

**Change Proposal No:** RC\_2007\_15

**Received date:** 17 August 2007

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## Wholesale Electricity Market Rule Change Proposal

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### Change requested by

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<b>Organisation:</b>	System Management
<b>Address:</b>	
<b>Date submitted:</b>	17 August 2007
<b>Urgency:</b>	High – Fast Track
<b>Change Proposal title:</b>	Provision of Information to the IMO
<b>Market Rule(s) affected:</b>	Clause 7.13.1

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### Details of the proposed Market Rule Change

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#### 1. Outline the issue concerning the existing Market Rules that is to be addressed by the proposed Market Rule change:

Currently the Market Rules require System Management to provide information to the IMO by noon of the business day following the day on which the Trading Day ends [MR 7.13.1]. Practically, there are difficulties with this requirement, as System Management is often unable to finalise information by this time, and the IMO has indicated that information submitted after this time cannot be used by the IMO to settle the Market unless a disagreement is raised. As the information is only used for the purposes of settling the Market, the timing is immaterial provided the information is provided to the IMO within thirty days following the Trading Day.

For example, should a Participant not submit a forced outage before the time indicated in MR 7.13.1, the information is excluded from market settlement. This creates an inequity in the Market, and functions as a disincentive for reporting forced outages in a timely fashion. A

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consequence may also be that System Management is obliged to advise the IMO of an alleged Rule Breach to MR 3.21.4.

Further, System Management has insufficient time to investigate possible situations where a forced outage should have been submitted, prior to the time indicated in MR 7.13.1. Thus the result is:

1. the forced outage is not recorded and the overall cost of electricity is increased in comparison to the reduced capacity of the SWIS;
2. other Participants are directly disadvantaged by a direct increase in the costs of the Reserve capacity mechanism;
3. system reliability may be compromised due to the unknown availability of plant; and
4. the burden on the IMO, System Management and the Participant may be increased due to the investigation of an alleged breach, which will also increase costs both in the long-term and short-term.

Also, should a situation arise that endangers Power System Security, and require System Management to determine a quantum of EGC non-compliance (as per MR 7.6A.4), the required investigation cannot be completed by the time required in MR 7.13.1, given that System Management is required to seek an explanation and any mitigating circumstances from Verve Energy.

System Management proposes that the time frame for MR 7.13.1 (cC) and (e) be amended. This amendment will allow system Management to assist Participants in identifying situations where a forced outage notification should be made, conclude investigations satisfactorily, and will ensure that the Market is settled appropriately.

Further, clause 3.21 of the Market Rules does not prescribe a time limit for the finalisation of outage notifications from Participants. System Management suggests that a time limit be included (of fifteen days) which will allow System Management to finalise determination of whether an outage notification is required. This will also allow System Management to properly monitor the compliance of Participants with clause 3.21.4.

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

System Management submits that this rule change proposal be dealt with in accordance with the fast track rule change process, on the basis that it satisfies the requirements of clause 2.5.9(a) of the Market Rules, which is that the rule change is of a minor or procedural nature.

Firstly, the inclusion of new clause 7.13.1A, does no more than provide additional time for System Management to provide two sets of data to the IMO. Previously System Management was required to provide both Verve Energy's non-compliance MWh quantity and schedules of planned, consequential and forced outages to the IMO on the first business day following the conclusion of the trading day. A minor change has been made which varies the time for the provision of this data to fifteen business days following the conclusion of the trading day. In all

other respects the provision remains the same, and will not impact upon any aspect of settlement.

Secondly, the inclusion of "..., or as agreed between the IMO and System Management;" in clause 7.13.1(c) is procedural in character. This amendment gives statutory certainty to System Management where it has modified dispatch instructions to conform to the IMO's settlement system. It is important to note that the modification referred to in the preceding sentence does not affect settlement payments, and merely allows settlement calculations to be correctly executed.

Finally, the inclusion of new clause 3.21.7 ensures that the Market Rules are consistent with amended clause 7.13.1A. As the new provision requires System Management to provide certain data to the IMO fifteen business days after the relevant trading day, new clause 3.21.7 gives corresponding latitude to market participants to submit final details relating to forced or consequential outages fifteen business days after the event. This change is minor in that a participant's obligations have not changed, but the time available for the participant to perform this obligation has increased.

