

Independent Market Operator



Rule Change Notice

Title: Correction of References and Minor Drafting Errors

Ref: RC_2007_20

Date: 2 October 2007

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1. INTRODUCTION

Market Rule 2.5.1 of the Wholesale Electricity 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 Rule Change Proposal Form, will notify the proponent whether the Rule Change 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 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.

A Rule Change Proposal can be processed using a Standard Process or a Fast Track 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 28 September 2007, a Rule Change Proposal regarding corrections of cross references and minor drafting errors in the Wholesale Electricity 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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Date Submitted:	28/09/2007
Urgency:	High

2.2 *Details of the Proposal*

The IMO has reviewed the cross references in the Market Rules and has found a number of incorrect cross references and minor wording errors that this Proposal aims to correct.

The cross references that need to be corrected are:

- In clause 3.21.6 the reference to clause 7.13.1 (e) should refer to 7.13.1A (b).
- In clause 4.24.13 (f) the reference to clause 2.24.13 should refer to 4.24.16 and the reference to 2.14.4 should refer to 4.24.17.
- In clause 10.5.1 (g) the reference to clause 3.11.11B should refer to 3.11.11 (b).
- In the Glossary (Chapter 11), Allowable Revenue, the reference to clause 2.22.2 should refer to 2.22.12.

The minor wording corrections are:

- In clause 2.37.1, replace “Participants” with “Participant”.
- In clause 3.19.1, the last line, add the word “which” between “during” and “the”.
- In clause 6.5.1, replace “to up” with “up to”.
- In the Glossary (Chapter 11), Ancillary Service Provider, replace “clauses” with “clause”.

2.3 The Proposal and the 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 proposed changes do not impact on, and therefore are consistent with, the operation of objective (a) of the Market Objectives.

- (b) *to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors.*

The IMO considers that the proposed changes do not impact on, and therefore are consistent with, the operation of objective (b) of the Market Objectives.

- (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.*

The IMO considers that the proposed changes do not impact on, and therefore are consistent with the operation of objective (c) of the Market Objectives.

- (d) *to minimise the long-term cost of electricity supplied to customers from the South West interconnected system*

The IMO considers that the proposed changes do not impact on, and therefore are consistent with, the operation of objective (d) of the Market Objectives.

- (e) *to encourage the taking of measures to manage the amount of electricity used and when it is used.*

The IMO considers that the proposed changes do not impact on, and therefore are consistent with, the operation of objective (e) of the Market Objectives.

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 Market Objectives.

The IMO has decided to process this Rule Change Proposal using the Fast Track Process, described in section 2.6 of the Wholesale Electricity Market Rules, on the basis that it satisfies the criteria in section 2.5.9(a) of the Rules.

Section 2.5.9 states:

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; or*
- (b) is required to correct a manifest error; or*
- (c) is urgently required and is essential for the safe, effective and reliable operation of the market or the SWIS.*

All cross references in the Market Rules need to be correct in order for the Rules to function as intended. The amendments included in this proposal are of a minor nature and intended to correct manifest errors in the Rules.

The projected timelines for processing this proposal are:

- This Rule Change Notice published 02/10/2007
- Consultation period 02/10/2007 - 23/10/2007
- Final Report published 29/10/2007

4. CONSULTATION

Any Rule Participant wishing to be consulted regarding this rule change is invited to notify the IMO within 5 Business Days of this notice being published.

The IMO prefers to receive notifications for consultation by email to **marketadmin@imowa.com.au**.

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

Independent Market Operator
Attn: Dora Guzeleva, Manager Market Administration
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5. PROPOSED AMENDING RULES

The IMO proposes the following changes to the Wholesale Electricity Market Rules (deleted wording, added wording):

Clause 2.37.1

2.37.1. The IMO must determine a Credit Limit for each Market Participants.

Clause 3.19.1

3.19.1. No later than two days prior to the date of commencement of any outage (“Scheduled Outage”) in System Management’s outage schedule, the Market Participant or Network Operator involved must request that System Management approve the Scheduled Outage proceeding, specifying the Trading Day and Trading Intervals during which the Scheduled Outage will occur.

Clause 3.21.6

3.21.6 The following will apply for the purposes of clauses 7.3.4 (a) and ~~7.13.4 (e)~~ 7.13.1A (b) :

[balance of clause not changed]

Clause 4.24.13 (f)

(f) a condition allowing the IMO to disclose the information required by clause ~~2.24.13~~ 4.24.16 and preventing the disclosure set out in clause ~~2.14.14~~ 4.24.17;

[balance of clause not changed]

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

Clause 10.5.1 (g)

- (g) the Ancillary Service report referred to in clause 3.11.11~~B~~ (b);
[balance of clause not changed]

Chapter 11, Glossary

Allowable Revenue: With respect to the IMO, the allowable revenue for the IMO in providing the services set out in clause 2.22.1 as approved by the Economic Regulation Authority in accordance with clause 2.22.~~2~~ 12 With respect to System Management, the allowable revenue for System Management in providing the services set out in clause 2.23.1 as approved by the Economic Regulation Authority in accordance with clause 2.23.12.

Ancillary Service Provider: A Rule Participant registered as an Ancillary Service Provider under clauses 2.28.11A.