO's systems will be required to determine and publish the Provisional Balancing Price on an interval basis.

5.2 Earlier determination of the Final Balancing Price

The deadline for System Management to provide Final RDQ values to the IMO is 11:59 PM on the Business Day following the publication of the Provisional Balancing Price (clause 7A.3.9). Despite this deadline, System Management currently provides the Final RDQ values to the IMO at 9:55 AM.

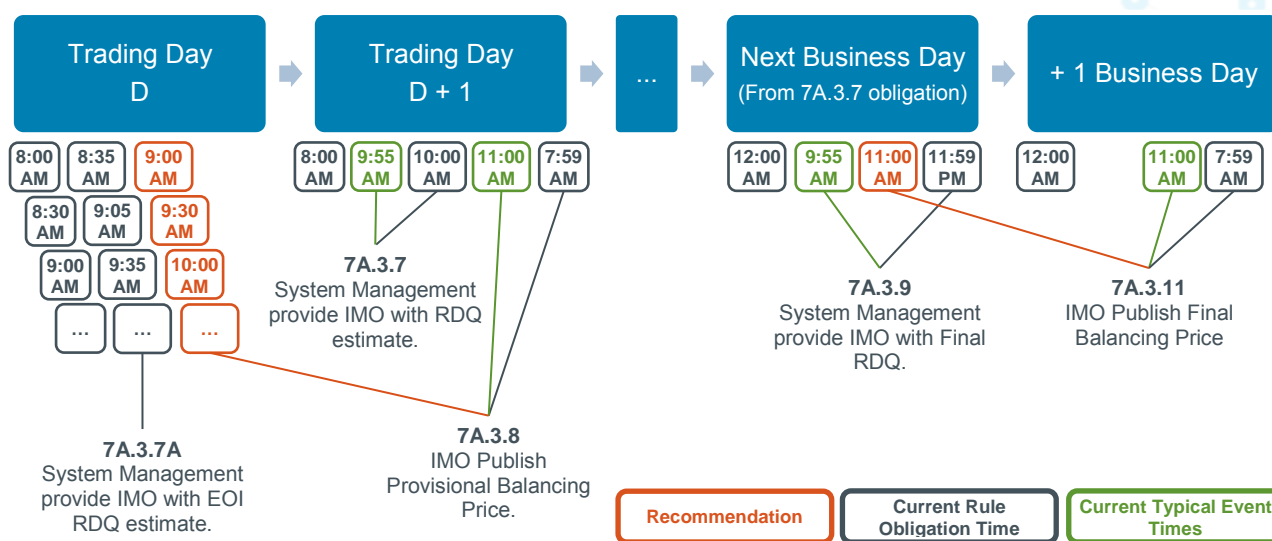
There have been 2,134 intervals (4.86%) where the Final RDQ has been updated by System Management at least once after it has been sent to the IMO. Of these intervals, only 302 occurred in 2014 (1.72%).

The IMO could determine and publish the Final Balancing Price as soon as practicable (around 11:00 AM) after System Management provides the RDQ (at 9:55 AM). This would make the Final Balancing Price available 24 hours earlier than current publication.

It should be noted that although the Final Balancing Price will be made available sooner, System Management will have a shorter timeframe in which to fix any potential errors in the original file. Implementation would require amendments to clause 7A.3.11 of the Market Rules which current requires the IMO to publish the Final Balancing Price on the next Business Day. The other relevant clauses are currently drafted such that the timeframes consider the latest time by which the steps in this process must be done. However, the IMO would propose amendments to align the timeframes in these clauses in due course to ensure that the Provisional Balancing Price cannot change once it is published.

Minor adjustments to the IMO's systems will be required to determine and publish the Final Balancing Price earlier.

Figure 5.1: Recommendations for amending the Determination and publication of the Provisional and Final Balancing Prices.



6. Action Points

The IMO recommends that MAC members:

- **discuss** the IMO’s recommendations contained in this paper;
- **decide** whether to progress with the IMO’s recommendations; and
- **note** that if the MAC decides to progress with the IMO’s recommendations, the IMO will investigate the necessary operational changes and system solutions further.



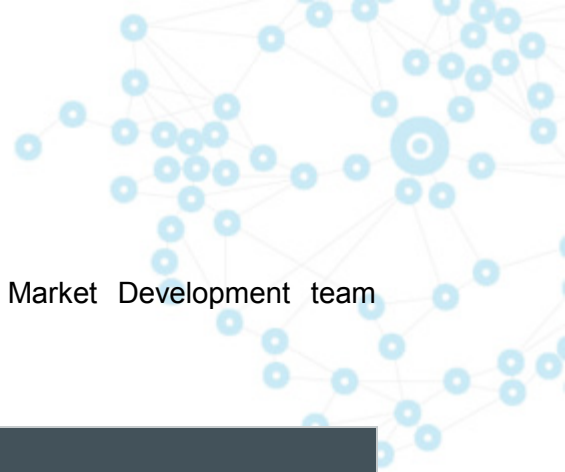
Agenda Item 5.1: Overview of Rule Change Proposals

12 February 2015

Below is a summary of the status of Rule Change Proposals as at 12 February 2015 that are either currently being progressed by the IMO or have been registered by the IMO as potential Rule Change Proposals to be progressed in the future.

Table 1: Rule Change Proposals in progress

ID	Title	Submitter	Next step	Date
Standard with first consultation open				
RC_2014_07	Omnibus Rule Change	IMO	Submissions Close	13/02/2015
RC_2014_10	Provision of Network Information to System Management	IMO	Submissions Close	25/02/2015
RC_2014_06	Removal of Resource Plans and Dispatchable Loads	IMO	Submissions Close	02/04/2015
Standard with first consultation period closed				
RC_2014_03	Administrative Improvements to the Outage Process	IMO	Draft Rule Change Report published	27/02/2015
RC_2014_05	Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Price	IMO	Draft Rule Change Report published	03/03/2015
RC_2013_15	Outage Planning Phase 2 – Outage Process Refinements	IMO	Draft Rule Change Report published	30/04/2015
Standard with second consultation period closed				
RC_2013_20	Changes to the Reserve Capacity Price and the Dynamic Reserve Capacity Refunds Regime	IMO	Final Rule Change Report published	30/04/2015
RC_2013_21	Limit to Early Entry Capacity Payments	IMO	Final Rule Change Report published	30/04/2015



The following table provides an update of the items the Market Development team anticipates progressing over the next two to three months.

Table 2: Work currently underway

Issue	Likely timing
Amendments to arrangements for managing market information (RC_2014_09)	Pre Rule Change Proposal and initial Confidentiality List – February MAC
Improvements to Market Procedures	Staged throughout 2015 Consolidation of Market Operation Market Procedures (RC_2015_01) – February MAC
Review of effectiveness and necessity of periodic reviews required under the Market Rules	Concept Paper – March MAC
Energy Price Limits Review for 2015/16	February to May 2015



Cover Paper: Managing Market Information

12 February 2015

1. Background

At the Market Advisory Committee (MAC) meeting on 3 December 2014, the IMO presented the concept paper for the Rule Change Proposal: Managing Market Information (RC_2014_09).

The MAC requested the IMO to consider MAC members' feedback and establish a proposed confidentiality list for consideration at an upcoming MAC meeting.

The IMO has considered feedback from MAC members and prepared a pre Rule Change Proposal (attached).

In order for MAC members to gain a better understanding of the operational impact of the Rule Change Proposal, the IMO has also:

1. established a process under which it proposes to assess whether market information should be Confidential Information or Public Information (provided at Appendix 1 to the pre Rule Change Proposal); and
2. used that process to establish an initial list of information and its preliminary determination of whether that information should be Confidential Information or Public Information (provided at Appendix 2 to the pre Rule Change Proposal).

2. Action Points

The IMO recommends that MAC members:

- **discuss** the proposed amendments contained in the pre Rule Change Proposal;
- **discuss** the process under which the IMO proposes to assess the status of market information;
- **discuss** the IMO's list of information and its preliminary consideration of whether that information should be Confidential Information or Public Information, in particular those in the unshaded rows, which are either not currently covered on the published confidentiality list or for which a change to the current status is proposed; and
- **note** that the IMO intends to formally submit the revised proposal into the Standard Rule Change Process, subject to any comment from the MAC.

Rule Change Proposal: RC_2014_09

Change requested by:

Name	Kate Ryan
Organisation	IMO
Phone	(08) 9254 4357
Email	kate.ryan@imowa.com.au
Address	Level 17, 197 St Georges Terrace, Perth
Date submitted	TBC
Urgency	Medium
Rule Change Proposal title	Managing Market Information
Clauses affected	Clauses 1.7.1, 10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8 (new), 10.2.9 (new), 10.2.10 (new) 10.3.1, 10.3.2, 10.3.3, 10.3.4, 10.3.5, 10.4.1, 10.4.2, 10.5.1, 10.5.2, 10.5.3, 10.7.1, 10.8.1, 10.8.2, headings 1.7, 10.2, 10.4, 10.5, 10.6, 10.7, 10.8, the Glossary and the Table of Contents

Introduction

Clause 2.5.1 of the Wholesale Electricity Market Rules (Market Rules) provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal form that must be submitted to the IMO.

The IMO prefers to receive submissions by email to market.development@imowa.com.au using the Rule Change Proposal form available at: <http://www.imowa.com.au/rule-changes>.

Submissions may also be sent to the IMO by post, addressed to:

Independent Market Operator

Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, PERTH, WA 6850

The IMO will assess the proposal and, within five Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the proposal must explain how it will enable the Market Rules to better contribute to the achievement of the Wholesale Market Objectives.

The Wholesale Market Objectives 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 Rule Change Proposal

1. Describe the concern with the existing Market Rules that is to be addressed by the proposed changes

1.1 Background

The administration of the Wholesale Electricity Market (WEM) Rules (Market Rules) involves the production and exchange of a large amount of market information.

The appropriate management and disclosure of market information is imperative to improve transparency and symmetry of information in the WEM which in turn, will better achieve Wholesale Market Objectives by reducing barriers to entry, avoiding discrimination and facilitating competition among Market Participants. However, in some cases the disclosure of information may cause a detriment to one or more parties, which needs to be considered against the benefits of disclosure to the market.

Under the current Market Rules, the IMO is required to set and publish the confidentiality status for each type of market related information and document produced or exchanged in accordance with the Market Rules or Market Procedures. Currently chapter 10 of the Market Rules:

- sets out six confidentiality statuses which govern the disclosure of information to different parties;
- requires the IMO to set and publish the confidentiality status for each type of market information and document produced or exchanged in accordance with the Market Rules or Market Procedures;
- provides principles to which the IMO must have regard when determining the confidentiality status of particular information;

- lists the information that the IMO must make available to each of the six confidentiality classes;
- provides the ability for the IMO to charge a fee for any ad-hoc requests for data where it incurs additional costs in meeting the request; and
- requires the IMO to document the process it follows to set and publish confidentiality statuses and the protocols by which it changes the Market Web Site in a Market Procedure.

The IMO has faced considerable challenges in managing market information under the current framework, which are discussed in the following sections of this proposal.

1.2 Review of the WEM confidentiality framework

The IMO has reviewed the efficiency and effectiveness of the current framework that governs the management of market information in the WEM (including the Market Rules, Market Procedure: Handling Confidential Information and the confidentiality list published on the Market Web Site) and considers that the framework should be amended to improve its functionality and alignment with the Wholesale Market Objectives.

1.2.1 Requirements of an efficient and effective confidentiality framework

In an effort to assess the WEM confidentiality framework, the IMO researched the confidentiality frameworks that exist in markets similar to the WEM (including under the National Electricity Law and Rules¹, National Gas Law and Rules², and Australian Stock Exchange³ rules) and developed a number of requirements that it considers are key to an efficient and effective confidentiality framework. These are that the framework:

- is simple and easy to understand and use;
- maximises the release of market related information;
- treats all market information and participants equitably;
- protects persons against the disclosure of information that would be to their detriment;
- ensures that the information required to effectively operate the South West interconnected system and WEM is available to the relevant parties; and
- is consistent with other applicable laws and regulations as well as the Market Rules, to the extent possible.

