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## Wholesale Electricity Market Pre Market Rule Change Discussion Paper

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### Submitted by

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| <b>Name:</b>                    | Allan Dawson   |
| <b>Phone:</b>                   | 08 9254 4300   |
| <b>Fax:</b>                     |  |
| <b>Email:</b>                   | <a href="mailto:imo@imowa.com.au">imo@imowa.com.au</a> |
| <b>Organisation:</b>            | IMO  |
| <b>Address:</b>                 |  |
| <b>Date submitted:</b>          | 12/03/2008   |
| <b>Urgency:</b>                 | Medium   |
| <b>Change Proposal title:</b>   | <b>Delay of Resource Plan Submissions</b>              |
| <b>Market Rule(s) affected:</b> | 6.5.1 (a) and 6.5A.1(a)                                |

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### Introduction

Market Rule 2.5.1 of the Wholesale Electricity 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 Independent Market Operator.

This Change Proposal can be posted, faxed or emailed to:

**Independent Market Operator**

Attn: Dora Guzeleva, Manager Market Administration  
PO Box 7096  
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4339

Email: [marketadmin@imowa.com.au](mailto:marketadmin@imowa.com.au)

The Independent Market Operator will assess the proposal and, within 5 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 change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the wholesale electricity market objectives. The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;

- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

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## **Details of the proposed Market Rule Change**

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

This Proposal is aimed at introducing flexibility into the opening of the Resource Plan Submission window, to allow for any delay in the IMO conducting the STEM auction process in accordance with Market Rule 6.4.6.

The Resource Plan Submission window allows Market Participants other than the Electricity Generation Corporation to make Resource Plan Submissions in line with their Net Contact Position.

The Resource Plans are used by System Management to effectively conduct the scheduling processes for the Trading Day.

Currently Market Rule 6.5.1(a) prescribes that the Resource Plan Submission window opens at 11:00 AM on the Scheduling Day. Under normal operation this time is sufficient as the IMO will have calculated the Net Contract Position on which Resource Plans are based as part of the STEM process by 10:30 AM.

Under Market Rule 6.4.6, it is possible for the STEM process to be delayed by up to two hours to allow for software system failures at the IMO site or its supporting infrastructure. If the STEM processes have been delayed past 11:00 AM, it is possible that the Resource Plan Submission window may open without valid Net Contract Positions having been calculated.

Under these circumstances Resource Plan submission will not be validated against the correct Net Contract Positions.

This situation may impact on System Management's scheduling processes for the Trading Day. It may also impact on the Market Participants ability to meet their obligations in the market.

It is therefore prudent to delay the opening of the Resource Plan Submission window in the event the STEM processes are delayed until the STEM processes have been completed.

It is proposed to amend the relevant clauses in Chapter 6 of the Market Rules to allow the extension of both the Balancing Data Submission and the Resource Plan Submission windows as these windows are conducted simultaneously.

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

Resource Plans are used by System Management to manage dispatch on the Trading Day. It is imperative therefore, that the Resource Plans of market participants reflect their intended operation.

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

6.5.1. Market Participants other than the Electricity Generation Corporation may submit Resource Plan Submission data for a Trading Day to the IMO between:

- (a) 11:00 AM on the Scheduling Day, with the exception that if the IMO has delayed any timelines in accordance with clause 6.4.6, the IMO may at its discretion extend this time up to 1:00 PM on the Scheduling Day; and
- (b) 12:50 PM on the Scheduling Day, with the exception that if:
  - i. a software system failure at the IMO site has prevented any Market Participant from submitting a Resource Plan; or
  - ii. a software system failure at a Market Participant site has prevented that Market Participant from submitting a Resource Plan and that Market Participant has informed the IMO of this failure by 12:30 PM on the Scheduling Day;or
  - iii. the opening time for Resource Plan Submissions was delayed;

the IMO may at its discretion extend the closing time up to 3:00 PM on the Scheduling Day.

6.5A.1. Market Participants other than the Electricity Generation Corporation that are Market Generators or that are Market Customers with Dispatchable Loads or Curtailable Loads may submit Balancing Data Submission data for a Trading Day to the IMO between:

- (a) 11:00 AM on the Scheduling Day, with the exception that if the IMO has delayed any timelines in accordance with clause 6.4.6, the IMO may at its discretion extend this time up to 1:00 PM on the Scheduling Day; and
- (b) 12:50 PM on the Scheduling Day, with the exception that if:
  - i. a software system failure at the IMO site or its supporting infrastructure has prevented any Rule Participant from submitting a Balancing Data Submission; or
  - ii. a software system failure at a Rule Participant site or its supporting infrastructure has prevented that Rule Participant from submitting a

Balancing Data Submission and that Rule Participant has informed the IMO of this failure by 12:30 PM on the Scheduling Day; or

- iii. the opening time for Resource Plan Submissions was delayed;

the IMO may at its discretion extend the closing time to up to 3:00 PM on the Scheduling Day.

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

The objectives of the market as set out in clause 1.2.1 of the Market Rules 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.*

The IMO considers that the reliable production and supply of electricity will be promoted by these Market Rule changes. Market Participants will be able to submit Resource Plans for their facilities in line with their obligations in the Bilateral and STEM markets.

This will allow the market to operate efficiently and will also provide System Management with reliable data on which to conduct its scheduling processes.

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

The IMO market systems already provide flexibility to change or extend the daily market timelines and, therefore, no system costs have been identified as resulting from this change.

Ensuring that Resource Plans are submitted against valid Net Contract Positions would limit the need for System Management to issue Dispatch Instructions and would allow Market Generators to operate their facilities efficiently in order to meet their Bilateral and STEM commitments.