
Wholesale Electricity Market Market Rule Change Proposal

Rule Change ID: RC_2008_21

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Submitted by

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Date submitted:	4 June 2008
Urgency:	Normal
Change Proposal title:	Local Black System Procedures
Market Rule(s) affected:	Clause 3.7

Introduction

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

Independent Market Operator

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The proposal 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 3.7 of the Market Rules deals with system restart (or “black start”) arrangements. This provision requires System Management to make operational plans and preparations to restart the SWIS in the event of a supply shutdown, and also requires System Management to use its reasonable endeavours to restart the system in the event of a shutdown.

To that end, System Management has entered into a deed for the provision of system restart service, and is currently assessing the adequacy of the service which has been procured.

As part of its assessment, System Management has undertaken a review of the existing arrangements for restarting the SWIS and has identified the need for information to be provided to assist it in understanding the likely condition and capabilities of plant following a system shutdown or major system disturbance. Provision of full and accurate information is important as this allows System Management to be fully informed of the technical requirements and limitations of generating facilities connected to the SWIS.

The Market Rules do not currently mandate that generators provide and maintain this information.

System Management therefore proposes a rule change which will address this deficiency. The rule change will require generators to develop “local black system procedures” and supply these to System Management when requested. System Management will also be required to develop guidelines which will assist generators in the preparation of these documents. It is anticipated that the guidelines will include:

- general information on the power station;
- assessment of the emergency situation and safe shut down of generating units;
- restart of generators and high-level strategies followed by power stations in the event of a major supply disruption;
- technical and operational information needing to be considered in developing system restart plans; and
- specific information to be provided by embedded generation and wind generation.

System Management will use the local black system procedures as a major input into developing detailed electrical sub-network restart procedures.

Clause 4.8.12 of the National Electricity Rules mandates that generators in the NEM prepare similar documents for the approval of NEMMCO.

2) Explain the reason for the degree of urgency:

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System Management submits that the above rule changes be proceeded with under the standard 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 ~~strikethrough~~ where words are deleted and underline words added)

- 3.7.3 System Management must from time to time publish guidelines for the preparation of Local Black System Procedures.
- 3.7.4 Where System Management has published guidelines under clause 3.7.3, each Scheduled Generator and Non-Scheduled Generator must develop Local Black System Procedures in accordance with those guidelines.
- 3.7.5 Local Black System Procedures must provide sufficient information to enable System Management to understand the likely condition and capabilities of Facilities following any major supply disruption or system shutdown such that System Management is able to make the operational plans and preparations referred to in clause 3.7.1.
- 3.7.6 Each Scheduled Generator and Non-Scheduled Generator must submit its Local Black Start Procedures to System Management upon request. System Management may request that a Scheduled Generator or Non-Scheduled Generator review and amend its Local Black System Procedures.
- 3.7.7 A request made by System Management under clause 3.7.6 must be complied with.

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 change would significantly assist System Management in the preparation of plans to restart the network, thereby promoting the safe and reliable production and supply of electricity.

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

The proposed change is likely to cause generator owners to incur costs in compliance. However, it is expected that these costs would be minimal, as generators are likely to maintain much of the necessary information anyway. Further, it is submitted that the benefits of the

change – greater clarity and rigour in the documentation of a generation facility’s capabilities in the event of a system shutdown – outweigh the costs.