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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)

3.21.7 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 days following the Trading Day.

- 7.13.1. System Management must provide the IMO with the following data for a Trading Day by noon on the first Business Day following the day on which the Trading Day ends:
- (a) the Operational System Load Estimate in each Trading Interval in the Trading Day;
  - (b) Load Forecasts prepared by System Management in accordance with clause 7.2.1(b);
  - (c) a schedule of all of the Dispatch Instructions that System Management issued for each Trading Interval in the Trading Day by Market Participant and Facility, including the information specified in clause 7.7.3, or as agreed between the IMO and System Management;
  - (cA) a schedule of the MWh output of each generating system monitored by System Management's SCADA system for each Trading Interval of the Trading Day;

- (cB) the maximum daily ambient temperature at the site of each generating system monitored by System Management's SCADA system for the Trading Day;
- ~~(cC) the MWh quantity of non-compliance by the Electricity Generation Corporation by Trading Interval;~~
- (d) a description of the reasons for each Dispatch Instruction issued, including a flag indicating where a Dispatch Instruction was issued in connection with:
  - i. any Ancillary Service Contract;
  - ii. any Balancing Support Contract;
  - iii. any Network Control Service Contract;
  - iv. any test of equipment allowed under these Market Rules; or
  - v. any failure of an Electricity Generation Corporation Facility to follow the scheduling and dispatch procedures relating to clause 7.6A;
- (dA) The MWh energy dispatched under a Balancing Support Contract for each Trading Interval in the Trading Day by Facility;
- (dB) The MWh energy dispatched under a Network Control Service Contract for each Trading Interval in the Trading Day by Facility;
- ~~(e) the schedule of all Planned Outages, Forced Outages and Consequential Outages relating to each Trading Interval in the Trading Day by Market Participant and Facility;~~
- (eA) details of notifications received by System Management in accordance with clause 7.5.4;
- (eB) the estimated decrease, in MWh, in the output of each Non-Scheduled Generator, by Trading Interval, as a result of System Management Dispatch Instructions, as determined in accordance with clause 7.7.5A, where this is to be used in settlement as the quantity described in clause 6.17.6(c)(i).
- (eC) the required decrease, in MWh, in the consumption of each Curtailable Load, by Trading Interval, as a result of System Management Dispatch Instructions, as determined in accordance with clause 7.7.5D, where this is to be used in settlement as the quantity described in clause 6.17.6(d)(i).
- (f) [Blank]
- (g) details of the instructions provided to:
  - i. Curtailable Loads that have Reserve Capacity Obligations; and
  - ii. providers of Supplementary Capacity;
 on the Trading Day; and

- (h) the identity of the Facilities which were subject to either a Commissioning Test or a test of Reserve Capacity for each Trading Interval of the Trading Day.

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;
- (b) the schedule of all Planned Outages, Forced Outages and Consequential Outages relating to each Trading Interval in the Trading Day by Market Participant and Facility;

The timing of a notification of a forced outage under MR 3.21.4 will be clarified in the procedure. In summary, System Management will require immediate notification by phone (3.21.4), and will require notification via SMMITS within 15 days (3.21.7).

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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 proposed Rule changes would promote the economically efficient, safe and reliable production and supply of electricity in the SWIS.

Increasing the time by which System Management must provide information to the IMO would increase the accuracy of information used to settle the market, thereby reducing the costs to Participants and also to System Management, minimising the long-term cost of electricity.

Further, System Management would be able to assist Participants in identifying situations where a forced outage should be submitted, which in turn increases the overall effectiveness of the Reserve Capacity mechanism, and may also increase the validity of system scheduling, thereby increasing the reliability of the SWIS.

Finally, System Management would be able to pursue investigations and minimise the need for allegations to be made which are not well premised.

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

Benefits:

- Reduced coordination effort and costs for System Management, the IMO and Participants.
- Increased ability for Participants to comply with forced outage notification provisions.
- Increased security for Participants in complying with forced outage notification provisions.
- Reduced overall costs for Participants.
- Fewer discrepancies in settlement data.
- Ability for System Management to conclude investigations and provide the information for settlement of the Market.

Costs:

- Relatively minor modifications to System Management IT systems.
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