



Landfill Gas and Power

Independent Market Operator
Attn: Group Manager, Market Development
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By email: market.development@imowa.com.au

30th August 2011

Dear Sir / Madam,

SUBMISSION ON THE 5-YEAR OUTAGE PLANNING REVIEW DRAFT REPORT

Thank you for the opportunity to make a submission on PA Consulting's draft report on the outage planning review.

LGP comments on the specific proposals as follows, where the proposal is stated in italics.

System Management should propose changes to MR 3.18.2(c)i to the effect that the Equipment List should be constrained to "all transmission network Registered Facilities that could limit the output for generating facility during a planned outage"

LGP supports the broad thrust of the proposal on the grounds that System Management and Network Operators should not be burdened with the administration of outages that are of no consequence to system performance. However, we note that the proposal contains the presumptions that i) all potential system impacts would be to *limit* generator output; and ii) generators are the only relevant equipment that impact system performance. We therefore suggest that the wording be changed to the effect of, "*all transmission network Registered Facilities that could **limit power system performance** during a planned outage*"

Electricity Transfer Access Agreements (ETACs) between Western Power and generators should be reviewed to ensure that they provide a sound basis for the management of the interaction between transmission outages and the transmission services provided by the Network Operator to the Market Participants.

LGP advises that we perceive this approach to be laborious and unworkable because the Market Rules do not have jurisdiction over the ETAC. Rather, the ETAC is a regulated

document administered by the Economic Regulation Authority, which would have to follow an onerous process and timeline before approving a modification of it.

System Management should consider amendments to the PSOP: Outage Planning and, if necessary, the Market Rules to allow a limited number of advanced-approval outages per Facility per year.

LGP supports this proposal on the grounds that generators should be encouraged to forward plan outages at times of expected minimum impact on the power system, and should be able to lock-in their entitlement to an outage subject to reasonable conditions.

The IMO should give consideration to an amendment to MR 3.19.2 (b) to the effect that On the Day Opportunistic Maintenance may be requested any time on the Trading Day or after 10am on the Scheduling Day.

System Management should keep under review the timelines within the PSOP: Facility Outages. If necessary consideration should be given to an additional obligation on System Management to inform all affected participants on the outcome of their request no later than 12:15pm of the Scheduling day.

System Management should develop proposed changes to Sections 13.5, 14.7 and 15.5 of the PSOP: Facility Outages to the effect that the written declaration pertain to the period of the outage, rather than a period prior to the outage commencing.

The IMO should propose a rewording of Rule MR 3.19.3A(b) to the effect that Opportunistic Maintenance can be granted over any 24 hour period, irrespective of whether it overlaps Trading Days.

LGP supports these proposals on the grounds that they improve the existing administration. However, we suggest that they should be further liberalised. In particular, we note the prospective redesign of the Balancing Market and suggest that conditional on System Security not being compromised or Market Power being abused, Generators should be permitted to conduct “short-notice” maintenance as and when required, with the Balancing Market providing the price signal to govern their behaviour. In particular, we suggest that there is no need to restrict maintenance to a 24 hour period, or to the structure of one or more Trading Days. Generators should also be at liberty to return to service as soon as practicable. We would also suggest that approvals by System Management should be referenced to the STEM window rather than the Resource Plan window. Regarding the written declaration of availability for a short-notice outage, we prefer that this be made mandatory rather than discretionary, so as to emphasize the importance of availability.

Information disclosure · The IMO should, in conjunction with System Management and Market Participants, develop changes to the Market Rules establishing System Management's obligations with respect to the disclosure of information on planned outages.

System Management should develop protocols within the PSOP: Facility Outages which set out how the new obligations are to be discharged. The protocols should encompass the following:

- *The type of information to be made available;*
- *The frequency with which the information is refreshed; and*
- *The form and mode by which this information is made available.*

LGP supports these proposals. More generally, we suggest that outage information should be widely published in an accessible form, akin to the STPASA process, with details of the specific generators and outage timing in order to improve price risk management.

Regarding the report more generally, we would request that figures 10 and 11 should be adjusted to include coal plant. We would also suggest an assessment of outage duration be undertaken to supplement the outage frequency analysis.

If you have any questions or comments, please contact Dr Steve Gould on 0412 508 291.

Yours faithfully

A handwritten signature in black ink, appearing to read 'PP Graeme Alford'.

GRAEME ALFORD
CHIEF EXECUTIVE OFFICER