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## Agenda item 5(a) iv

### Wholesale Electricity Market Rule Change Proposal Form

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**Change Proposal No:** RC\_2009\_16

**Received date:** XX April 2009

#### Change requested by

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<b>Address:</b>	Level 3, Governor Stirling Tower, 197 St George's Terrace
<b>Date submitted:</b>	9 March 2009
<b>Urgency:</b>	Low
<b>Change Proposal title:</b>	Correction of minor and typographical errors
<b>Market Rule(s) affected:</b>	Clauses 2.7.4, 2.7.5 , 2.7.8.(c), 2.28.4, 2.31.1, 2.31.5.(b), 2.31.6(b), 2.31.6.(c), 2.31.12, 2.31.13.(k), 2.31.21.(a), 2.34.8, 2.37.8, 2.41.2, 2.41.3, 4.27.10, 5.2.1.(c), 5.2.1.(f), 5.2.5, 5.2.7, 5.4.2, 5.4.14.(a), 5.5.3.(f), 9.23.1, 9.23.1.(i), 9.23.1.(l), 9.23.5, 9.23.5.(b), 9.23.6.(b), 10.5.1.(e).(iii) and the Glossary

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#### Introduction

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

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

#### Independent Market Operator

Attn: Troy Forward, Manager Market Administration and Reserve Capacity  
PO Box 7096  
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

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

The IMO 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 progressed further.

In order for the proposal to be progressed, all fields below must be completed and the rule 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:**

As part of its ongoing review of the Wholesale Electricity Market Rules, the IMO intends to carry out three rule changes per year to address any minor and typographical errors that are identified.

This Rule Change Proposal includes proposed amendments identified in this process to improve the language, punctuation, and remove unnecessary ambiguity to enhance the integrity of the Market Rules.

The minor and typographical corrections proposed are:

- Clauses 2.7.4, 2.7.5 and 2.7.8.(c): change “Rules Change Proposal” to “Rule Change Proposal” as Rule Change Proposal is the defined term;
- Clause 2.28.4: replace “of” to “in” for clarity and standardisation with other Market Rules (i.e. clauses 2.28.3 and 2.28.5);
- Clause 2.31.1: make the words “Registration Forms” lowercase as this is not a defined term;
- Clause 2.31.5.(b): replace the comma with the word “for” for clarity and grammatical sense;

- Clause 2.31.6.(b): add the word “paragraph” before “(a)” as per correct legal drafting and standardisation with other Market Rules;
- Clause 2.31.6.(c): add the word “paragraph” before “(b)” as per correct legal drafting and standardisation with other Market Rules;
- Clause 2.31.12: add the word “the” before “IMO” for grammatical sense;
- Clause 2.31.13.(k): replace the word “if” with a comma after the word “Facility” for grammatical sense;
- Clause 2.31.21.(a): add “; and” at the end of the clause as per correct legal drafting and standardisation with other Market Rules;
- Clause 2.34.8: change the word “practical” to “practicable” for clarity and grammatical sense;
- Clause 2.37.8: add commas after “Market Participant” and “Network Control Service Contract” for clarity and grammatical sense;
- Clauses 2.41.2 and 2.41.3: make the word “Submission” lowercase as this is not a defined term;
- Clause 4.27.10: replace the incorrect reference to clause “4.28.11C” with “4.27.11D”;
- Clause 5.2.1.(c): add the word “paragraph” before each of “(a)” and “(b)” as per correct legal drafting and standardisation with other Market Rules;
- Clause 5.2.1.(f): add the word “paragraph” before “(d)” as per correct legal drafting and standardisation with other Market Rules;
- Clause 5.2.7: replace the word “or” with “for” for grammatical sense;
- Clause 5.4.2: replace the reference from clause 5.4 to clause 5.3;
- Clause 5.4.14.(a): remove the colon following the word “and” as it is not required;
- Clause 5.5.3.(f): change the colon to a semicolon at the end of the clause;
- Clause 9.23.1: capitalise “suspension event” as this is a defined term;
- Clause 9.23.1.(i): capitalise “credit support” as this is a defined term;
- Clause 9.23.1.(l): add “or” at the end of the clause;
- Clause 9.23.5: capitalise “suspension event” as this is a defined term;
- Clauses 9.23.5.(b) and 9.23.6.(b): add full stops at the end of each clause;
- Clause 10.5.1.(e).(iii): add the word “and” at the end of the clause per correct legal drafting and standardisation with other Market Rules;
- Chapter 11:
  - **Dispatch Instruction Payment:** The term Dispatch Instruction Payment is used in a number of glossary terms (for example Consumption Decrease Price) and a number of Market Rules. However the term is not defined in Chapter 11. The IMO proposes to add a new