¹ See for example Chapter 2, Part 3, Division 6 and Chapter 2, Part 5, Division 6 of the National Electricity Law available at: [http://www.legislation.sa.gov.au/LZ/C/A/NATIONAL%20ELECTRICITY%20\(SOUTH%20AUSTRALIA\)%20ACT%201996/CURRENT/1996.44.UN.PDF](http://www.legislation.sa.gov.au/LZ/C/A/NATIONAL%20ELECTRICITY%20(SOUTH%20AUSTRALIA)%20ACT%201996/CURRENT/1996.44.UN.PDF) and section 8.6 of the National Electricity Rules available at: <http://www.aemc.gov.au/getattachment/b547b001-175d-4614-afee-477e2958acb1/National-Electricity-Rule-Version-67.aspx>.

² See for example Chapter 2, Part 6, Division 7 of the National Gas Law available at: [http://www.legislation.sa.gov.au/LZ/C/A/NATIONAL%20GAS%20\(SOUTH%20AUSTRALIA\)%20ACT%202008/CURRENT/2008.19.UN.PDF](http://www.legislation.sa.gov.au/LZ/C/A/NATIONAL%20GAS%20(SOUTH%20AUSTRALIA)%20ACT%202008/CURRENT/2008.19.UN.PDF) and Part 16 of the National Gas Rules available at: <http://www.aemc.gov.au/getattachment/f7c90c63-384a-40a4-b467-5cb6e2cc28cc/National-Gas-Rules-Version-25.aspx>.

³ See the Australian Stock Exchange Continuous Disclosure Listing Rules 3.1 – 3.1B available at: http://www.asx.com.au/documents/rules/qn08_continuous_disclosure.pdf.

1.2.2 Assessment of the WEM confidentiality framework against the requirements of an efficient and effective confidentiality framework

The IMO assessed the features of the WEM confidentiality framework against the features of an efficient and effective framework and found that, while the current framework meets the minimum requirements it does not meet many of the requirements that would improve the efficiency or effectiveness of the management of information in the WEM. The high-level assessment is provided in Table 1.1.

Table 1.1: Assessment of the WEM confidentiality framework

Requirements	Assessment
Is simple and easy to understand and use	<p>Not met</p> <ul style="list-style-type: none"> Different confidentiality classes make administration complex Unclear interaction of Market Rules, Market Procedure and confidentiality list Determination process not well defined
Maximises the release of market related information	<p>Not met</p> <ul style="list-style-type: none"> Complexities of the framework create uncertainty of status of information Inconsistencies between governance documents often leads to conservative application of the confidentiality framework
Treats all market information and participants equitably	<p>Not met</p> <ul style="list-style-type: none"> Initially developed to focus on supply-side Different treatment of information between Facility types Demand-side information is not adequately covered
Protects persons against the disclosure of information that would be to their detriment	<p>Met</p>
Ensures that the information required to effectively operate the South West interconnected system and WEM is available to the relevant parties	<p>Met</p>
Is consistent with other applicable laws and regulations as well as the Market Rules, to the extent possible	<p>Not met</p> <ul style="list-style-type: none"> Inconsistencies between governance documents

1.2.3 Specific issues identified with the WEM confidentiality framework

The assessment of the existing WEM confidentiality framework raised a number of issues. These include the following issues with the current drafting of the Market Rules:

- The numerous confidentiality classes make the framework complex to administer and the distinction between some categories is redundant, for example:

- Some categories of data are given a confidentiality status under a generic clause and in some instances this is inconsistent with the confidentiality status of a specific piece of data that falls under that category. Where the two are different it is not clear which status should prevail. For example, System Management provides SCADA temperature data for a generating system. All information provided by System Management to the IMO is classified as System Management Confidential but clause 7.13.1(cB) of the Market Rules specifies that this information is Public.
- Some categories of data are given a confidentiality status that excludes particular parties that should have access to that data. For example, clause 3.13.1A of the Market Rules requires System Management to provide the IMO with settlement information for Ancillary Service Contracts. This clause is currently classified as System Management Confidential, which excludes the Rule Participant to which that information belongs from having access to this information.
- There is no distinction between the status of a document and the information in that document. Where a document has a confidentiality status that is different to the information contained in it, or where a document has information of different classes in it, it becomes difficult to assign a confidentiality status, in particular in advance.
- The framework focuses on information relating to the supply-side of the WEM and does not adequately cover demand-side information. For example, the parties considered in the current confidentiality framework do not include Meter Data Agents, which makes it unclear as to how the IMO should treat the information produced or transferred from Meter Data Agents. It should also be noted that clause 7.6(3) of the Electricity Industry (Metering) Code 2012 allows the IMO to disclose, use or reproduce confidential information to the extent necessary to facilitate the operation of the Market Rules.
- The purpose of the Market Procedure, as it is currently drafted, is also unclear. The Market Procedure currently duplicates clauses of the Market Rules and does not add any further details or provide a process by which the IMO should determine the confidentiality status of market information. The lack of a robust process for the IMO to assess the confidentiality status of market information has resulted in new and amended information not being assessed and/or not being included in the confidentiality list.

In addition, the information in the confidentiality list published on the Market Web Site contains a number of inconsistencies between the list and the Market Rules, and within the confidentiality list, with different statuses assigned to the same information under different clauses. For example, the requirement for the IMO to set the confidentiality status of the real-time outage information under clause 10.5.3 of the Market Rules contradicts the confidentiality status of clauses such as 3.21.11 which is System Management Confidential.

These issues have resulted in difficulty for the IMO and other Rule Participants in understanding and using the framework to determine the current confidentiality status of market information and the appropriate confidentiality status of new or amended market information.

These difficulties have led to inconsistent interpretations, inconsistent outcomes between applications, inconsistent governing documents and an out of date list of confidentiality statuses, which have resulted in operational inefficiencies, an increased risk of non-compliance with the Market Rules by the IMO and other Rule Participants and an overly conservative approach to sharing information that should be made available.

As a result, the IMO considers that the current framework is unduly difficult to administer and results in outcomes that are inconsistent with the Wholesale Market Objectives. Under the Market Rules, the Wholesale Market Objectives promote the economically efficient supply of electricity, encourage competition among generators and retailers and minimise the long-term cost of electricity. These objectives could be better achieved by providing a clear and user-friendly framework which promotes the disclosure of information to support more efficient decision-making and improved risk management.

1.3 Proposed amendments

The IMO proposes to replace the current WEM confidentiality framework with a new framework designed to promote the disclosure of market related information and thereby increase transparency in the WEM.

The key amendments are discussed in the sections below.

To ensure the proposed Amending Rules follow a logical structure, the IMO has simply deleted some sections of the Market Rules and replaced them with proposed Amending Rules. As the structure of the proposed Amending Rules has changed significantly, the explanation of the proposed solution in this section identifies these replacement clauses as 'new', with those amended clauses that contain the majority of the same content identified as 'amended'. For convenience, the IMO has identified where the content of the Amending Rules is similar to that proposed to be removed in other existing clauses of the Market Rules.

1.3.1 Administration of the WEM confidentiality framework

Currently, clause 10.2.1 of the Market Rules requires the IMO to determine the confidentiality status of market information. The IMO proposes to retain the obligation for the IMO to determine whether information is public or confidential for the purposes of the Market Rules in clause 10.2.1.

The IMO notes that this clause is a Protected Provision and a Reviewable Decision and considers it appropriate for this clause to remain a Protected Provision and Reviewable Decision as the core obligation (to determine the status of information) remains substantially unchanged.

The IMO also proposes to introduce the new clause 10.2.6 of the Market Rules to introduce the ability for Market Participants to request, and the IMO to determine, whether any information not explicitly provided for under the Market Rules or Market Procedures is public or confidential. This will ensure that all market information can be assessed with respect to its appropriate disclosure.

1.3.2 Consolidation of confidentiality classes

The current WEM confidentiality framework contains six different confidentiality classes which dictate the parties to which certain market information may be disclosed. The IMO proposes to consolidate these classes and make information either 'Public Information' or 'Confidential Information'.

The IMO therefore proposes to delete the confidentiality classes currently contained in clause 10.2.2, sections 10.7 and 10.8 and the defined terms 'IMO Confidential', 'Rule Participant Dispatch Restricted', 'Rule Participant Market Restricted' and 'System Management Confidential' in the Glossary of the Market Rules⁴.

The IMO also proposes to amend the existing definition of 'Public' to 'Public Information' and clarify the definition, as well as include a definition of 'Confidential Information' in the Glossary of the Market Rules. These definitions will refer to the IMO's determination under the proposed amended clause 10.2.1 of the Market Rules.

1.3.3 Determining whether information is confidential

Currently, clause 10.2.3 of the Market Rules provides a number of principles that the IMO must consider when setting the confidentiality status of market information. The IMO proposes to introduce the new clause 10.2.2 of the Market Rules to provide a list of considerations that will inform its decision on whether market information should be disclosed.

The IMO proposes to consider:

- whether the use or disclosure of the market information is reasonably required to ensure that the SWIS is operated in a safe, secure and reliable manner;
- whether the market information is publicly available from a source that, as far as the IMO is aware, is not subject to any confidentiality obligation;
- whether a written law (other than the Market Rules) prohibits the disclosure of the market information or limits the extent to which the market information may be used or disclosed;
- whether the disclosure of the market information would cause detriment to the person who gives it or to the person from whom that person receives it;
- whether, although the disclosure of the information would cause detriment to a person, the benefit to the market in disclosing it (determined by assessing the achievement of the Wholesale Market Objectives) outweighs that detriment;
- whether the information is incomplete or insufficiently definite to warrant disclosure; and
- whether (having regard to the nature of the market information) a reasonable person would expect it to be disclosed.

The IMO notes that these high-level principles are consistent with those provided for under the National Electricity Law, National Gas Law and Australian Stock Exchange rules. However, the IMO has adapted the generic public benefit test⁵ to specifically refer to better achieving the Wholesale Market Objectives.

There are some circumstances where market information determined by the IMO to be Confidential Information would not be confidential if managed in a way that would not cause

⁴ It should be noted that the confidentiality class 'Rule Participant Network Restricted' as provided for in clause 10.2.2(g) of the Market Rules is not a defined term in the Glossary.

⁵ This requires the information to be released where the public benefit of the disclosure of the confidential information outweighs the detriment caused by its disclosure. Examples of such provisions include clause 54H of the National Electricity Law and clause 91GH of the National Gas Law.

detriment, or where the better achievement of the Wholesale Market Objectives would outweigh any detriment caused. The IMO therefore proposes introduce the new clause 10.2.10 of the Market Rules to allow the IMO to determine this information to be Confidential Information but to be able to disclose that information under certain conditions. For example, where information is disclosed such that it does not identify the person to whom the information relates, a document is made public where any Confidential Information is omitted or where the disclosure of the information is delayed such that it is no longer Confidential Information.

Currently clause 10.2.7 of the Market Rules requires the IMO to document the process for setting and publishing the confidentiality status of market information. The IMO proposes to move this obligation to the new clause 10.2.8 of the Market Rules and better articulate the processes that must be documented, including the IMO's process for determination (and re-determination) of information as Public Information or Confidential Information, and the process by which parties may make a request for the IMO to make a determination or re-determination, to be included in a Market Procedure.

The IMO proposes to use the rule and procedure change processes to facilitate this assessment. It is expected that this should cover the majority of cases where information needs to be assessed. However, the IMO notes that this proposed process could also be conducted outside of the rule or procedure change process at the request of a person under the proposed new clause 10.2.6 of the Market Rules. Further information with regard to the proposed process is provided in Appendix 1 of this Rule Change Proposal.

The IMO also proposes to introduce a new clause 10.2.9 of the Market Rules to require the IMO to publish the list of information it has determined to be Confidential Information, including market information not explicitly required by the Market Rules or Market Procedures, on the Market Web Site. This replaces the current obligation for the IMO to document and publish the confidentiality status of each piece of information under clause 10.2.1 of the Market Rules. The IMO considers that the publication of only the information it determines to be Confidential Information should increase the ease of administration of the framework for the IMO and other Rule Participants.

The IMO has undertaken a preliminary assessment of the information considered in the Market Rules and provided this preliminary assessment as Appendix 2 of this Rule Change Proposal. It is proposed that the initial confidentiality list be drawn from this preliminary assessment (but contain only the Confidential Information).

