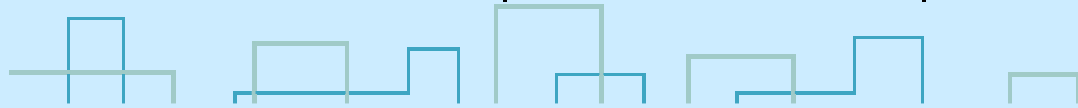


Independent Market Operator



Rule Change Notice

Title: Delay of Resource Plan Submissions

Ref: RC_2008_15

Standard Rule Change Process

Date: 11 April 2008

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1. INTRODUCTION

Market Rule 2.5.1 of the Wholesale Electricity Market Rules (Market Rules) provides that any person (including the Independent Market Operator) may make a Rule Change Proposal by completing a Rule Change Proposal Form and submit this to the Independent Market Operator (IMO).

The IMO will assess the proposal and, within 5 Business Days of receiving the proposal form, will notify the proponent whether the proposal will be progressed further.

In order for the proposal to be progressed the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the Wholesale Market Objectives. The 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.

A Rule Change Proposal can be processed using a Standard Rule Change Process or a Fast Track Rule Change Process. The standard process involves a combined 10 weeks public submission period, while the fast track process involves the IMO consulting with Rule Participants who either advise the IMO that they wish to be consulted or the IMO considers have an interest in the change.

2. THE RULE CHANGE PROPOSAL

2.1. The Submission

The IMO submitted, on 10 April 2008, a Rule Change Proposal regarding changes to clauses 6.5.1 (a) and 6.5A.1(a) in the Wholesale Electricity Market Rules (Market Rules).

This Rule Change Notice is published according to Market Rule 2.5.7, which requires the IMO to publish a notice within 7 Business Days of receiving a Rule Change Proposal.

2.1.1. Submission details

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Address:	221 St George's Terrace, Perth WA 6000
Date submitted:	11/04/2008
Urgency:	Medium
Change Proposal title:	Delay of Resource Plan Submissions

2.2. Details of the Proposal

The IMO submits that the Rule Change 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 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. The IMO submits that 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.

However, 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 issues 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 submissions may 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.

The IMO therefore considers that it is more efficient 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.

The IMO proposes to amend clauses 6.5.1 (a) and 6.5A.1(a) in 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, in the event the STEM timelines are delayed under the existing rules.

2.3. The Proposal and the Wholesale Market Objectives

The IMO submits that the Rule Change Proposal supports market objective (a) by promoting the reliable production and supply of electricity. The proposed Market Rule Change will assist Market Participants to submit Resource Plans for their facilities that are consistent with their obligations in the Bilateral and STEM markets.

This will assist the efficient operation of the market and in providing System Management with reliable data on which to conduct its scheduling processes.

3. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER

The IMO has decided to proceed with this proposal on the basis that the IMO's preliminary assessment indicated that the proposal is consistent with the Wholesale Market Objectives.

The IMO has decided to process this Rule Change Proposal using the Standard Rule Change Process, described in section 2.7 of the Market Rules.

The projected timelines for processing this proposal are:

- This Rule Change Notice published 11/04/2008
- First Submission period 11/04/2008 - 23/05//2008
- Draft Report published 23/06/2008
- Second submission period 24/06/2008 - 21/07/2008
- Final Report published 18/08/2008

4. CALL FOR SUBMISSIONS

The IMO is seeking submissions regarding this proposal. The submission period is six weeks from the publication date of this notice. Submissions must be delivered to the IMO by close of business on **Friday 23 May 2008**.

The IMO prefers to receive submissions by email to **marketadmin@imowa.com.au** using the submission form available on the IMO website:
http://www.imowa.com.au/10_5_1_MarketRulesChangeSummary.html

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

Independent Market Operator
Attn: Manager Market Administration
PO Box 7096
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

5. PROPOSED AMENDING RULES

The IMO proposes the following new clauses to the Market Rules (~~deleted words~~, added words):

Clause 6.5.1

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.

Clause 6.5A.1

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.