

Independent Market Operator



## **Rule Change Notice**

### **Title: Correction of References and Minor Drafting Errors**

Ref: RC\_2008\_19

Fast Track Rule Change Process

Date: 23 May 2008

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## 1. THE RULE CHANGE PROPOSAL

### 1.1. The Submission

On 21 May 2008 the IMO submitted a Rule Change Proposal regarding changes to clauses 2.13.8 (b), 4.16.4 (e), 4.26.2, 6.14.4 (b), 7.7.5A (b), 9.10.1 and Appendix 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 IMO to publish a notice when it has developed a Rule Change Proposal.

#### 1.1.1. Submission details

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<b>Date submitted:</b>	21/05/2008
<b>Urgency:</b>	Low
<b>Change Proposal title:</b>	Correction of References and Minor Drafting Errors

### 1.2. Details of the Proposal

The IMO submits that as part of its ongoing review of the Market Rules, the IMO has found a number of incorrect cross references and other minor errors that this Proposal aims to correct.

The cross references that need to be corrected are:

- In clause 2.13.8 (b) the reference to clause 2.13.4 should be to 2.13.6.
- In clause 4.26.2 the clause reference at end of the RTFO(p,d,t) definition should be changed from 7.13.1(e) to 7.13.1A(b).

The following minor wording corrections are proposed:

- In clause 7.7.5A (b), “clauses 7.7.5B” should be replaced with “clause 7.7.5B”.
- In clause 4.16.4 (e), “duel fuel” should be replaced with “dual fuel”

Other proposed minor corrections are:

- Clause 6.14.4 (b) refers to a “Resource Plan Load”. The Resource Plan Load is not used in any calculation and clause 6.14.4 (b) is therefore proposed to be removed, as is the definition of Resource Plan Load in the Glossary.
- In clause 9.10.1 there are too many brackets in the formula for Commitment and Outage Compensation. It is proposed to correct the formula to remove the redundant brackets.

- Appendix 5, step 6, refers to “Non Temperature Sensitive Load”. This term doesn’t exist in the Market Rules and the reference should instead be to “Non Temperature Dependent Loads”.

### **1.3. *The Proposal and the Wholesale Market Objectives***

The IMO submits that the proposed Amending Rules do not impact on, and therefore are consistent with, the operation of all of the Wholesale Market Objectives.

## 2. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER

The IMO has decided to proceed with this proposal on the basis that the proposal is consistent with the Wholesale Market Objectives.

The IMO has decided to process this Rule Change Proposal using the Fast Track Rule Change Process described in section 2.6 of the Market Rules, on the basis that it satisfies the criteria in sections 2.5.9(a) and (b) of the Market Rules. All amendments included in this proposal are of a minor nature and intended to correct manifest errors in the Rules.

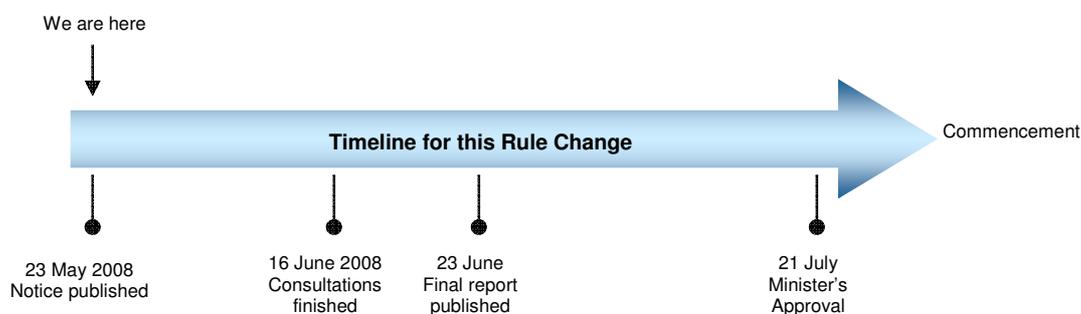
Section 2.5.9 states:

*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.*

As this change includes amending protected provisions, clauses 2.13.8 and 4.16.4, any change resulting from this proposal must be approved by the Minister for Energy after the IMO's Final Report is published.

The projected timelines for processing this proposal are:



### 3. CONSULTATION

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

The IMO would prefer to receive written input on the proposal from Rule Participants, using the submission form available on the Market Rule Change summary page on the IMO website:

**[http://www.imowa.com.au/10\\_5\\_1\\_MarketRulesChangeSummary.html](http://www.imowa.com.au/10_5_1_MarketRulesChangeSummary.html)**.

The IMO prefers to receive submissions by email to **[marketadmin@imowa.com.au](mailto:marketadmin@imowa.com.au)**.

