



**Draft Rule Change Report**  
**Title: Delay of Resource Plan**  
**Submissions**

Ref: RC\_2008\_15

Standard Rule Change Process

Date: 23 June 2008

## CONTENTS

1.	INTRODUCTION .....	3
2.	THE RULE CHANGE PROPOSAL.....	4
2.1.	Submission Details.....	4
2.2.	Details of the Proposal .....	4
2.3.	The Proposal and the Market Objectives .....	5
2.4.	Amending Rules proposed by the IMO .....	5
2.5.	The IMO's Initial Assessment of the Proposal .....	5
3.	SUBMISSIONS .....	6
3.1.	Market Advisory Committee .....	6
3.2.	Submission from Landfill Gas & Power Pty Ltd (LGP).....	6
3.3.	Public Forums and Workshops .....	6
4.	THE IMO'S ASSESSMENT AND DECISION .....	7
4.1.	Assessment.....	7
4.2.	IMO's Draft Decision .....	8
5.	CALL FOR SUBMISSIONS .....	9
6.	PROPOSED AMENDING RULES .....	10
7.	GENERAL INFORMATION ABOUT RULE CHANGE PROPOSALS.....	12

## DOCUMENT DETAILS

IMO Notice No.: RC\_2008\_15  
Report Title: Draft Rule Change Report: Delay of Resource Plan Submissions  
Release Status: Public  
Confidentiality Status: Public domain  
Published in accordance with Market Rule 2.7.6

### Independent Market Operator

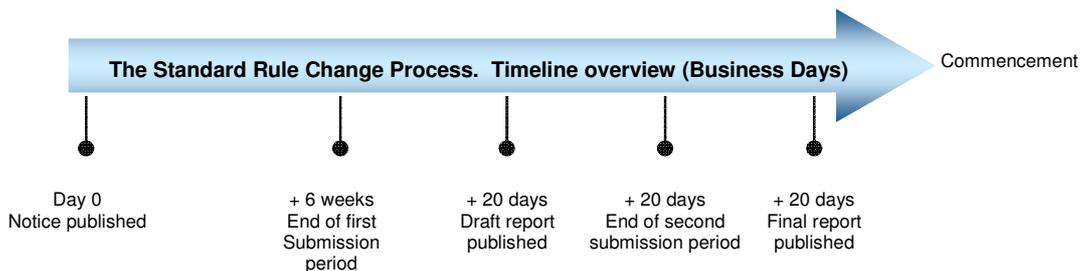
Level 3, Governor Stirling Tower  
197 St George's Terrace, Perth WA 6000  
PO Box 7096, Cloisters Square, Perth WA 6850  
Tel. (08) 9254 4300  
Fax. (08) 9254 4399  
Email: [imo@imowa.com.au](mailto:imo@imowa.com.au)  
Website: [www.imowa.com.au](http://www.imowa.com.au)

## 1. INTRODUCTION

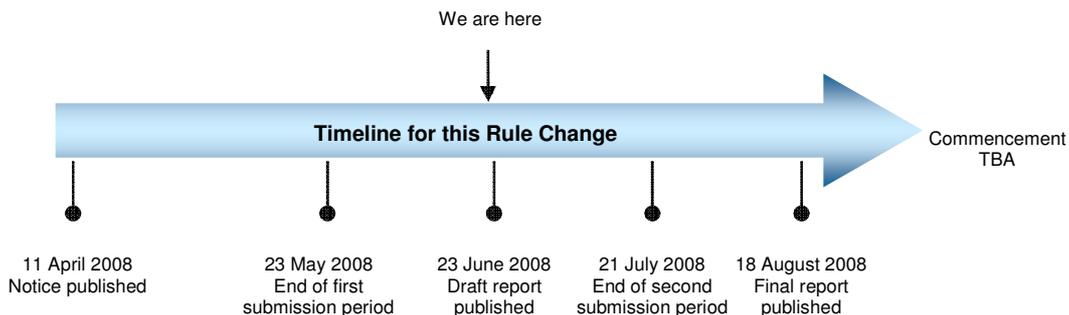
On 10 April 2008, the IMO submitted a Rule Change Proposal regarding changes to clauses 6.5.1 (a) and 6.5A.1(a) of the Wholesale Electricity Market Rules (Market Rules).