- definition referring to clause 6.17.6 (which set out how the Dispatch Instruction Payment is calculated);
- **Resource Plan:** replace the reference to clause 6.5.2.(b) in the definition of Resource Plan with a reference to clause 6.5.2 to remove the incorrect reference;
  - **South West Interconnected System:** change “Interconnected System” to lowercase to match the definition in the Electricity Industry Act 2004;
  - **SWIS:** change “Interconnected System” to lowercase to match the definition in the Electricity Industry Act.
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## 2. Explain the reason for the degree of urgency:

The IMO submits that these proposed rule changes consist of minor and typographical amendments which will improve the integrity of the Market Rules. The changes do not seek to amend the operation of the Market Rules. As such, it fulfils sub-clause 2.5.9(a), in that it is of a procedural nature, and therefore may be fast-tracked:

- 2.5.9. *The IMO may subject a Rule Change Proposal to the Fast Track Rule Change Process if, in its opinion, the Rule Change Proposal:*
- (a) *is of a minor or procedural nature;*
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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 striketrough where words are deleted and underline words added)

- 2.7.4. Within one Business Day after the publication of a notice of a Rule Change Proposal in accordance with clause 2.5.7, the IMO must notify the members of the Market Advisory Committee as to whether the IMO considers the ~~Rules~~ Rule Change Proposal to be significant enough to require convening a meeting of the Market Advisory Committee.
- 2.7.5. The IMO must convene a meeting of the Market Advisory Committee concerning a ~~Rules~~ Rule Change Proposal before the due date for submissions in relation to the Rule Change Proposal if:
- 2.7.8. Within 20 Business Days of the deadline specified under clause 2.7.6(b), the IMO must prepare and publish a Final Rule Change Report containing:

...

- (c) any further analysis or modification to the ~~Rules~~ Rule Change Proposal;
- ...
- 2.28.4. A person who intends to own, control or operate a transmission system or distribution system which will form part of the South West Interconnected System, or will be electrically connected to that system, may register as a Rule Participant of in the Network Operator class.
- 2.31.1. The IMO must maintain the following ~~Registration Forms~~ registration forms on the Market Web Site:
  - (a) the Rule Participant registration form;
  - (b) the Rule Participant de-registration form;
  - (c) the Facility registration form;
  - (d) the Facility de-registration form; and
  - (e) the Facility transfer form.
- 2.31.5. The IMO:
  - (a) must consult with System Management with respect to applications for Facility registration, de-registration or transfer; and
  - (b) may consult with relevant Network Operators with respect to applications, for registration, de-registration or transfer of generating works or Loads.
- 2.31.6. In the case of an application for Facility registration, the IMO must notify an applicant within 15 Business Days from the date of notification of receipt of:
  - (a) the dates on which any tests required by these Market Rules that must be conducted prior to a facility registration may be held;
  - (b) the date by when results of tests referred to in paragraph (a) must be made available to the IMO; and
  - (c) the date by when the IMO plans to accept or reject the application, being no later than 10 Business Days after the date in paragraph (b).
- 2.31.12 Where the IMO has rejected the application the notification must include the reason for its rejection of the application.
- 2.31.13. The IMO may only reject an application if:

- ...
- (k) in the case of an application to de-register a Facility, if the Market Participant holds Capacity Credits for the Facility.
- 2.31.21. The IMO must maintain a register of:
- (a) Rule Participants; and
  - (b) Registered Facilities.
- 2.34.8. Other than Standing Data changed in accordance with the processes set out in clauses 6.2A, 6.3C or 6.5C, the IMO must notify the Rule Participant of its acceptance or rejection of the change in Standing Data as soon as ~~practical~~ practicable, and no later than three Business Days after the later of:
- ...
- 2.37.8. The IMO must notify each Market Participant, and each Network Operator required to fund a Network Control Service Contract, of their Credit Limit, and provide details of the basis for the determination of the Credit Limit.
- 2.41.2. A Market Participant must not make any ~~Submission~~ submission to the IMO where the transaction contemplated by the ~~Submission~~ submission could result in the Trading Margin of the Market Participant being exceeded, were the transaction to be valued according to the expected value guidelines referred to in clause 2.37.9.
- 2.41.3. The IMO may reject any ~~Submission~~ submission from a Market Participant where in the IMO's opinion the transaction contemplated by the ~~Submission~~ submission could result in the Trading Margin of the Market Participant being exceeded, were the transaction to be valued according to the expected value guidelines referred to in clause 2.37.9.
- 4.27.10. Subject to clauses ~~4.28.11C~~ 4.27.11C and 4.27.10A, Market Participants holding Capacity Credits for Facilities that are yet to commence operation must file a report on progress with the IMO at least once every three months from the date the Capacity Credit is confirmed under clause 4.20.
- 5.2.1. Where required by the Access Code to submit a major augmentation, as defined in the Access Code, to the tender process set out in the Market Rules, a Network Operator must notify the IMO of the opportunity for network support generation or Demand Side Management to compete with a transmission or distribution upgrade. The notification must include:

...

- (c) the Network Operator's estimate of the costs involved in connecting a generation facility that could provide the services specified in paragraph (a) from the location specified in paragraph (b);  
...
  - (f) the minimum period over which the services would be required, from the date specified in paragraph (d).
- 5.2.7. Where the IMO identifies that a person other than the Network Operator described in clause 5.2.1 could provide the required Network Control Service, ~~or for~~ for a cost that is less than 50% above the Network Operator's estimate referred to in clause 5.2.1(e), then the IMO must:  
...
- 5.4.2. By the date specified in clause 5.4.1(a), Market Participants wishing to submit a tender must have secured Network Control Service Certification for the relevant Facility in accordance with clause ~~5.4~~ 5.3.
- 5.4.14. The IMO must document the procedure it follows in carrying out Network Control Service tender processes in the Network Control Service Procedure, and:
  - (a) the IMO must follow that documented Market Procedure when carrying out tender processes under this clause 5.4; and:
  - (b) Market Participants and Network Operators must follow that documented Market Procedure when participating in a tender process under this clause 5.4.
- 5.5.3. A standard form Network Control Service Contract must contain the following:  
...
  - (f) the technical standards which the relevant Facility must comply with: ;
- 9.23.1. For the purposes of these Market Rules, a "~~suspension event~~" "**Suspension Event**" occurs in relation to a Market Participant if:  
...
  - (i) the provider of ~~credit support~~ Credit Support in relation to the Market Participant ceases or threatens to cease to carry on its business of providing ~~credit support~~ Credit Support;...

- (l) a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Market Participant or a provider of Credit Support in relation to that Market Participant; or

...

9.23.5. Where the IMO has given a Cure Notice to a Market Participant in respect of a ~~suspension event~~ Suspension Event described in clause 9.23.1(a) or (b), the IMO may extend the deadline for remedying the ~~suspension event~~ Suspension Event by up to five Business Days from the date on which the ~~suspension event~~ Suspension Event occurred if the IMO considers that:

...

- (b) the Market Participant is not capable of doing so within the 24 hours following the issuance of the Cure Notice.

9.23.6. Where the IMO has given a Cure Notice to a Market Participant in respect of a suspension event described in any of clauses 9.23.1(c) to (m), the IMO may extend the deadline for remedying the suspension event for such period as the IMO considers appropriate if the IMO considers that:

...

- (b) the Market Participant is not capable of doing so within the 24 hours following the issuance of the Cure Notice.

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:

...

- (e) details of bid, offer and clearing price limits as approved by the Economic Regulation Authority including:

...

- iii. the Alternative Maximum STEM Price; and

...

## Chapter 11 – Glossary

**Dispatch Instruction Payment (DIP):** Has the meaning given in clause 6.17.6

**Resource Plan:** A detailed schedule for all Trading Intervals in a relevant Trading Day, based on a Resource Plan Submission containing the information in clause 6.1.1 accepted by the IMO under clause 6.5.2(b) (as part of an accepted Resource Plan

Submission) or set in accordance with clause 6.5.4 (in the case of a default Resource Plan).

**South West ~~Interconnected System~~ interconnected system (SWIS):** Has the meaning given in the Electricity Industry Act.

**SWIS:** See the South West ~~Interconnected System~~ interconnected system.

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

The IMO considers that the proposed changes, which will improve the integrity of the Market Rules, are consistent with the operation of the Wholesale Market Objectives.

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

Costs:

No costs associated with implementing these proposed changes have been identified.

Benefits:

The proposed changes will improve the clarity of the Market Rules by removing minor and typographical errors. They are consistent with the Wholesale Market Objectives, as indicated in section 4 of this proposal.

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