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

Independent Market Operator  
Attn: Dora Guzeleva, Manager Market Administration  
PO Box 7096  
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

#### 4. PROPOSED AMENDING RULES

The IMO proposes the following amendments to the Market Rules (~~deleted words~~, added words):

##### **Clause 2.13.8 (b)**

- 2.13.8. If System Management becomes aware of an alleged breach of the Market Rules or Market Procedures as a result of its monitoring activities, then it must:
- (a) record the alleged breach of the Market Rules or Market Procedures; and
  - (b) notify the IMO of the alleged breach in accordance with clause ~~2.13.4~~ 2.13.6 or, in the case of an alleged breach by the IMO, notify the person referred to in clause 2.13.1 in accordance with clause 2.13.5.

##### **Clause 4.16.4 (e)**

- 4.16.4. In conducting the review required by clause 4.16.3, the IMO must assess the appropriateness of the following values specified in Appendix 4 for calculating the Maximum Reserve Capacity Price:
- [Balance of clause not changed]
- (e) the capital cost of a pipeline lateral of reasonable length to connect to a main gas pipeline (so as to allow for ~~due~~ dual fuel capability);
  - (f) the estimate of the fixed operating and maintenance costs for a typical open cycle gas turbine power station and the transmission facilities described in (c);
  - (g) a margin allowed for legal, approval and financing costs; and

##### **Clause 4.26.2**

- 4.26.2. The IMO must determine the capacity shortfall ("**Capacity Shortfall**") in Reserve Capacity supplied by each Market Participant  $p$  holding Capacity Credits in each Trading Interval  $t$  of Trading Day  $d$  and Trading Month  $m$  relative to its Reserve Capacity Obligation Quantity as:

[Balance of clause not changed]

$RTFO(p,d,t)$  is the total MW quantity of Forced Outage associated with Market Participant  $p$  in real-time for Trading Interval  $t$  of Trading Day  $d$ , where this is the sum over all the Market Participant's Registered Facilities of the lesser of the Reserve Capacity Obligation Quantity of

the Facility for Trading Interval t and the MW Forced Outage of the Facility for Trading Interval t as provided to the IMO by System Management in accordance with clause ~~7.13.1(e)~~ 7.13.1A (b);

[Balance of clause not changed]

**Clause 6.14.4 (b)**

6.14.4. For the purposes of clause 6.14.3:

- (a) the “Operational System Load Estimate” for a Trading Interval is the estimate that the IMO receives from System Management of the total Loss Factor adjusted MWh consumption supplied via the SWIS during that Trading Interval. This estimate equals the total loss adjusted generator sent out energy as estimated from generator operational meter data and the use of state estimator systems;
- (b) [Blank] ~~the “Resource Plan Load” for a Trading Interval is total consumption as specified in applicable Resource Plans relating to that Trading Interval, including for Interruptible Loads, Curtailable Loads, Dispatchable Loads and Non-Dispatchable Loads; and~~

[Balance of clause not changed]

**Clause 7.7.5A (b)**

7.7.5A. For the purpose of determining the quantity described in clause 6.17.6(c)(i) for each Trading Interval the quantity is:

- (a) where System Management has been provided with information in accordance with clause 7.7.5B, System Management’s estimate of the MWh reduction in output, by Trading Interval, of the Non-Scheduled Generator as a result of System Management’s Dispatch Instruction; or
- (b) in the case of a Non-Scheduled Generator included in a Resource Plan, for which System Management has not been provided with information in accordance with clauses ~~7.7.5B~~, the greater of zero and the MWh difference between the Resource Plan MWh quantity of the Non-Scheduled Generator less the MWh output of the Non-Scheduled generator over the Trading Interval implied by its Dispatch Instruction.

**Clause 9.10.1**

9.10.1. The Commitment and Outage Compensation settlement amount for Market Participant p for Trading Month m is:

$$\begin{aligned} \text{COCSA}(p,m) &= (\text{Com\_Compensation}(p,m) + \text{Out\_Compensation}(p,m)) \\ &\quad - \{ \text{Consumption\_Share}(p,m) \times \text{Sum}(q, \text{Com\_Compensation}(q,m)) \\ &\quad + \text{Out\_Compensation}(q,m) \} \end{aligned}$$

Where

[Balance of clause not changed]

### ***Appendix 5, Step 6***

STEP 6: Calculate the values of  $d(u,i)$  for Non-Temperature-Sensitive Dependent Loads,  $d(v,i)$  for Temperature Dependent Loads and  $d(w,i)$  for Intermittent Loads such that:

- $d(u,i)$  has a value of zero if meter  $u$  measures Intermittent Load or was not registered to Market Customer  $i$  during Trading Month  $n-3$ , otherwise it has a value equal to the number of full Trading Days the meter was registered to Market Customer  $i$  in Trading Month  $n-3$  divided by the number of days in Trading Month  $n-3$ .

[Balance of clause not changed]

### ***Appendix 11, Glossary***

**Resource Plan Load:** ~~Has the meaning given in clause 6.14.4(b).~~

## 5. 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).

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 the IMO considers have an interest in the change.