1.3.4 Disclosure of Confidential Information to certain parties

Recognising the need for some persons to have access to certain information to perform their functions related to the WEM, the IMO proposes to introduce the new clause 10.2.3 of the Market Rules to enable Confidential Information to be disclosed to:

- the person to whom the information is confidential;
- the IMO;
- System Management;
- the Minister;

- the government agency responsible for advising the Minister in relation to the Wholesale Electricity Market;
- the Economic Regulation Authority;
- the Electricity Review Board; and
- courts and tribunals for the purposes of civil or criminal proceedings.

This approach is adopted in the National Electricity Law and National Gas Law⁶.

The IMO also proposes to amend clause 10.2.4 of the Market Rules to expressly require any person who receives Confidential Information to continue to treat it as confidential.

The IMO also proposes to introduce the new clause 10.2.10 to provide the IMO with the ability to place conditions on the disclosure of Confidential Information to a person, including that:

- the Confidential Information (or part of the Confidential Information) must not be used by, or disclosed to, a person referred to in clause 10.2.3 under any circumstances; or
- the Confidential Information (or part of the Confidential Information) may only be used by, or disclosed to, a person referred to in clause 10.2.3 in certain circumstances.

1.3.5 Availability of Public Information

As previously noted, the IMO proposes to relocate the requirement for the IMO to seek to maximise the number of parties to which market related information is made available from clause 10.2.3(g) to the new clause 10.2.2(c) of the Market Rules.

On this basis, the IMO proposes to:

- delete the clauses in section 10.5 as they contain unnecessary prescription within the Market Rules and become redundant under the proposed new framework for managing market information;
- move the express ability for parties to disclose market information that is determined to be Public Information to any person from clause 10.2.6 to new clause 10.2.5 of the Market Rules;
- move the express requirement for the IMO to make market information that is not Confidential Information to be published on the Market Web Site or an alternative place that is generally accessible to the parties that are intended to benefit from the disclosure of that information from clause 1.7.1 to the new clause 10.2.7 of the Market Rules;
- amend clause 10.4.1 of the Market Rules to clarify the drafting in with respect to the IMO's obligation to make Public Information available on request; and
- amend clause 10.4.2 of the Market Rules to clarify the fees that the IMO may charge to recover the costs associated with the provision of Public Information on request.

⁶ See for example Chapter 2, Part 5, Division 6, Subdivision 2 of the National Electricity Law and Chapter 2, Part 6, Division 7, Subdivision 2 of the National Gas Law.

1.3.6 Other minor administrative changes

Currently, clauses 10.3.3, 10.3.4 and 10.3.5 of the Market Rules provide the processes and obligations with respect to where the IMO delegates the authority to System Management to publish information on the Market Web Site. Practically, the IMO publishes all documents required to be published on the Market Web Site on behalf of System Management. This has not been a problem to date. The IMO therefore proposes to align the Market Rules to current practice and remove these redundant clauses of the Market Rules.

Currently section 10.6 of the Market Rules is blank. As the IMO proposes to remove sections 10.7 and 10.8 of the Market Rules, the IMO also proposes to delete this blank section as it will not affect the numbering of subsequent clauses.

The IMO proposes to take the opportunity to make minor clarifications to the wording of clauses 10.3.1 and 10.3.2 of the Market Rules. These minor drafting changes do not change the intent or operations of these clauses.

2. Explain the reason for the degree of urgency

The IMO proposes that this Rule Change Proposal be progressed under the Standard Rule Change Process.

The IMO considers the proposed amendments will improve the operation and administration of the market by introducing a confidentiality framework for the WEM that is easier to use and administer and will increase the transparency of information in the WEM. The IMO therefore considers it is beneficial to commence consultation prior to the completion of the State Government's Electricity Market Review.

3. Provide any specific changes to clauses of the Market Rules

[Changes to the current wording of the Market Rules with ~~strike through~~ where words are deleted and underline where words are added]

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~~1.7. Publication~~

~~1.7.1. Where the IMO is required by these Market Rules to publish or release a document or information, then the IMO must make that document or information available on the Market Web Site, in a place which is generally accessible by members of the class of persons entitled to access that document or information given the IMO's determination of its confidentiality status in accordance with clause 10.2.~~

...

10.2. Information Confidentiality Status

10.2.1. The IMO:

(a) must determine, for each type of market information that is produced or exchanged under the Market Rules or Market Procedures, whether the market information is Public Information or Confidential Information; and

(b) may determine, for any other type of market information, whether the market information is Public Information or Confidential Information.

The IMO may revise a determination made under this clause 10.2.1 at any time.

10.2.2. When making a determination under clause 10.2.1 the IMO must:

(a) comply with the Market Procedure referred to in clause 10.2.8;

(b) seek to promote the Wholesale Market Objectives;

(c) seek to maximise the extent to which market information is available to, and accessible by, Rule Participants and other interested stakeholders; and

(d) have regard to the following matters:

i. whether the use or disclosure of the market information is reasonably required to ensure that the SWIS is operated in a safe, secure and reliable manner;

ii. whether the market information is publicly available from a source that, as far as the IMO is aware, is not subject to any confidentiality obligation;

- iii. whether a written law (other than the Market Rules) prohibits the disclosure of the market information or limits the extent to which the market information may be used or disclosed;
- iv. whether the disclosure of the market information would cause detriment to the person who gives it or to the person from whom that person receives it;
- v. whether, although the disclosure of the information would cause detriment to a person referred to in clause 10.2.2(b)(iv), the benefit to the Wholesale Electricity Market in disclosing the information outweighs that detriment;
- vi. whether (having regard to the nature of the market information) the information is incomplete or insufficiently definite to warrant disclosure; and
- vii. whether (having regard to the nature of the market information) a reasonable person would expect it to be disclosed.

10.2.3. Subject to clause 10.2.4, Confidential Information must not be used by, or disclosed to, any person other than:

- (a) a person to whom the market information relates;
- (b) the IMO;
- (c) System Management;
- (d) the Minister;
- (e) the government agency responsible for advising the Minister in relation to the Wholesale Electricity Market;
- (f) the Economic Regulation Authority;
- (g) the Electricity Review Board; and
- (h) courts and tribunals for the purposes of civil or criminal proceedings.

10.2.4. A person who receives Confidential Information from another person must maintain the confidentiality of that Confidential Information, and must not use or disclose that Confidential Information to any other person, except to the extent that:

- (a) the use or disclosure is authorised by each person to whom the Confidential Information relates;
- (b) the disclosure is required under a written law; or
- (c) the use or disclosure is permitted under a condition specified for the purposes of clause 10.2.10.

10.2.5. Market information, other than information which is determined to be Confidential Information under clause 10.2.1 or clause 10.2.6, is Public Information and can be disclosed to any person.

10.2.6. Any person may request that the IMO:

- (a) make a determination under clause 10.2.1;
- (b) revise a determination previously made under clause 10.2.1; or
- (c) determine whether any other market information is Public Information or Confidential Information.

The person and the IMO must comply with the Market Procedure referred to in clause 10.2.9 in relation to a request made under this clause 10.2.6.

10.2.7. Where the IMO is required by these Market Rules to publish or disclose market information, then it must make that market information available on the Market Web Site or in an alternative form that is available to, and accessible by, Rule Participants and other interested stakeholders.

10.2.8. The IMO must specify the following matters in a Market Procedure:

- (a) the processes to be followed by the IMO when it makes a determination under clause 10.2.1;
- (b) the processes to be followed by a person who makes a request under clause 10.2.6;
- (c) the processes to be followed by the IMO when it receives a request under clause 10.2.6;
- (d) the processes to be followed by the IMO when it specifies conditions with respect to the use or disclosure of any type of Confidential Information specified in the list referred to in clause 10.2.9; and
- (e) any other matters relating to information confidentiality that the IMO considers relevant.

10.2.9. The IMO must:

- (a) prepare and maintain a current list of all market information that it determines is Confidential Information under clause 10.2.1 or clause 10.2.6; and
- (b) publish the list on the Market Web Site.

10.2.10. The IMO may, for any type of Confidential Information specified in the list referred to in clause 10.2.9, specify conditions with respect to the use or disclosure of that Confidential Information. Subject to clause 10.2.4, the conditions may specify that:

- (a) the Confidential Information (or part of the Confidential Information) must not be used by, or disclosed to, a person referred to in clause 10.2.3 under any circumstances;
- (b) the Confidential Information (or part of the Confidential Information) may only be used by, or disclosed to, a person referred to in clause 10.2.3 in certain circumstances;

- (c) the Confidential Information (or part of the Confidential Information) may be used by, or disclosed to, a person other than those referred to in clause 10.2.3 in certain circumstances;
- (d) a document containing Confidential Information (or part of the Confidential Information) becomes Public Information where the Confidential Information is omitted;
- (e) the Confidential Information (or part of the Confidential Information) becomes Public Information where it does not disclose the information or elements of the information that could identify the person to whom the information is confidential; or
- (f) the Confidential Information becomes Public Information after a specified period of time.

All Rule Participants must comply with any conditions.

~~10.2.1. The IMO must, in accordance with the Market Rules and Market Procedures, set and publish the confidentiality status for each type of market related information and document produced or exchanged in accordance with the Market Rules or Market Procedures.~~

~~10.2.2. The classes of confidentiality status are:~~

- ~~(a) Public, in which case the relevant information or documents may be made available to any person by any person;~~
- ~~(b) [Blank]~~
- ~~(c) Rule Participant Market Restricted, in which case the relevant information or documents may only be made available to:

 - ~~i. a specific Rule Participant;~~
 - ~~ii. the IMO;~~
 - ~~iii. the Electricity Review Board;~~
 - ~~iv. the Economic Regulation Authority; and~~
 - ~~v. other Regulatory or Government Agencies in accord with applicable laws;~~~~
- ~~(d) Rule Participant Dispatch Restricted, in which case the relevant information or documents may only be made available to:

 - ~~i. a specific Rule Participant;~~
 - ~~ii. System Management;~~
 - ~~iii. the IMO;~~
 - ~~iv. the Electricity Review Board;~~
 - ~~v. the Economic Regulation Authority; and~~~~

- vi. ~~other Regulatory or Government Agencies in accord with applicable laws;~~
- (e) ~~System Management Confidential, in which case the relevant information or documents may only be made available to:~~
 - i. ~~System Management;~~
 - ii. ~~the IMO;~~
 - iii. ~~the Electricity Review Board;~~
 - iv. ~~the Economic Regulation Authority; and~~
 - v. ~~other Regulatory or Government Agencies in accord with applicable laws;~~
- (f) ~~IMO Confidential, in which case the relevant information or documents may only be made available to:~~
 - i. ~~the IMO;~~
 - ii. ~~the Electricity Review Board;~~
 - iii. ~~the Economic Regulation Authority; and~~
 - iv. ~~other Regulatory or Government Agencies in accord with applicable laws; and~~
- (g) ~~Rule Participant Network Restricted, in which case the relevant information or documents may only be made available to:~~
 - i. ~~a specific Rule Participant;~~
 - ii. ~~the relevant Network Operator;~~
 - iii. ~~System Management;~~
 - iv. ~~the IMO;~~
 - v. ~~the Electricity Review Board;~~
 - vi. ~~the Economic Regulation Authority; and~~
 - vii. ~~any other Regulatory or Government Agencies in accord with applicable laws.~~

10.2.3. ~~In setting the confidentiality status of a type of market related information or document under clause 10.2.1, the IMO must have regard to the following principles:~~

- (a) ~~information that discloses the price of electricity, capacity or any related service, equipment, or plant, or commercially sensitive or potentially defamatory information pertaining to a Rule Participant is not made public or revealed to other Rule Participants except in accordance with legal requirements or requirements of these Market Rules;~~
- (b) ~~subject to clause 10.2.3(a), Rule Participants are to have access to information pertaining to current and expected future conditions of the~~

~~power system that may impact on their ability to trade, deliver, or consume energy;~~