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

The standard process adheres to the following timelines, outlined in section 2.7 of the Market Rules:



The key dates in processing this Rule Change Proposal are:



Based on the submissions received, the IMO's draft decision is to implement the Rule Change Proposal in the form outlined in section 6 of this Report.

This Draft Rule Change Report on the Rule Change Proposal has been prepared by the IMO in accordance with clause 2.7.6 of the Market Rules.

Interested parties are invited to provide further submissions in relation to this Draft Rule Change Report. In accordance with the Market Rules timelines, the deadline for submissions is 21 July 2008.

## 2. THE RULE CHANGE PROPOSAL

### 2.1. *Submission Details*

<b>Name:</b>	Allan Dawson
<b>Phone:</b>	(08) 9254 4300
<b>Email:</b>	imo@imowa.com.au
<b>Organisation:</b>	Independent Market Operator
<b>Address:</b>	221 St George's Terrace, Perth WA 6000
<b>Date submitted:</b>	10/04/2008
<b>Urgency:</b>	Medium
<b>Change Proposal title:</b>	Delay of Resource Plan Submissions

### 2.2. *Details of the Proposal*

The IMO submitted that the Proposal aimed to introduce flexibility into the opening of the Resource Plan Submission window, to allow for any delay in the IMO conducting the STEM auction process in accordance with Market Rule 6.4.6.

The Resource Plan Submission window allows Market Participants other than the Electricity Generation Corporation to make Resource Plan Submissions in line with their Net Contact Position.

The Resource Plans are used by System Management to effectively conduct the scheduling processes for the Trading Day.

Currently Market Rule 6.5.1(a) prescribes that the Resource Plan Submission window opens at 11:00 AM on the Scheduling Day. Under normal operation this time is sufficient as the IMO will have calculated the Net Contract Position on which Resource Plans are based as part of the STEM process by 10:30 AM.

Under Market Rule 6.4.6, it is possible for the STEM process to be delayed by up to two hours to allow for software system issues at the IMO site or its supporting infrastructure. If the STEM processes have been delayed past 11:00 AM, it is possible that the Resource Plan Submission window may open without valid Net Contract Positions having been calculated.

Under these circumstances Resource Plan submissions may not be validated against the correct Net Contract Positions.

This situation may impact on System Management's scheduling processes for the Trading Day. It may also impact on the Market Participants ability to meet their obligations in the market.

The IMO submitted that it therefore is more efficient to delay the opening of the Resource Plan Submission window in the event the STEM processes are delayed until the STEM processes have been completed.

The IMO proposed to amend the relevant clauses in Chapter 6 of the Market Rules to allow the extension of both the Balancing Data Submission and the Resource Plan

Submission windows, as these windows are conducted simultaneously, in the event the STEM timelines are delayed under the existing rules.

### **2.3. *The Proposal and the Market Objectives***

The IMO's submission regarding how the amendments will allow the Market Rules to better address the market objectives can be found in section 4.1.2 of this Report.

### **2.4. *Amending Rules proposed by the IMO***

The amendments to the Market Rules proposed by the IMO are available in section 6 of this report.

### **2.5. *The IMO's Initial Assessment of the Proposal***

The IMO decided to proceed with the proposal on the basis of its preliminary assessment, which indicated that the proposal was consistent with the Wholesale Market Objectives. This preliminary assessment was published in a Rule Change Notice on 11 April 2008.

### 3. SUBMISSIONS

The IMO received one submission, from Landfill Gas & Power Pty Ltd, on the changes proposed by the IMO. The submission is summarised below, and the full text is available on the IMO website.

#### **3.1. Market Advisory Committee**

The Market Advisory Committee (MAC) was first advised of the proposed rule change at its meeting on 12 March 2008, before it was formally submitted by the IMO. At the meeting, MAC was in general support of the proposal and of the IMO submitting it as a formal Rule Change Proposal.

MAC members were also invited to discuss the proposal at the MAC meeting on 14 May 2008, after the proposal had been published on the IMO website. All members of MAC expressed their support for the Rule Change.

#### **3.2. Submission from Landfill Gas & Power Pty Ltd (LGP)**

LGP expressed its support for the Rule Change Proposal on the grounds that it is a logical consequence of the early Rule Change relating to the STEM window and to not implement it would unnecessarily impede the smooth operation of the market.

LGP supported the IMO's contention that the Rule Change supports market objective (a) by promoting the reliable production and supply of electricity and will assist Market Participants to submit Resource Plans for their facilities that are consistent with their obligations in the Bilateral and STEM markets.

