
Wholesale Electricity Market Rule Change Proposal

Rule Change ID: RC_2008_02

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Submitted by

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Urgency:	Normal rule change process
Change Proposal title:	ST PASA Fuel Supply Issues Notification
Market Rule(s) affected:	Clause 3.17.9(h)

Introduction

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

Independent Market Operator

Attn: Dora Guzeleva, Manager Market Administration

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Cloisters Square, Perth, WA 6850

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The discussion paper should 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.

Details of the proposed Market Rule Change

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

Clause 3.17.9 (h) in the Market Rules states:

System Management must ensure that the results of a Short Term PASA study which it provides to the IMO include for the Short Term PASA Planning Horizon:

- (a) ...
- (h) potential fuel supply, transport or storage limitations that could affect generation capacity of which System Management is aware;

This clause requires that the results of any ST PASA study submitted to the IMO includes “potential fuel supply, transport or storage limitations that could affect generation capacity of which System Management is aware.”

System Management cannot satisfactorily comply with the requirements of clause 3.17.9 (h) as potential fuel supply limitations, and particularly the impact upon available generation, is unable to be adequately represented in ST PASA. This is because fuel supply limitations will not necessarily affect particular generation facilities, nor have a readily determined effect on the system margin.

System Management seeks to remove this clause, as it imposes an obligation which cannot be satisfactorily fulfilled. System Management currently provides information to Participants regarding fuel issues by releasing a dispatch advisory whenever fuel supply is significantly more restricted than usual, pursuant to System Management’s obligations under clause 7.11.5 (e) of the Market Rules. System Management submits that the release of a Dispatch Advisory fulfils the intent of the obligation imposed under clause 3.17.9 (h) and renders that clause unnecessary.

2) Explain the reason for the degree of urgency:

System Management submits that the above rule changes proceed under the normal rule change process.

3) Provide any proposed specific changes to particular Rules (for clarity, please use the current wording of the Rules and place a ~~strike through~~ where words are deleted and underline words added)

3.17.9 System Management must ensure that the results of a Short Term PASA study which it provides to the IMO include for the Short Term PASA Planning Horizon:

(a) ...

...

~~(h) potential fuel supply, transport or storage limitations that could affect generation capacity of which System Management is aware;~~

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

This proposed Rule Change would better address objective (a) of the Market Objectives. The changes as submitted would promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system.

The rule change would increase the certainty of the application of the rules, and aid economically efficient outcomes through the removal of an obligation which cannot readily be satisfied.

5) Provide any identifiable costs and benefits of the change:

Benefits:

- The changes would remove an obligation which is impossible to perform, removing a source of non-compliance for System Management.

Costs:

- No costs are anticipated to arise due to the changes.
- No changes to WEMS are required.
- No changes to Participant processes are required.