- ~~(c) — the IMO may make available to a person information if the IMO is required to do so by law or these Market Rules;~~
- ~~(d) — the IMO may restrict the availability of information to a person where this is required by law, or these Market Rules;~~
- ~~(e) — the IMO may declare incomplete working documents to be IMO Confidential;~~
- ~~(f) — the IMO may declare incomplete working documents of System Management to be System Management Confidential;~~
- ~~(g) — subject to this clause 10.2.3, the confidentiality status must seek to maximise the number of parties that may view the information or document;~~
- ~~(h) — information already in the public domain, other than by reason of a breach of existing confidentiality obligations, has a confidentiality status of Public;~~
- ~~(i) — information already known to a person, other than by reason of a breach of existing confidentiality obligations, is available to that person;~~
- ~~(j) — information that would otherwise be confidential may be disclosed to the extent that the IMO is satisfied its disclosure is with the consent of the party to whom the information is confidential; and~~
- ~~(k) — information that may be aggregated or provided in a form that does not disclose material that would otherwise be confidential, is to be Public.~~

~~10.2.4. — Subject to clauses 10.2.5, 10.2.6 and 10.4.1, a Rule Participant must not provide information or documents of a given confidentiality status to any person.~~

~~10.2.5. — Clause 10.2.4 does not apply to information or documents:~~

- ~~(a) — that, other than as a result of a breach of confidentiality obligations, is or becomes available in the public domain;~~
- ~~(b) — that, other than as a result of a breach of confidentiality obligations, is or becomes known to a person receiving it;~~
- ~~(c) — required to be provided by law or a stock exchange having jurisdiction over the Rule Participant;~~
- ~~(d) — required in connection with resolving a legal dispute; or~~
- ~~(e) — that would otherwise be confidential, where the IMO is satisfied disclosure is with the consent of the party to whom the information is confidential.~~

~~10.2.6. — A Rule Participant may disclose information or a document to:~~

- ~~(a) — any person (including another Rule Participant) where the confidentiality status of the information or document is set as Public by the IMO under clause 10.2.1;~~
- ~~(b) — [Blank]~~

- (c) ~~the specific Rule Participant able to receive the information or document in accordance with the confidentiality status, where the confidentiality status of the information or document is set as either Rule Participant Market Restricted or Rule Participant Dispatch Restricted by the IMO under clause 10.2.1; or~~
- (d) ~~a Representative of the Rule Participant or a Representative of any person able to receive the information or document under clauses 10.2.6(a), 10.2.6(b) or 10.2.6(c).~~

~~10.2.7 The IMO must document the Market Procedure it follows in setting and publishing the confidentiality status of information in clause 10.2. The IMO must comply with that documented Market Procedure.~~

10.3. The Market Web Site

10.3.1. The IMO must maintain a Market Web Site for the purposes of:

- (a) providing information on the nature and operation of the Wholesale Electricity Market;
- (b) providing information on market performance; and
- (c) ~~dissemination~~ publishing reports and documents.

10.3.2. Subject to clause 10.4.2, the IMO must ~~not require a fee for information or documents released by the IMO~~ charge a fee for providing information or documents via the Market Web Site.

...

~~10.3.3. Where these Market Rules require System Management to provide information and documents to the IMO to be published on the Market Web Site, and the IMO is not required to approve or alter such information or documents, then, with System Management's agreement, the IMO may delegate to System Management the authority to directly post such information or documents on the Market Web Site. The IMO retains the right to cancel such delegation without consultation with System Management.~~

~~10.3.4. Where the IMO allows System Management to post information or documents on the Market Web Site in accordance with clause 10.3.3 the IMO's obligation under these Market Rules to publish such information or documents will transfer to System Management.~~

~~10.3.5. The IMO must document the protocols by which System Management and the IMO can change the Market Web Site in a Market Procedure and the IMO and System Management must comply with that documented Market Procedure in respect of changing the Market Web Site.~~

10.4. Public Information to be Released on Request Application

10.4.1. The IMO must make Public Information (including market information that is not required to be produced or exchanged under the Market Rules or Market Procedures where the IMO has determined, under clause 10.2.1 or clause 10.2.6, that the market information is Public Information) available to any Rule Participant or other interested stakeholder on request.

10.4.2. The IMO may require the person making a request under clause 10.4.1 to pay a fee for obtaining the Public Information. The amount of the fee must not exceed the reasonable costs that the IMO incurs (and which are not otherwise included in the IMO's budget under section 2.22) in connection with:

- (a) searching for, obtaining and collating the Public Information; and
- (b) providing the Public Information to the person making the request.

~~10.4.1. The IMO must make information and documents available on application by any person subject to that person being a member of the class of persons able to receive information or documents in accordance with the relevant confidentiality status.~~

~~10.4.2. The IMO may charge a person a fee for providing information or documents provided in accordance with clause 10.4.1, where that fee may not exceed the IMO's costs, not otherwise included in the IMO's budget, of:~~

- ~~(a) collating and transmission of information or documents; and~~
- ~~(b) preparing documents not otherwise required by the Market Rules, applicable law or regulation.~~

Information to be Released via the Market Web Site

10.5. Public Information

~~10.5.1. The IMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and the IMO must make each item of information available from the Market Web Site after that item of information becomes available to the IMO:~~

- ~~(a) the following Market Rule and Market Procedure information and documents:
 - ~~i. information on the records that must be maintained by Rule Participants;~~
 - ~~ii. the list of the confidentiality status of information and documents pertaining to the Wholesale Electricity Market developed by the IMO in accordance with clause 10.2.1;~~
 - ~~iii. the current version of the Market Rules;~~
 - ~~iv. information on any Amending Rules that have been made in accordance with the Rule Change Process but are yet to commence~~~~

- or to be included in the current version of the Market Rules, including the date those Amending Rules will take affect;
 - v. ~~any Rule Change Proposals that are open to public comment;~~
 - vi. ~~the current version of Market Procedures;~~
 - vii. ~~information on any changes to any Market Procedures that have been made in accordance with the Procedure Change Process but are yet to commence or to be included in the current version of the applicable Market Procedure, including the date those Market Procedure changes will take affect;~~
 - viii. ~~any Procedure Change Proposals that are open to public comment; and~~
 - ix. ~~a document summarising all Rule Change Proposals and Procedure Change Proposals that are no longer open to public comment and whether or not those proposals were accepted or rejected;~~
- (b) ~~instructions as to how to initiate a rule change process and Procedure Change Process;~~
- (c) ~~details of all Rule Participants including:~~
- i. ~~name;~~
 - ii. ~~mailing address, telephone and facsimile number;~~
 - iii. ~~the name and title of a contact person;~~
 - iv. ~~details of applicable licenses held;~~
 - v. ~~applicable Rule Participant classes;~~
 - vi. ~~applicable Market Participant classes; and~~
 - vii. ~~names and capacities of Registered Facilities;~~
- (d) ~~the precise basis for determining the Bank Bill Rate;~~
- (e) ~~details of bid, offer and clearing price limits as approved by the Economic Regulation Authority including:~~
- i. ~~the Maximum Reserve Capacity Price;~~
 - ii. ~~the Maximum STEM Price; and~~
 - iii. ~~the Alternative Maximum STEM Price;~~
- ~~including rules that could cause different values to apply at different times;~~
- (f) ~~the following Reserve Capacity information (if applicable):~~
- i. ~~Requests for Expressions of Interest described in clause 4.2.3 for the previous five Reserve Capacity Cycles;~~
 - ii. ~~the summary of Requests for Expressions of Interest described in clause 4.2.7 for the previous five Reserve Capacity Cycles;~~

- iii. ~~the Reserve Capacity Information Pack published in accordance with clause 4.7.2 for the previous five Reserve Capacity Cycles;~~
- iiiA. ~~for each Market Participant that was assigned Certified Reserve Capacity, the level of Certified Reserve Capacity assigned to each to Facility for each Reserve Capacity Cycle;~~
- iv. ~~for each Market Participant holding Capacity Credits, the Capacity Credits provided by each Facility for each Reserve Capacity Cycle;~~
- v. ~~the identity of each Market Participant from which the IMO procured Capacity Credits in the most recent Reserve Capacity Auction, and the total amount procured, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;~~
- vi. ~~for each Special Price Arrangement for each Registered Facility:

 - 1. ~~the amount of Reserve Capacity covered;~~
 - 2. ~~the term of the Special Price Arrangement; and~~
 - 3. ~~the Special Reserve Capacity Price applicable to the Special Price Arrangement,~~
 where this information is to be current as at, and published on, January 7th of each year;~~
- vii. ~~all Reserve Capacity Offer quantities and prices, including details of the bidder and facility, for a Reserve Capacity Auction, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;~~
- viii. ~~reports summarising the outcomes of Reserve Capacity Tests and reasons for delays in those tests, as required by clause 4.25.11; and~~
- ix. ~~the following annually calculated and monthly adjusted ratios:

 - 1. ~~NTDL_Ratio as calculated in accordance with Appendix 5, STEP 8;~~
 - 2. ~~TDL_Ratio as calculated in accordance with Appendix 5, STEP 8; and~~
 - 3. ~~Total_Ratio as calculated in accordance with Appendix 5, STEP 10; and~~~~
- x. ~~the following information identified for a Reserve Capacity Cycle under the Relevant Level Methodology:

 - 1. ~~the Existing Facility Load for Scheduled Generation for each Trading Interval in the five year period determined under step 1(a) of the Relevant Level Methodology; and~~
 - 2. ~~the 12 Trading Intervals occurring on separate Trading Days with the highest Existing Facility Load for Scheduled Generation for each 12 month period in the five year period; and~~~~

- xi. ~~for a Facility that has had its Capacity Credits cancelled for the Capacity Year, the information specified in clause 4.20.12(a), 4.20.12(c) and 4.20.12(d).~~
- (g) ~~the Ancillary Service report referred to in clause 3.11.11;~~
- (h) ~~for each Trading Interval in each completed Trading Day in the previous 12 calendar months:~~
 - i. ~~the sum of the Metered Schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Synergy;~~
 - ii. ~~the sum of the Metered Schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Market Participants other than Synergy; and~~
 - iii. ~~the sum of the Resource Plan schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Market Participants other than Synergy;~~
- (i) ~~the following STEM summary information:~~
 - i. ~~for each Trading Interval in each completed Trading Day in the previous 12 calendar months:~~
 - 1. ~~the total STEM Offer quantity;~~
 - 2. ~~the total STEM Bid quantity;~~
 - 3. ~~whether the STEM was suspended in relation to the relevant Trading Interval;~~
 - 4. ~~where the STEM was not suspended, the STEM quantity purchased by the IMO; and~~
 - 5. ~~where the STEM was not suspended, the STEM Clearing Price;~~
 - ii. ~~for each Trading Interval in each Trading Day during the 12 calendar months, before the end of the seventh day from the start of the Trading Day:~~
 - 1. ~~the STEM Offers by Market Participant;~~
 - 2. ~~the STEM Bids by Market Participant;~~
 - 3. ~~the quantity bought or sold in the STEM by Market Participant; and~~
 - 4. ~~the Fuel Declaration, Availability Declaration and, if applicable, Ancillary Service Declaration made by Market Participant;~~
- (iA) ~~the following Balancing summary information:~~
 - i. ~~for each Trading Interval in each completed Trading Day in the previous 12 calendar months:~~
 - 1. ~~where available, each Balancing Forecast;~~

2. ~~where available, the BMO, excluding information that would identify specific Market Participants;~~
 3. ~~where available, the Relevant Dispatch Quantity; and~~
 4. ~~where available, the Balancing Price;~~
- ii. ~~for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day:~~
 1. ~~the prices in Balancing Price-Quantity Pairs submitted in Balancing Submissions by Market Participant; and~~
 2. ~~the Fuel Declaration, Availability Declaration and, if applicable, Ancillary Service Declaration made by Market Participant;~~
- (iB) ~~the following LFAS summary information for each Trading Interval in each completed Trading Day in the previous 12 calendar months:~~
- i. ~~the LFAS Downwards Merit Order;~~
 - ii. ~~the LFAS Upwards Merit Order;~~
 - iii. ~~where available, the Upwards LFAS Quantity and the Downwards LFAS Quantity; and~~
 - iv. ~~where available, the LFAS Price;~~
- (iC) ~~for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day, the LFAS Submissions by Market Participant;~~
- (j) ~~for each Trading Interval in each completed Trading Day in the previous 12 calendar months the following dispatch summary information:~~
- i. ~~the values of the Balancing Price, the LFAS Price, the Backup Downwards LFAS Price and the Backup Upwards LFAS Price;~~
 - ii. ~~the Load Forecast prepared by System Management in accordance with clause 7.2.1;~~
 - iii. ~~the sum of the Metered Schedule load for all Non-Dispatchable Load, Dispatchable Load and Interruptible Load;~~
 - iv. ~~estimates of the energy not served due to involuntary load curtailment; and~~
 - v. ~~any shortfalls in Ancillary Services;~~
- (jA)
- i. ~~for each Trading Interval in each completed Trading Day in the previous 12 calendar months, before the end of the seventh day from the start of the Trading Day, any changes to a Facility's Consumption Decrease Price or Consumption Increase Price; and~~