#### **3.3. Public Forums and Workshops**

No public forums or workshops were held in relation to this Rule Change.

## 4. THE IMO'S ASSESSMENT AND DECISION

### 4.1. Assessment

#### 4.1.1. Submissions

All parties responding within the prescribed submission period expressed support for the Rule Change Proposal. No party proposed any changes to the proposed amendments to the Market Rules.

#### 4.1.2. The IMO's Assessment

According to clause 2.4.2 of the Market Rules *“the IMO must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives”*.

The IMO considers that the proposed Amending Rules will have the following impact on how the Market Rules address the Wholesale Market Objectives:

Impact	Wholesale Market Objectives
Allow the Market Rules to better address objective	a
Consistent with objective	b, c, d and e
Inconsistent with objective	-

The IMO's assessment against market objective (a) is as follows:

*(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 proposed amendments allow the Market Rules to better address market objective (a) allowing Market Participants to submit Resource Plans for their facilities in line with their obligations in the Bilateral and STEM markets. This will allow the market to operate efficiently and will also provide System Management with reliable data on which to conduct its scheduling processes. In its submission, LGP agreed with this assessment.

In accordance with Clause 2.4.3(b) of the Market Rules, in deciding whether or not to make Amending Rules, the IMO must also have regard to the practicality and cost of implementing the Amending Rules.

The proposed changes will not require any changes to the Wholesale Electricity Market Systems operated by the IMO. No other costs have been identified in relation to the implementation of the proposed changes.

#### **4.2. *IMO's Draft Decision***

The IMO's draft decision is to implement the proposed amendments to clauses 6.5.1 (a) and 6.5A.1(a) of the Wholesale Electricity Market Rules.

The IMO has made its draft decision on the basis that the resulting Amending Rules will allow the Market Rules to better address the Wholesale Market Objectives.

The wording of the relevant Amending Rules is presented in section 6 of this Report.

## 5. CALL FOR SUBMISSIONS

The IMO wishes to receive submissions regarding this Draft Rule Change Report. The submission period is 20 Business Days from the publication date of this Report.

Submissions must be delivered to the IMO by close of business on Monday 21 July 2008.

The IMO prefers to receive submissions by email to [marketadmin@imowa.com.au](mailto:marketadmin@imowa.com.au) using the submission form available on the IMO website:

[http://www.imowa.com.au/10\\_5\\_1\\_b\\_rule\\_change\\_proposal.htm](http://www.imowa.com.au/10_5_1_b_rule_change_proposal.htm)

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

**Independent Market Operator**  
Attn: Manager Market Administration  
PO Box 7096  
Cloisters Square, Perth, WA 6850  
Fax: (08) 9254 4399

## 6. PROPOSED AMENDING RULES

The IMO proposes to implement the following amendments to the Market Rules (added words are underlined and deletions are shown with ~~strikethrough~~):

### **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, with the exception that if the IMO has delayed any timelines in accordance with clause 6.4.6, the IMO may at its discretion extend this time up to 1:00 PM 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; or
  - iii. the opening time for Resource Plan Submissions was delayed;

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

### **Clause 6.5A.1**

6.5A.1. Market Participants other than the Electricity Generation Corporation that are Market Generators or that are Market Customers with Dispatchable Loads or Curtailable Loads may submit Balancing Data Submission data for a Trading Day to the IMO between:

- (a) 11:00 AM on the Scheduling Day, with the exception that if the IMO has delayed any timelines in accordance with clause 6.4.6, the IMO may at its discretion extend this time up to 1:00 PM 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 or its supporting infrastructure has prevented any Rule Participant from submitting a Balancing Data Submission; or
  - ii. a software system failure at a Rule Participant site or its supporting infrastructure has prevented that Rule Participant from submitting a Balancing Data Submission and that Rule Participant has informed the IMO of this failure by 12:30 PM on the Scheduling Day; or

- iii. the opening time for Resource Plan Submissions was delayed;

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

## 7. GENERAL INFORMATION ABOUT RULE CHANGE PROPOSALS

Clause 2.5.1 of the Wholesale Electricity Market Rules (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 submitting this to the Independent Market Operator (IMO).

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
- (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. Under the shorter fast track process the IMO consults with Rule Participants who either advise the IMO that they wish to be consulted or the IMO considers have an interest in the change.