

The background of the lower half of the document is a photograph of a wind farm. Several large white wind turbines are visible, with their blades extending outwards. In the foreground, a tall metal lattice tower for power lines stands prominently. The entire image is covered with a semi-transparent blue filter.

Independent Market Operator

Rule Change Notice

**Title: Provision of Information
to the IMO**

Ref: RC_2009_33

Standard Rule Change Process

Date: 23 October 2009

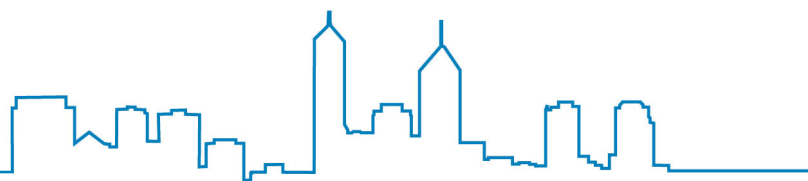
CONTENTS

1. THE RULE CHANGE PROPOSAL	3
1.1. The Submission	3
1.2. Details of the Proposal	3
1.3. The Proposal and the Wholesale Market Objectives	4
2. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER	5
2.1 Notice of Extension	5
3. CALL FOR SUBMISSIONS.....	5
4. PROPOSED AMENDING RULES	6
5. ABOUT RULE CHANGE PROPOSALS	7

DOCUMENT DETAILS

IMO Notice No.: RC_2009_33
Report Title: Rule Change Notice: Provision of Information to the IMO
Release Status: Public
Confidentiality Status: Public domain
Published in accordance with Market Rule 2.5.7

Independent Market Operator
Level 3, Governor Stirling Tower
197 St George's Terrace, Perth WA 6000
PO Box 7096, Cloisters Square, Perth WA 6850
Tel. (08) 9254 4300
Fax. (08) 9254 4399
Email: imo@imowa.com.au
Website: www.imowa.com.au



1. THE RULE CHANGE PROPOSAL

1.1. The Submission

On 20 October 2009 System Management submitted a Rule Change Proposal regarding amendments to clauses 3.21.7, 7.13.1A and 9.20.5 of the Wholesale Electricity Market Rules (Market Rules).

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

1.1.1 Submission details

Name:	Alistair Butcher
Phone:	9427 5787
Fax:	9427 4228
Email:	Alistair.Butcher@westernpower.com.au
Organisation:	System Management
Address:	
Date submitted:	20 October 2009
Urgency:	Standard Rule Change Process
Change Proposal title:	Provision of Information to the IMO
Market Rule(s) affected:	Clause 3.21.7, 7.13.1A and 9.20.5

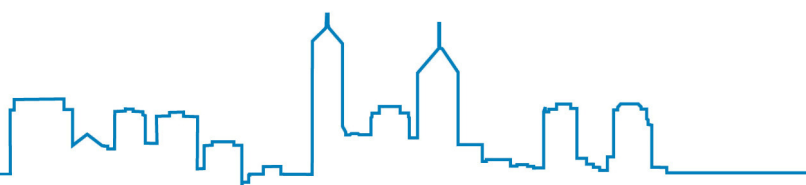
1.2. Details of the Proposal

RC_2007_15 (Provision of information to the IMO) sought to resolve issues with the provision of Forced Outage information to System Management, by extending the timeframe by which full and final information must be provided by Participants. In particular, clause 3.21.7, which created a deadline by which full and final Forced Outage information must be provided to the IMO, also became the deadline whereby a Rule Participant is in breach of clause 3.21.4, the obligation to provide Forced Outages to System Management (which carries a Category C civil penalty).

This Rule Change was also intended to create a final gate-closure for this information for the purposes of the Notice of Disagreement process. If a deadline does not exist, System Management's obligations are unclear and it may have to revisit outage notifications years after the event.

As an example, consider the following scenario:

1. Market Participant notifies System Management of unavailability on Trading Day.
2. Market Participant does not provide any final information to System Management by the timeframe identified in clause 3.21.7 (ie 15 calendar days).



3. System Management alleges a breach of Market Rules 3.21.4 and 3.21.7 against the Participant.
4. The first Non-STEM Settlement is completed without the information pertaining to the Forced Outage (2 months after the relevant Trading Day).
5. The Market Participant provides revised Forced Outage information to System Management for the relevant Trading Day.
6. The Market Participant issues a Notice of Disagreement regarding the Non-STEM Settlement.
7. The IMO requires System Management to investigate the accuracy of the Forced Outage information provided by System Management to the IMO for the relevant Trading Day, in accordance with clause 9.20.5 (c).

Clause 9.20.5 (c), as currently drafted, states that the IMO must require the Metering Data Agent or System Management (as applicable) to investigate the accuracy of the item and to provide a response by the time specified under paragraph (b):

- i. reporting on the actions taken to investigate the accuracy of the item; and
- ii. if applicable, a revised value for the item, which may be a revised value, that the Metering Data Agent or System Management (as applicable) considers to be in compliance with these Market Rules and accurate.

In System Management's opinion and the intention of RC_2007_15, clause 3.21.7 imposed a final deadline for the provision of information to System Management. However, there is a risk that clause 9.20.5(c) may be interpreted as requiring System Management to retain and report forced outages lodged at any time after the 15 calendar day gate closure imposed in clause 3.21.7. This would also allow a Market Participant to, through a Notice of Disagreement, evade the obligations surrounding the timely provision of Forced Outages

System Management now seeks to remove this potential.

1.3. The Proposal and the Wholesale Market Objectives

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

System Management considers that the proposed changes would promote the economically efficient, safe and reliable production and supply of electricity in the SWIS. In particular, System Management contends that the proposed Amending Rules will result in an increase in certainty pertaining to System Management's and Participant's obligations. This would remove administrative costs associated with uncertainty and legal interpretation.



2. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER

The IMO has decided to proceed with this proposal on the basis that Market Participants should be given the opportunity to provide submissions as part of the rule change process.

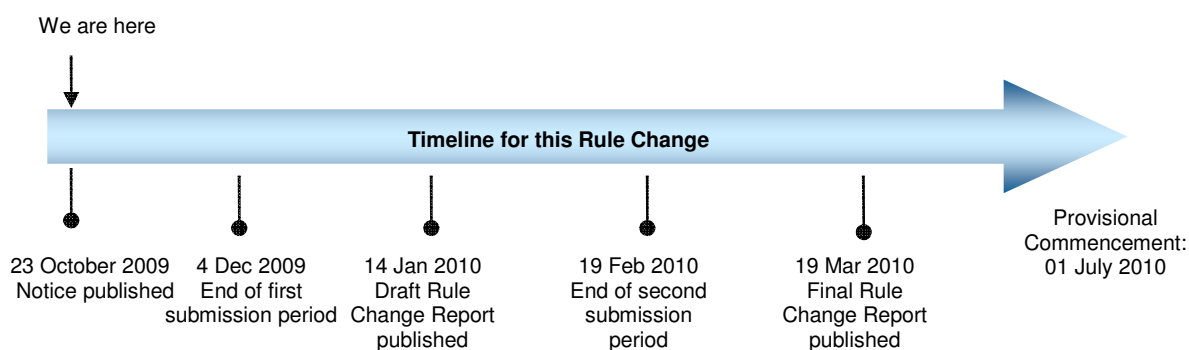
This Rule Change Proposal will be processed using the Standard Rule Change Process, described in section 2.7 of the Market Rules.

2.1 Notice of Extension

Clause 2.7.6 of the Market Rules requires the IMO to prepare and publish a Draft Rule Change Report within 20 Business Days following the close of submissions. This would require the IMO to publish the Draft Rule Change Report for RC_2009_33 by 6 January 2010.

Due to resource availability over the Christmas period, and in accordance with clause 2.5.10 of the Market Rules, the IMO has decided to extend the timeframe for preparing the Draft Rule Change Report for this Rule Change Proposal until 14 January 2010. A notice of this extension was published on the IMO website on 23 October 2009, in accordance with clause 2.5.12.

The projected timelines for processing this proposal, including the extension for preparing the Draft Rule Change Report are:



Please note that the Commencement Date is provisional and may be subject to change in the Final Rule Change Report.

3. CALL FOR SUBMISSIONS

The IMO is seeking submissions regarding this proposal. The submission period is 30 Business Days from the publication date of this Rule Change Notice. Submissions must be delivered to the IMO by the close of business on **Friday 4 December 2009**.

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 and System Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

4. PROPOSED AMENDING RULES

System Management proposes the following amendments to the Market Rules (~~deleted text~~, added text):

Market Rule 3.21.7

A Market Participant or Network Operator must provide full and final details of the relevant Forced Outage or Consequential Outage as follows:

- (a) ~~n~~Notwithstanding the requirements of clause 3.21.4 that a relevant Market Participant or Network Operator must inform System Management of a Forced Outage or Consequential Outage as soon as practical, a Market Participant or Network Operator must provide full and final details of the relevant Planned Outage, Forced Outage or Consequential Outage to System Management no later than fifteen calendar days following the Trading Day;
- (b) for the purposes clause 9.20.5(c) ii., in regard to information provided by System Management to the IMO in accordance with clause 7.13.14, the details provided by a Market Participant to System Management in accordance with clause 3.21.7(a) will be deemed to be:
 - (i) in compliance with the Market Rules;
 - (ii) accurate; and
- (c) nothing in clause 3.21.7(b) limits the functions of the IMO under these Market Rules, including to revise a value for an item included in a Notice of Disagreement.

Market Rule 7.13.1A



System Management must provide the IMO with the following data for a Trading Day by noon on the fifteenth Business Day following the day on which the Trading Day ends:

- (a) the MWh quantity of non-compliance by the Electricity Generation Corporation by Trading Interval; and
- (b) the schedule of all Planned Outages, Forced Outages and Consequential Outages provided to System Management in accordance with clause 3.21.7 relating to each Trading Interval in the Trading Day by Market Participant and Facility;

Market Rule 9.20.5

If a Notice of Disagreement relates to information provided to the IMO by a Metering Data Agent or System Management then as soon as practical, but not later than five Business Days after the IMO confirms receipt of the Notice of Disagreement, the IMO must:

...

- (c) subject to clause 3.21.7(b), require the Metering Data Agent or System Management (as applicable) to investigate the accuracy of the item, and to provide a response by the time specified under paragraph (b) by:
 - i. reporting on the actions taken to investigate the accuracy of the item; and
 - ii. if applicable, providing a revised value for the item, which may be a revised value, that the Metering Data Agent or System Management (as applicable) considers to be in compliance with these Market Rules and accurate.

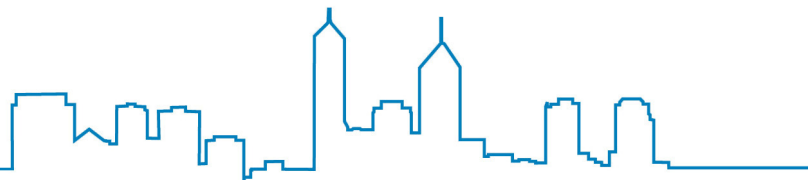
5. ABOUT RULE CHANGE PROPOSALS

Market Rule 2.5.1 of the Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form and submit this to the 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 are considered by the IMO to have an interest in the change.