- ii. ~~the values of any Consumption Decrease Price or Consumption Increase Price of a Facility that has been dispatched pursuant to a Dispatch Instruction, as soon as practicable;~~
- (jB) ~~for each Trading Month which has been settled under Chapter 9, reports providing the MWh quantities of energy dispatched under Network Control Service Contracts, by Facility, and by Trading Interval, as specified by System Management in accordance with clause 7.13.1(dA);~~
- (k) ~~any Market Advisories and Dispatch Advisories released in the previous 12 months;~~
- (l) ~~Loss Factors for each network connection point in accordance with clause 2.27;~~
- (m) ~~the most current Statement of Opportunities Report;~~
- (n) ~~the medium term PASA report described in clause 3.16.9;~~
- (o) ~~the Short Term PASA report described in clause 3.17.2;~~
- (p) ~~details of resolved Disputes, including all Public Information associated with the dispute, but not aspects of the resolution or information associated with the resolution which, in accordance with its confidentiality status class, cannot be made public~~
- (q) ~~public consultation proceedings;~~
- (r) ~~Public Reports pertaining to the Wholesale Electricity Market issued by:

 - i. ~~the IMO;~~
 - ii. ~~System Management;~~
 - iii. ~~the Electricity Review Board;~~
 - iv. ~~the Economic Regulation Authority; or~~
 - v. ~~the Minister;~~~~
- (s) ~~event reports explaining what happened during unusual market or dispatch events but not aspects of such reports which, in accordance with its confidentiality status class, cannot be made public;~~
- (t) ~~the IMO and System Management budget information for the current financial year;~~
- (u) ~~a schedule of fees for services provided by the IMO;~~
- (v) ~~summary information pertaining to the account maintained by the IMO for market settlement for the preceding 24 calendar months, including:

 - i. ~~the end of month balance;~~
 - ii. ~~the total income received for transactions in each of the Reserve Capacity Mechanism, the STEM, Balancing, Market Fees, System Operation Fees, Regulator Fees and a single value for all other income;~~~~

- iii. ~~the total outgoings paid for transactions in each of the Reserve Capacity Mechanism (excluding Supplementary Capacity Contracts), Supplementary Capacity Contracts, the STEM, Balancing and a single value for all other expenses; and~~
- iv. ~~Service Fee Settlement Amount paid to the IMO, System Management and the Economic Regulation Authority;~~
- (vA) ~~reports providing the MWh of non-compliance of Synergy by Trading Interval, as specified by System Management in accordance with clause 7.13.1A(a), for each Trading Month which has been settled;~~
- ~~(w) the STEM Price for each Trading Interval of the current Trading Month for which STEM auction results have been released to Market Participants;~~
- ~~(x) for each Trading Interval of the current Trading Month for which Balancing Price results have been released to Market Participants, the value of the Balancing Price;~~
- (y) ~~as soon as practicable after a Trading Interval:~~
 - i. ~~the total generation in that Trading Interval;~~
 - ii. ~~the total Spinning Reserve in that Trading Interval; and~~
 - iii. ~~an initial value of the Operational System Load Estimate, taken directly from System Management's EMS/SCADA system,~~

~~where these values are to be available from the IMO Web Site for each Trading Interval in the previous 12 calendar months;~~
- ~~(z) as soon as practicable after real-time:~~
 - i. ~~the total generation; and~~
 - ii. ~~the total Spinning Reserve;~~

~~where these values are not required to be maintained on the IMO Web Site after their initial publication;~~
- ~~(zA) the current Tolerance Range determined by System Management in accordance with clause 2.13.6D, including the information provided to the IMO in accordance with clause 2.13.6D; and~~
- ~~(zB) any Facility Tolerance Ranges determined by System Management in accordance with clause 2.13.6E, including the information provided to the IMO in accordance with clause 2.13.6E, and, if applicable, any Facility Tolerance Ranges which System Management has been directed to vary by the IMO in accordance with clause 2.13.6H;~~
- ~~(zC) summary information on Disputes in progress that may impact other Rule Participants;~~
- ~~(zD) [Blank];~~
- ~~(zE) the current Non-Balancing Dispatch Merit Order;~~
- ~~(zF) audit reports;~~

~~(zG) documentation of the functionality of:~~

- ~~i. any software used to run the Reserve Capacity Auction;~~
- ~~ii. the STEM Auction software; and~~
- ~~iii. the Settlement System software; and~~

~~(zH) information relating to Commissioning Tests which is supplied under clause 3.21A.16 by System Management.~~

~~10.5.2. The IMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public:~~

- ~~(a) SCADA data by Facility;~~
- ~~(b) the sum of each LF_Up_Market_Payment referred to in clause 9.9.2(a) that was made in a Trading Month;~~
- ~~(c) the sum of each LF_Down_Market_Payment referred to in clause 9.9.2(b) that was made in a Trading Month;~~
- ~~(d) the sum of each total Trading Month LF_Market_Payment referred to in clause 9.9.2(d) that was made in a Trading Month;~~
- ~~(e) the payment referred to in clause 9.9.2(e) for each Trading Interval in a Trading Month;~~
- ~~(f) the payment referred to in clause 9.9.2(f) for each Trading Interval in a Trading Month;~~
- ~~(g) the payment referred to in clause 9.9.2(g);~~
- ~~(h) the cost referred to in clause 9.9.2(h) for each Trading Interval in a Trading Month;~~
- ~~(i) the cost referred to in clause 9.9.2(i) for each Trading Interval in a Trading Month;~~
- ~~(j) the cost referred to in clause 9.9.2(m);~~
- ~~(k) the cost referred to in clause 9.9.2(o); and~~
- ~~(l) the cost referred to in clause 9.9.2(p).~~

~~10.5.3. The IMO must under clause 10.2.1 set the class of confidentiality status for the information outlined in clauses 7.13.1E and 7.13.1G as Public and after that information becomes available to the IMO the IMO must make each item of information available to Market Participants via the Market Participant Interface and web services as soon as practicable and available to the public weekly via the IMO's public web site.~~

~~10.6. [Blank]~~

~~10.7. Rule Participant Market Restricted Information~~

~~10.7.1. The IMO must set the class of confidentiality status for the following information under clause 10.2.1, as Rule Participant Restricted Information and the IMO must make this information available from the Market Web Site:~~

- ~~(a) all Reserve Capacity Offer information issued by that Market Participant and all details of Special Price Arrangements for that Market Participant prior to the publication of that information in accordance with clause 10.5.1(f);~~
- ~~(b) Market Participant specific Reserve Capacity Obligations;~~
- ~~(c) Market Customer specified Individual Reserve Capacity Requirements partitioned into those associated with Intermittent Loads and those not associated with Intermittent Loads;~~
- ~~(d) for each completed Trading Day for the past 12 months:
 - ~~i. Market Participant specific Bilateral Submissions and Resource Plan Submissions;~~
 - ~~ii. Market Participant specific STEM Submissions and Standing STEM Submissions used in the absence of a STEM Submission except that information published in accordance with clause 10.5.1(i);~~~~
- ~~(e) for the past 12 months:
 - ~~i. Non-STEM Settlement Statements; and~~
 - ~~ii. STEM Settlement Statements~~~~

~~10.8. Rule Participant Dispatch Restricted Information~~

~~10.8.1. [Blank]~~

~~10.8.2. The IMO must set the class of confidentiality status for all Synergy information specified in clause 7.6A as Rule Participant Dispatch Restricted Information with the exception of information specified by Synergy under clauses 7.6A.2(g) and 7.6A.3(c).~~

11 Glossary

...

Confidential Information: Market information (including information that is derived from market information) that the IMO has determined is confidential, non-public or proprietary information for the purposes of clause 10.2.1 or 10.2.6, as applicable, and which must not be used or disclosed except in accordance with clauses 10.2.3 and 10.2.4.

...

IMO Confidential: An information confidentiality status whereby information or documents may only be made available to the parties described in clause 10.2.2(f).

...

~~**Public:** When used in reference to information confidentiality, information or documents that are not confidential and may be made available to any person.~~

~~**Public Information:** Market information (including information that is derived from market information) that the IMO has determined is public information for the purposes of clause 10.2.1 or 10.2.5, as applicable, and which may be used by, or disclosed to, any person.~~

...

~~**Rule Participant Dispatch Restricted:** An information confidentiality status whereby information or documents may only be made available to the parties described in clause 10.2.2(d).~~

~~**Rule Participant Market Restricted:** An information confidentiality status whereby information or documents may only be made available to the parties described in clause 10.2.2(c).~~

...

~~**System Management Confidential:** An information confidentiality status whereby information or documents may only be made available to the parties described in clause 10.2.2(e).~~

4. Describe how the proposed changes would allow the Market Rules to better address the Wholesale Market Objectives

The IMO considers that the Market Rules as a whole, if amended to reflect the proposed Amending Rules above, will not only be consistent with the Wholesale Market Objectives but also allow the Market Rules to better achieve Wholesale Market Objectives (a), (b), (c) and (d).

Wholesale Market Objective (a)

(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system

The proposed new confidentiality provisions will improve the efficiency and effectiveness of the WEM by enabling publication of more information to Market Participants. This information could be used, for example, to prepare more cost-reflective bids and offers than might otherwise be the case, or to better understand and manage risks.

The IMO considers that the introduction of a streamlined, easy to use confidentiality framework will reduce the effort required to manage market information under the Market Rules by the IMO and other Rule Participants. The IMO therefore considers that the proposed changes will reduce the overall effort associated with administering the WEM, thereby reducing the overall cost to the market.

Wholesale Market Objective (b)

- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors

Greater disclosure of market information is likely to improve competition by providing more participants with a greater level of information about the market, allowing for more efficient decisions and better risk management. The new confidentiality provisions should also make the overall market more attractive to new entrants through increased transparency and availability of market information. By more accurately signalling the need for and value of energy, the proposal should promote efficient investment (e.g. in relation to the need for and value of flexibility).

Wholesale Market Objective (c)

- (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

The revision of the confidentiality status of market information will ensure that the Market Rules equitably treat supply-side and demand-side market information, thereby ensuring that the confidentiality provisions do not discriminate between energy options.

Wholesale Market Objective (d)

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

By increasing transparency of information and competition between Market Generators and Market Customers in the WEM, the proposed confidentiality provisions are likely to help minimise overall costs in the long-term by supporting more efficient decisions and improved risk management.

5. Provide any identifiable benefits and costs of the proposed changes

5.1 Benefits

The proposed amendments enable the IMO to improve the current WEM confidentiality framework which the IMO considers would reduce the administrative effort required to determine an appropriate treatment of market information and would increase transparency of information in the market.

The IMO also considers that the implementation of the proposed confidentiality framework would also reduce:

- the effort faced by participants to understand the framework and manage information in the WEM; and
- the risk of parties' non-compliance with the Market Rules and the IMO making inconsistent operational decisions with respect to the disclosure of market information.

5.2 Costs

The IMO will incur minor administrative costs in progressing this Rule Change Proposal, the associated Procedure Change Proposal and establishing the initial proposed confidentiality list. These costs can be accommodated within the IMO's existing budget.

No other IMO costs are expected with regard to implementing the proposed amendments as they do not change the intended operation of the Market Rules.

6. Provide any considerations associated with the implementation of the proposed changes

6.1 Inclusion of provisions in higher-order instruments

The IMO has engaged with the Public Utilities Office (PUO) in the development of the proposed new confidentiality framework for the WEM. The PUO has indicated that it is considering including some high level provisions relating to information confidentiality in higher order instruments (e.g. the Regulations) in the future. This approach is consistent with the confidentiality frameworks under the National Electricity Law, and the National Gas Law and the Gas Services Information and the IMO will continue to engage with the PUO on this matter, but intends to progress this proposal to amend the Market Rules to ensure a practical and appropriate regime is in place as soon as possible.

6.2 Consultation on the proposed confidentiality framework

The IMO proposes to align the consultation with stakeholders on the Rule Change Proposal, Procedure Change Proposal and initial proposed confidentiality assessment and confidentiality list. This will allow stakeholders to comment on the proposed suite of changes as a package and consider the proposed confidentiality framework holistically – from the principles through to application.

The IMO has completed a stocktake of all the market information required under the Market Rules and assessed each piece of market information (in accordance with the proposed process documented in Appendix 1) to undertake a preliminary assessment of whether it should be Public Information or Confidential Information. The IMO's preliminary assessment of each piece of market information is included in the initial assessment framework (documented in the spreadsheet provided in Appendix 2). These documents will inform the Procedure Change Proposal and associated proposed amended Market Procedure: Information Confidentiality, and the initial proposed confidentiality list.

6.3 Protected Provisions, Reviewable Decisions and civil penalty provisions

This Rule Change Proposal proposes to amend clauses 1.7.1, 10.2.1, 10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.4.1 and 10.4.2 of the Market Rules, which are Protected Provisions under clause 2.8.13. Therefore, under clause 2.8.3 of the Market Rules, the proposed Amending Rules in this Rule Change Proposal must be approved by the Minister.

Clause 10.2.1 of the Market Rules is also a Reviewable Decision. The IMO notes that the Rule Change Proposal does not substantially change the intention of this clause, therefore the IMO does not consider any changes to Schedule 2 of the Regulations need to be made.

The IMO notes that clause 10.2.4 of the Market Rules, which contained the prohibition for recipients of Confidential Information to disclose that information, is proposed to be amended and is a Category B civil penalty provision. The IMO notes that the Rule Change Proposal does not substantially change the intention of this clause, therefore the IMO does not consider any changes to Schedule 1 of the Regulations need to be made.

The IMO is working with the PUO to progress this Rule Change Proposal and any necessary changes to the WEM Regulations.

For the avoidance of doubt, the IMO notes that the proposed new confidentiality framework applies to the disclosure of information in the WEM specifically and does not override other laws and regulations that govern the disclosure of information more broadly, including for example, the *Privacy Act 1998* (Cth) and *Freedom of Information Act 1992* (WA).

Appendix 1: Proposed Process for Determining Confidential Information

12 February 2015

1. Background

The IMO is currently developing the Rule Change Proposal: Managing Market Information (RC_2014_09) which proposes modifications to the current confidentiality framework.

The IMO proposes to introduce the new clause 10.2.9 of the Wholesale Electricity Market (WEM) Rules (Market Rules) to require the IMO to document in a Market Procedure:

1. the process for the IMO's determination or re-determination of information as Public Information or Confidential Information; and
2. the process by which parties may make a request for the IMO to make a determination or re-determination.

The IMO proposes to use the rule and procedure change processes to facilitate this assessment. It is expected that this should cover the majority of cases where information needs to be assessed. However, the IMO notes that this proposed process could also be commenced at the request of a person under the proposed new clause 10.2.2 of the Market Rules by completing the information in the attached 'Claim of Confidential Information Form' and submitting it to the IMO.

In order to facilitate the assessment of the Rule Change Proposal, the IMO has developed this proposed process for determining Confidential Information (to be developed into the Procedure Change Proposal outlining the changes to the Market Procedure: Information Confidentiality)¹.

2. Proposed process for determining Confidential Information

The IMO proposes to amend the Market Procedure: Information Confidentiality to document the method under which the IMO administers the confidentiality framework. The IMO proposes to introduce the following assessment process:

1. Either:
 - (a) the IMO identifies new or amended market information to be assessed; or
 - (b) a party completes the Claim of Confidentiality Form to request the IMO to determine or re-determine specified market information as Confidential Information.

¹ Note that in the development of amendments to the Market Procedure, the IMO will consider further specific issues, such as avoiding repetition of the Market Rules and other mandatory minimum or maximum time periods following a request to make a determination or re-determination. However, the IMO has not attempted to consider all of these details at this stage.

2. Once the IMO has identified new or amended information or it receives a request to determine or re-determine market information as Confidential Information, the IMO must publish its determination of that information in a document which must include:
 - (a) whether the market information is Public Information or whether it, or any part of it should be Confidential Information and the basis for that decision; and
 - (b) which parties (if any) the market information may be disclosed to and when.

3. In determining whether the market information is Public Information or Confidential Information, the IMO must:
 - (a) determine whether the disclosure of that information would cause detriment including for example commercially sensitive information, potentially defamatory information and administrative burden, and if so, to what extent;
 - (b) determine whether the disclosure of that information would better achieve the Wholesale Market Objectives;
 - (c) determine whether the disclosure of that information is required for safety, reliability or security of the network or the market;
 - (d) determine whether that information is already available, other than as a result of a breach of confidentiality obligations;
 - (e) determine whether that information is permitted or required to be disclosed by any law, including the Market Rules;
 - (f) determine whether the disclosure of that information is prohibited under any law, including the Market Rules; and
 - (g) determine whether that information is incomplete or insufficiently definite to warrant disclosure.

4. Where the IMO considers that:
 - (a) the better achievement of the Wholesale Market Objectives outweighs any detriment caused by the disclosure of that information;
 - (b) the disclosure of that information is required for safety, reliability or security of the network or the market;
 - (c) the information is already available, other than as a result of a breach of confidentiality obligations; or
 - (d) the information is permitted or required to be disclosed by any law, including the Market Rules,

then it must determine that information to be Public Information.

5. Where the IMO considers that:
 - (a) the detriment caused by the disclosure of that information outweighs the better achievement of the Wholesale Market Objectives;

- (b) the information is incomplete or insufficiently definite to warrant disclosure; or
 - (c) the disclosure of that information is prohibited under any law, including the Market Rules,
- then it must determine that information to be Confidential Information.
6. On the basis of the information considered in steps 4 and 5, the IMO must determine whether the market information is Public Information or Confidential Information.
 7. Where the information is determined to be Confidential Information, the IMO must assess if there are:
 - (a) any recipients (including in the list of recipients allowed to receive Confidential Information in the proposed amended clause 10.2.5 of the Market Rules) that should not receive Confidential Information for any reason, including for example where information would cause conflicts of interest; or
 - (b) any additional recipients (in addition to those allowed to receive Confidential Information included in the proposed amended clause 10.2.5 of the Market Rules) that should receive Confidential Information for any reason including, for example, information that is required to be provided to the Network Operator for the purposes of performing its functions under the *Electricity Industry Act 2004* (Act), *Electricity Industry (Wholesale Electricity Market) Regulations 2004* (Regulations) and/or the Market Rules.
 - (c) any circumstances where the disclosure of information that the IMO determines is Confidential Information but that for any reason would no longer cause detriment outweighing the achievement of the Wholesale Market Objectives, including for example the aggregation of that information or a delay in the disclosure of that information for a certain period; and
 - (d) any other applicable conditions on the disclosure of the Confidential Information.
 8. On the basis of the information considered in step 7, of this process the IMO must determine what (if any) conditions are to be placed on the disclosure of the Confidential Information.
 9. The IMO must:
 - (a) publish its proposed determinations under steps 4, 5, 6 and 8 of this process with the reasons for the proposed determinations on the Market Web Site (this may be as part of a Rule Change Proposal, Draft Rule Change Report or Procedure Change Proposal); and
 - (b) call for submissions from stakeholders on the proposed treatment of the market information through a consultation period of at least 15 Business Days.
 10. Where a stakeholder considers that information that the IMO has proposed to be treated as Public Information should be treated as Confidential Information, it must provide reasons and evidence to the IMO's satisfaction to support the classification of information as confidential. This may be achieved by providing the information specified in the Claim of Confidential Information Form or addressed as part of a submission on a Rule Change Proposal or Procedure Change Proposal.

11. Following the consultation period, the IMO must consider any evidence provided by stakeholders under step 10 of this process and make a final determination of whether the information is Public Information or Confidential Information and any conditions that apply to Confidential Information.
12. When the IMO has made a determination under step 11 of this process, it must publish its determination with the reasons on the Market Web Site (this may be as part of a Final Rule Change Report or Procedure Change Report) and update the confidentiality list, as applicable.



Claim of Confidential Information Form

Requested by:

Name	
Organisation	
Phone	
Email	
Address	
Date submitted	

Introduction

Under clause 10.2.1 of the Wholesale Electricity Market Rules (Market Rules), the IMO must determine for each type of market information produced or exchanged under the Market Rules or Market Procedures whether it is Public Information or Confidential Information for the purposes of the Market Rules.

Any person may request the IMO to determine or re-determine whether market information is Confidential Information for the purposes of the Market Rules using this 'Claim of Confidential Information Form' which is available at: <http://www.imowa.com.au/home/electricity/market-information/managing-market-information>.

The IMO prefers to receive requests by email to market.development@imowa.com.au.

Requests may also be sent to the IMO by post, addressed to:

Independent Market Operator

Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, PERTH, WA 6850

The IMO will assess the request and, within five Business Days of receiving this Claim of Confidential Information Form, will notify you whether the claim will be further progressed or whether additional information is required.

In order for the claim to be progressed, all fields below must be completed and the submitter must provide sufficient information for the IMO to determine whether the information meets the criteria set out in clause 10.2.4 of the Market Rules.

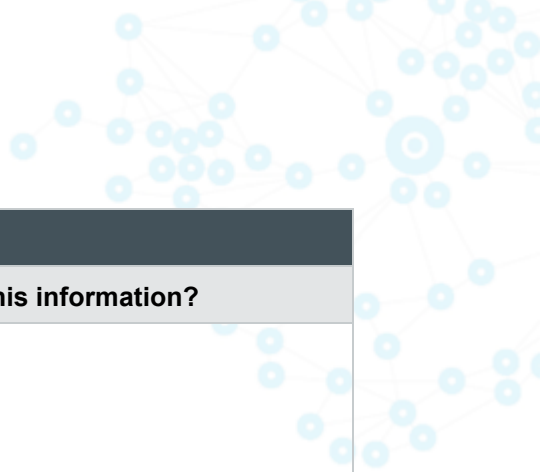
Clause 10.2.4 of the Market Rules provides that, in determining whether market information is Confidential Information, the IMO must:

- (a) determine any information required to be disclosed for safety, reliability or security of the network or the market as Public Information;
- (b) determine any information that is already available, other than as a result of a breach of confidentiality obligations, as Public Information;
- (c) determine any information that is permitted or required to be disclosed by any law, including the Market Rules, as Public Information;
- (d) determine any information where the detriment caused by the disclosure of that information is outweighed by the disclosure of that information better achieving the Wholesale Market Objectives, as Public Information; and
- (e) determine any information where information is not permitted to be disclosed by any law, including the Market Rules, as Confidential Information.

The IMO may also place conditions on the disclosure of Confidential Information under clause 10.2.5A of the Market Rules.

Details of the Claim of Confidentiality

Criteria	Submitter's Assessment
Type of market information	[what is the type of information? eg. Meter Data, Settlement Data, Standing Data]
Clause(s) under which information is produced or exchanged	[what clauses of the Market Rules require the determination, production or exchange of Confidential Information?]
Description of the information claimed to be Confidential Information	[which specific piece of information is claimed to be Confidential Information?]
Reason for claim of Confidential Information	[what is the type and significance of detriment caused by the disclosure of the market information?]
Explanation of the detriment that would be incurred by the submitter, or another person, if this information was Public Information	[provide information and supporting evidence about the nature and type of detriment the disclosure of the market information would cause – including specific circumstances under which the detriment may be incurred to assist the IMO making its determination under proposed clause 10.2.4 of the Market Rules]
Effect on the achievement of the Wholesale Market Objectives if not disclosed	[provide an assessment of the impact of the treatment of the market information as Confidential Information on the consistency or inconsistency with the Wholesale Market Objectives to assist the IMO making its determination under proposed clause 10.2.4 of the Market Rules]
Conditions that should be placed on disclosure, if the information was Confidential Information, including reasons	[indicate whether any persons additional to those listed in clause 10.2.5 of the Market Rules should be entitled to receive the information, whether any persons listed in clause 10.2.5 of the Market Rules should not be able to receive the information, or other conditions such as a delay in the disclosure of the information]



Criteria	Submitter's Assessment
Are you aware of any of the following circumstances applying to this information?	
Is the disclosure of the information claimed to be Confidential Information required for safety, reliability or security of the network or the market?	[Yes or No]
Is the information claimed to be Confidential Information already available, other than as a result of a breach of confidentiality obligations?	[Yes or No]
Is the information claimed to be Confidential Information permitted or required to be disclosed by any law, including the Market Rules?	[Permitted, Required, Not Permitted or Not Specified]

Pre Rule Change Proposal: RC_2015_01

Change requested by:

Name	Paul Tetley
Organisation	IMO
Phone	9254 4381
Email	paul.tetley@imowa.com.au
Address	Lvl 17, 197 St Georges Terrace, Perth
Date submitted	TBC
Urgency	Low
Rule Change Proposal title	Removal of Market Operation Market Procedures
Clauses affected	Clauses 4.28A.3, 7A.1.6, 7A.3.3, 7A.3.19, 7A.3.19A (new), 7A.3.20, 7B.3.3, 8.6.2, 9.2.1, 9.4.3, heading 9.2, the Glossary and the Table of Contents

Introduction

Clause 2.5.1 of the Wholesale Electricity Market Rules (Market Rules) provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal form that must be submitted to the IMO.

The IMO prefers to receive submissions by email to market.development@imowa.com.au using the Rule Change Proposal form available at: <http://www.imowa.com.au/rule-changes>.

Submissions may also be sent to the IMO by post, addressed to:

Independent Market Operator

Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, PERTH, WA 6850

The IMO will assess the proposal and, within five Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the proposal must explain how it will enable the Market Rules to better contribute to the achievement of the Wholesale Market Objectives.

The Wholesale Market Objectives 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 Rule Change Proposal

1. Describe the concern with the existing Market Rules that is to be addressed by the proposed changes

1.1 Background

The Wholesale Electricity Market Rules (Market Rules) provide for the IMO and System Management to document various processes and methodologies that facilitate the operation of the relevant Market Rules in Market Procedures¹. The Market Rules provide 'head of power' clauses that require the documentation of the relevant processes and, in some cases, also specifically require certain parties to comply with these Market Procedures.

The IMO has reviewed the current head of power clauses and 11 associated Market Procedures used in the daily operation of the market to determine if they continue to meet the requirements of the Market Rules and identify any opportunities to improve the quality of the procedures. The IMO has determined that a number of Market Procedures require updating to reflect the current market arrangements, and some Market Procedures could be consolidated to streamline the documentation with respect to particular processes.

1.2 Removal of Market Procedures

The IMO has identified that a number of the 11 Market Procedures can be removed to streamline the documentation of related processes. This will ensure the efficient and complete provision of information and will allow for some unnecessary Market Procedures to be removed, namely the Market Procedure: Intermittent Load Refunds, Market Procedure: Meter Data Submissions and Market Procedure: Capacity Credit Allocation.

¹ Market Procedures are defined as procedures developed by the IMO and System Management, and therefore include Power System Operation Procedures (PSOPs). However, this Rule Change Proposal only covers the IMO's Market Procedures.

Market Procedure: Intermittent Load Refunds

Section 4.28A of the Market Rules requires the IMO to determine the Intermittent Load Refund for each Intermittent Load registered to a Market Participant in accordance with the steps outlined in clause 4.28A.1. Clause 4.28A.2 outlines the steps the IMO and System Management must take to support the refund calculation in clause 4.28A.1 of the Market Rules. Further, clause 4.28A.3 of the Market Rules requires the IMO to document, in a Market Procedure, the process it must follow in calculating the refunds.

The IMO proposes to delete clause 4.28A.3 of the Market Rules and the associated Market Procedure: Intermittent Load Refunds on the basis that the procedure is redundant because:

- the only additional details it includes further to section 4.28A of the Market Rules are for the provision of temperature data by System Management over a longer timeframe where the information is not available. However, this is not required because there are automated processes that allow for substitution of this data, which makes the risk of the Intermittent Load Refund calculation not being performed due to lack of information highly unlikely; and
- the refund calculation is performed in the IMO's settlement system in accordance with the requirements outlined in section 4.28A of the Market Rules and is documented in step 3.8.5 of the Market Procedure: Settlement.

Market Procedure: Meter Data Submissions

Clause 8.6.2 of the Market Rules requires the IMO to document the format of Meter Data Submissions in the Market Procedure: Settlement. Currently, this information is contained in the Market Procedure: Meter Data Submissions and not the Market Procedure: Settlement.

The IMO proposes to delete clause 8.6.2 of the Market Rules and the associated Market Procedure: Meter Data Submissions on the basis that the procedure is redundant because:

- the majority of the information in the Market Procedure is a duplication of parts of chapters 8 and 9 of the Market Rules;
- several provisions in the Market Procedure are duplicated from the Electricity Industry (Metering) Code 2012 (Metering Code)² which means that the Market Procedure does not add any value³ and leads to the risk of inconsistent and out-dated information in the Market Rules and Market Procedure where the Metering Code is amended, and an unnecessary administrative burden associated with ensuring corresponding changes are made to the Market Rules and Market Procedure; and
- the only additional material in the Market Procedure is format requirements for non-interval or accumulation meter data. These requirements are redundant because this data is not used for any settlement purposes.

² The comprehensive legislative instrument under the *Electricity Industry Act 2004* containing the obligations of the Network Operator (who is the Metering Data Agent for the purpose of the Market Rules).

³ The IMO is working with Western Power to improve the current data transfer processes for metering data and intends to document that new process in an appropriate form.

Market Procedure: Capacity Credit Allocation

Clause 9.4.3 of the Market Rules specifies that the format of and methodology to submit a Capacity Credit Allocation Submission form will be prescribed in the Market Procedure for Settlement. Currently, this information is contained in the Market Procedure: Capacity Credit Allocation and not in the Market Procedure: Settlement.

The IMO notes that the majority of the information contained in the Market Procedure is already well-documented in section 9.4 of the Market Rules. Since the development of the Market Procedure, the IMO has also facilitated the Capacity Credit Allocation Submissions process in its IT systems. This means that the process-related information is contained in the Market Participant Interface User Guide⁴. The IMO therefore considers it is unnecessary to repeat this information in a standalone Market Procedure.

As there is no head of power clause in the Market Rules requiring this Market Procedure, no changes to the Market Rules are required to give effect to this. The IMO proposes to progress a Procedure Change Proposal to place any residual information in the Market Procedure: Settlement.

Market Procedure: Balancing Market Forecast

Clause 7A.3.20 of the Market Rules requires the IMO to develop the “Balancing Forecast Market Procedure” in accordance with two principles, one is that the forecasts must use the latest information available and the second is that it should provide generators with information to make or update Balancing Submissions.

The IMO notes that the documentation of the processes by which these forecasts are developed is valuable. However, the current head of power clause doesn't provide information about the processes that should be included in the Market Procedure. The IMO therefore proposes to introduce a new clause, 7A.3.19A of the Market Rules to specify that the following processes that must be documented in the Market Procedure:

- determining Forecast BMOs and providing them to System Management;
- preparing and publishing Balancing Forecasts; and
- assigning priorities to facilities in the case of a tie.

1.3 Removal of unnecessary administrative prescription

The IMO notes that the inclusion of the name of the Market Procedure in which information is contained creates unnecessary administrative prescription and has resulted in the inefficient creation and maintenance of additional Market Procedures. The IMO therefore proposes to progress a changed drafting style that removes the name of the procedure and instead only refers to “a Market Procedure”. In particular, the IMO proposes to:

- amend clause 7A.1.6 of the Market Rules to delete the reference to a “Balancing Facility Requirements” Market Procedure, and instead refer to a “Market Procedure”;
- amend clauses 7A.3.3, 7A.3.19, 7A.3.20 and 7B.3.3 and the definition of ‘Balancing Forecast’ in the Glossary of the Market Rules to delete the reference to “Balancing

⁴ Available at: <http://www.imowa.com.au/home/electricity/market-participants/guides-and-useful-information>.

Forecast Market Procedure”, and instead refer to a “Market Procedure” and remove the glossary term ‘Balancing Forecast Market Procedure’;

- amend clause 9.2.1 of the Market Rules to delete the reference to “the Settlement Procedure” and instead refer to a “Market Procedure”; and
- amend clause 9.4.3 of the Market Rules to delete the reference to “the Settlement Procedure” for documenting the form and method of providing Capacity Credit Allocation Submissions in and instead refer to a “Market Procedure”.

This will allow the IMO flexibility to create, amend, consolidate and/or delete Market Procedures through the Procedure Change Process as it considers relevant and necessary, and remove the mandatory obligation to create the specific Market Procedures prescribed in the Market Rules. This will allow for more flexibility in determining which Market Procedures are necessary to support the operation of the rules and provide information on compliance to Rule Participants, and in what context it is best presented.

1.4 Other minor amendments

The IMO also proposes to make the following minor amendments:

- Amend the heading of section 9.2 of the Market Rules to be consistent with the removal of the title of the “Settlement Procedure”.
- Remove the requirement in clause 9.2.1 of the Market Rules for Market Participants to comply with the Market Procedure, on the basis that the general requirements for Rule Participants to comply with relevant Market Procedures are contained in clauses 2.9.6, 2.9.7 and 2.9.8 of the Market Rules, making the explicit reference in this clause redundant.
- Make minor drafting improvements in clauses 7A.1.6 and 9.4.3 of the Market Rules.

2. Explain the reason for the degree of urgency

The IMO proposes that this Rule Change Proposal be progressed under the Standard Rule Change Process.

The IMO considers the proposed amendments are administrative in nature and will benefit the market by facilitating the streamlining and improvement of the IMO’s Market Procedures. The IMO therefore considers it is beneficial to commence consultation prior to the completion of the State Government’s Electricity Market Review.

3. Provide any specific changes to clauses of the Market Rules

[Changes to the current wording of the Market Rules are shown with ~~strikethrough~~ where words are deleted and underline where words are added]

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...

9.2. Settlement Process Procedure

...

~~4.28A.3—The IMO must document the procedure the IMO must follow in calculating Intermittent Load Refunds in the Reserve Capacity Procedure, and the IMO must follow that documented Market Procedure when calculating Intermittent Load Refunds.~~

...

7A.1.6. The IMO must develop a ~~Balancing Facility Requirements~~ Market Procedure specifying:

- (a) the technical and communication criteria that a Balancing Facility, or a type of Balancing Facility, must meet, including:
 - i. Facility quantity parameters and limits for participation in the Balancing Market;
 - ii. the manner and forms of communication to be used while participating in the Balancing Market, including when receiving Dispatch Instructions; and

...

...

...

7A.3.3. In circumstances where there is a tie in the ranking of Balancing Facilities under clause 7A.3.2 in the BMO the IMO must break the tie in accordance with the process documented in the Balancing Forecast Market Procedure referred to in clause 7A.3.20, which must give effect to the following descending order of priority:

...

...

7A.3.19. The IMO must, if it has sufficient information available to it, determine and publish under clause 7A.3.21 the Balancing Forecast for each Trading Interval in the Balancing Horizon in accordance with the ~~Balancing Forecast~~ Market Procedure referred to in clause 7A.3.20.

7A.3.19A. The IMO must document in a Market Procedure the processes it must follow when:

- (a) determining Forecast BMOs and providing them to System Management;
- (b) preparing and publishing Balancing Forecasts; and
- (c) assigning priority to Facilities in the case where there is a tie in a Forecast BMO or Forecast LFAS Merit Order.

7A.3.20. The IMO must develop the ~~Balancing Forecast~~ Market Procedure referred to in clause 7A.3.19A in accordance with the following principles:

- (a) to the extent reasonably practicable, the Balancing Forecasts and the Forecast BMOs must use the latest information available to the IMO; and
- (b) to provide Market Generators with information upon which to make an assessment regarding whether to make a Balancing Submission or to update a Balancing Submission in accordance with the Market Rules.

...

7B.3.3. In circumstances where there is a tie in the ranking of LFAS Facilities under clauses 7B.3.1 or 7B.3.2 in the LFAS Merit Order the IMO must assign priority to break the tie for the Trading Interval in which the tie occurred. Priority, for the relevant Trading Day, will be based on a daily random number assigned to each LFAS Facility in accordance with the Balancing Forecast Market Procedure referred to in clause 7A.3.19A.

~~8.6.2. The IMO must document:~~

- ~~(a) the format of Meter Data Submissions;~~
- ~~(b) [Blank]~~

~~in the Settlement Procedure, and Metering Data Agents must comply with that documented Market Procedure when developing and submitting Meter Data Submissions.~~

...

9.2. Settlement Process Procedure

9.2.1. The IMO must document the settlement process, including the application of taxes and interest, in the a Settlement Market Procedure, and the IMO and Market Participants must follow that documented Market Procedure.

...

9.4.3. A Market Participant making a Capacity Credit Allocation Submission must provide to the IMO the information specified in clause 9.5.1 using the form prescribed by the IMO and the method prescribed in the Settlement Market Procedure referred to in clause 9.2.1.

...

11. Glossary

...

Balancing Forecast: Means a forecast, determined by the IMO in accordance with the Balancing Forecast Market Procedure referred to in clause 7A.3.19A, for a Trading Interval, of the following:

- (a) the Relevant Dispatch Quantity for the Trading Interval;

- (b) the aggregate output of all Non-Scheduled Generators which are Balancing Facilities for the Trading Interval; and
- (c) the Balancing Price for the Trading Interval.–

Balancing Forecast Market Procedure: Means the Market Procedure developed under ~~clause 7A.3.20.~~

The proposed Amending Rules in this Rule Change Proposal are based on the current Market Rules and do not reflect the proposed Amendments in the Rule Change Proposal: Removal of Resource Plans and Dispatchable Loads (RC_2014_06).

4. Describe how the proposed changes would allow the Market Rules to better address the Wholesale Market Objectives

The IMO considers that a better framework for Market Procedures will better achieve Wholesale Market Objectives (a), (b) and (d). The IMO's assessment is presented below:

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

The proposed amendments will improve the documentation of various obligations, processes and methodologies under the Market Rules thereby reducing the administrative burden and compliance costs associated with interpreting and understanding the operational aspects of the market. This will promote economic efficiency, reduce barriers to entry thereby facilitating competition in the market, and minimise the long-term cost of electricity to consumers.

The IMO also considers that the proposed amendments are consistent with the remaining Wholesale Market Objectives because they seek to streamline the documenting of obligations and processes without changing the current interpretation and operation of the relevant Market Rules.

5. Provide any identifiable benefits and costs of the proposed changes

5.1 Benefits

The proposed amendments enable the IMO to streamline and improve the existing documentation of various obligations, processes and methodologies under the Market Rules, and, through improved transparency or information in the market, therefore reduce the risk of:

- (a) non-compliance with the Market Rules;

- (b) making inconsistent operational decisions;
- (c) increased administrative burden, service delivery and loss of productivity; and
- (d) increased compliance costs.

5.2 Costs

The IMO will incur minor administrative costs in progressing this Rule Change Proposal and associated Procedure Change Proposals.

No other costs are expected with regard to implementing the proposed amendments as they do not change the intended operation of the Market Rules.

6. Provide any considerations associated with the implementation of the proposed changes

The proposed amendments in this Rule Change Proposal will result in the removal of the following Market Procedures:

1. Market Procedure: Intermittent Load Refunds; and
2. Market Procedure: Meter Data Submissions;

The Market Procedure: Capacity Credit Allocation will also be deleted, although, as it is not required by the Market Rules, a Rule Change Proposal is not required for the IMO to do so.

The IMO intends to review the Market Procedure: Settlement and progress any Procedure Change Proposal required to ensure that the necessary processes are up to date and detailed, in parallel to this Rule Change Proposal. The IMO will convene the IMO Procedure Change and Development Working Group during the early stages of the rule change process to consider any necessary Procedure Change Proposals.

It should be noted that there are references to the “Balancing Forecast Market Procedure” included in the Rule Change Proposal: Removal of Resource Plans and Dispatchable Loads (RC_2014_06)⁵. The proposed Amending Rules in this Rule Change Proposal are based on the current Market Rules and do not reflect the proposed Amendments in RC_2014_06. The IMO intends to consolidate the drafting in one or other of the two Rule Change Proposals at a later date, if appropriate.

The IMO does not expect any issues with respect to the practicality of implementation because the proposed amendments do not alter the interpretation or the operation of current Market Rules.

The IMO will need to update the list of confidential information on the Market Web Site⁶ to reflect the removal of the Market Procedures referred to in clauses 4.28A.3 and 8.6.2 and ensure that the list correctly reflects the remaining Market Procedures.

This Rule Change Proposal does not propose to amend any clauses that are Protected Provisions, civil penalty provisions or Reviewable Decisions.

⁵ Available at: www.imowa.com.au/RC_2014_06.

⁶ Available at: <http://www.imowa.com.au/home/electricity/market-information/managing-market-information>.

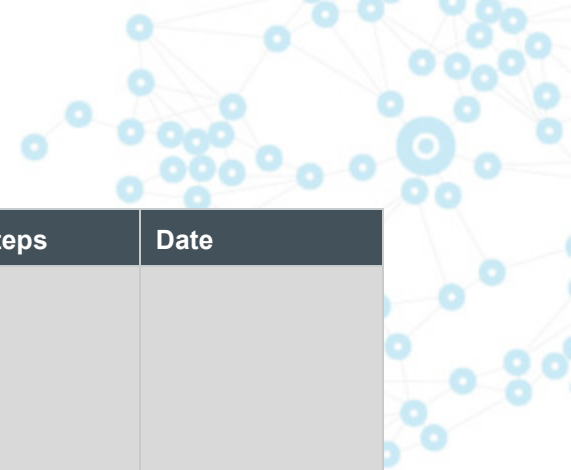


Agenda Item 6.1: Overview of Procedure Change Proposals

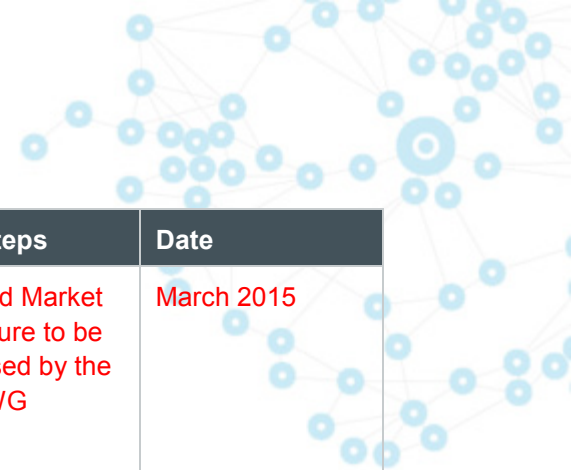
12 February 2015

Shaded	Shaded rows indicate Procedure Change Proposals that have been completed since the last MAC meeting.
Unshaded	Unshaded are Procedure Change Proposals still being progressed.
Red text	Red text indicates any updates to information.

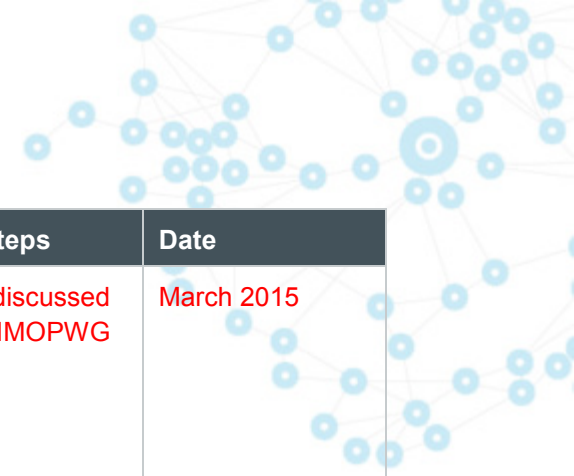
ID	Summary of changes	Status	Next steps	Date
IMO Procedure Change Proposals				
PC_2012_11: Notices and Communications	The proposed updates are to: <ul style="list-style-type: none"> reflect the IMO's new format arising from its Market Procedures project. reflect the IMO's updated contact details. 	Submissions closed on 16 July 2013.	Procedure Change Report published.	TBC



ID	Summary of changes	Status	Next steps	Date
PC_2013_05: Reserve Capacity Security	<p>The proposed updates are to:</p> <ul style="list-style-type: none"> reflect the IMO's new format arising from its Market Procedures project; revise the Market Procedure to provide more details of the relevant processes; include some minor and typographical amendments to improve the integrity of the Market Procedure; and include amendments required as a result of the Pre Rule Change Proposal: Prudential Requirements (PRC_2012_23). 	The amended Market Procedure commenced on 19 January 2015.		
PC_2013_06: Certification of Reserve Capacity	<p>The proposed updates are to:</p> <ul style="list-style-type: none"> reflect the IMO's new format; improve the integrity of the Market Procedure; and reflect the treatment of Facilities that share a Declared Sent Out Capacity as a result of RC_2012_20. 	The amended Market Procedure commenced on 1 January 2015.		
PC_2013_09: Reserve Capacity Performance Monitoring	<p>The proposed updates are to:</p> <ul style="list-style-type: none"> reflect the IMO's new format; reflect the amendments to Certification of Reserve Capacity in RC_2010_14; and clarify the process for Performance Reports and Progress Reports. 	The Procedure Change Report is being prepared by the IMO in light of the rejection of RC_2013_09 and RC_2013_10 by the Minister.	Procedure Change Report published.	February 2015



ID	Summary of changes	Status	Next steps	Date
PC_2014_01: Balancing Market Forecast	The proposed updates are to: <ul style="list-style-type: none"> remove references to Verve Energy in the Market Procedure in response to the changes arising from the Rule Change Proposal RC_2013_18: Market Rule changes arising from the merger of the Electricity Retail Corporation and Electricity Generation Corporation; and make other minor editorial improvements to the Market Procedure. 	The Market Procedure was updated following the discussion at the 6 February 2014 IMOPWG. The IMO will make further changes related to RC_2014_06 before progressing this proposal through the IMOPWG.	Updated Market Procedure to be discussed by the IMOPWG	March 2015
PC_2014_03: Benchmark Reserve Capacity Price	The proposed updates are to: <ul style="list-style-type: none"> rename the Maximum Reserve Capacity Price (MRCP) in the Market Rules as the Benchmark Reserve Capacity Price; and make other minor editorial improvements to the Market Procedure. 	PC_2014_03 was tabled at the 1 May 2014 IMO Procedures Working Group.	The IMO will align the formal submission of PC_2014_03 with RC_2013_20 which has been extended until 30/04/2015.	February 2015



ID	Summary of changes	Status	Next steps	Date
PC_2015_01: Settlement	<p>The proposed updates are to:</p> <ul style="list-style-type: none"> • update the Settlement Cycle Timeline; • include information related to the use of AustraClear; • include information related processes that follow a Payment Default; • remove references to Verve Energy; and • reflect the proposed Amending Rules from the Rule Change Proposal: Removal of Resource Plans and Dispatchable Loads (RC_2014_06). 	In development	To be discussed by the IMOPWG	March 2015
PC_2015_02: Individual Reserve Capacity Requirements	<p>The proposed updates are to:</p> <ul style="list-style-type: none"> • reflect the IMO's new format; • clarify the submission timeframes and further details of the information provided by Market Customers to assist the IMO in determining yearly and updated IRCR; and • include process flowcharts. 	In development	To be discussed by the IMOPWG	March 2015
System Management Procedure Change Proposals				
n/a				



Agenda Item 7.1: Working Group Overview

12 February 2015

Working Group	Status	Date commenced	Date concluded	Last meeting	Next meeting
System Management Procedure Change and Development Working Group	Active	July 2007	Ongoing	14 August 2013	TBA
IMO Procedure Change and Development Working Group	Active	December 2007	Ongoing	1 May 2014	5 March 2015