



Independent Market Operator

Rule Change Notice

Title: Update to Protected Provisions

Ref: RC_2009_02

Fast Track Rule Change Process

Date: 22 January 2009

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1. THE RULE CHANGE PROPOSAL

1.1. The Submission

On 14 January 2009 the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding changes to clause 2.8.13 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 within 7 Business Days of receiving a Rule Change Proposal.

1.1.1 Submission details

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Date submitted:	14 January 2009
Urgency:	Low
Change Proposal title:	Update to Protected Provisions
Market Rule(s) affected:	Clauses 2.8.13

1.2. Details of the Proposal

The IMO has determined that an update to the protected provisions listed under clause 2.8.13 needs to be made to take into account the changes which resulted from the IMO's Rule Change Proposal: Reserve Capacity Security (RC_2008_30).

To improve the efficiency of the provisions regarding administering the return of Reserve Capacity Security, clauses 4.13.10 and 4.13.11 were restructured in the Amending Rules which resulted from RC_2008_30. Whilst these two clauses are protected provisions under clause 2.8.13 of the Market Rules, the restructuring of the Amending Rules has meant that some of the content which was previous protected under these provisions is now contained in 4.13.10A, 4.13.11A, and 4.13.11B which are not protected provisions. The IMO's view is that it is appropriate that the new Amending Rules are also protected by the Ministerial approval process required under clause 2.8.13.

1.3. The Proposal and the Wholesale Market Objectives

The IMO considers that the proposed Amending Rules do not impact on, and therefore are consistent with, the operation 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 IMO's preliminary assessment indicated that the proposal is consistent with the Wholesale Market Objectives.

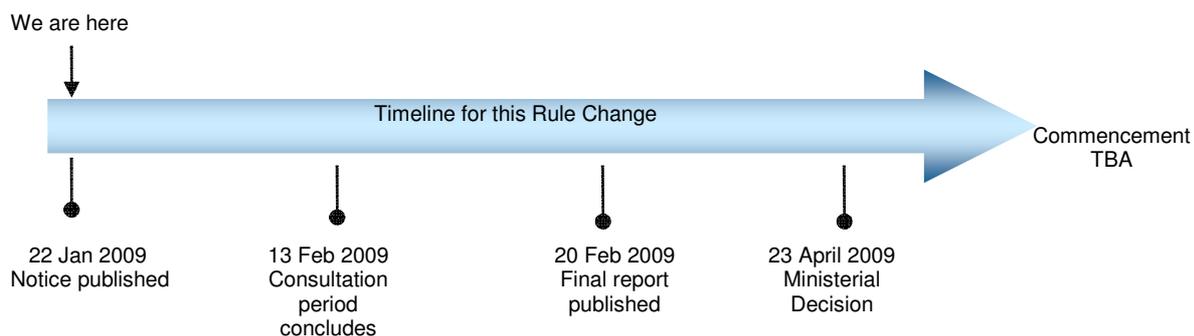
The IMO has decided to process this Rule Change Proposal using the Fast Track Rule Change Process, described in section 2.6 of the Market Rules, on the basis that it satisfies the criteria in section 2.5.9(a) of the Market Rules. All amendments included in this proposal are of a procedural nature.

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.*

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 prefers to receive submissions by email to **marketadmin@imowa.com.au** using the submission form available on the IMO website:

http://www.imowa.com.au/10_5_1_MarketRulesChangeSummary.html

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

4. PROPOSED AMENDING RULES

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

- 2.8.13. The following clauses are Protected Provisions:
- (a) clauses 1.1 to 1.3 and 1.5 to 1.9 ;
 - (b) clauses 2.1 to 2.24, 2.28, 2.31.1, 2.31.3, 2.31.5(a), 2.31.6, 2.34.1 and 2.36.1;
 - (c) clauses 3.15, 3.18.18 and 3.18.19;
 - (d) clauses 4.1.4 to 4.1.12, 4.1.15 to 4.1.19, 4.1.21, 4.1.22, 4.1.24, 4.1.27, 4.5.10, 4.5.11, 4.5.15 to 4.5.20, 4.13.10, 4.13.10A, 4.13.11, 4.13.11A, 4.13.11B, 4.16, 4.24.1, 4.24.2 and 4.24.12;
 - (e) clauses 5.2.3, 5.2.7 and 5.5.1;
 - (f) clauses 9.16.3, 9.16.4 and 9.20.2; and
 - (g) clauses 10.1.1, 10.1.2, 10.2.1, 10.3 and 10.4.

5. ABOUT RULE CHANGE PROPOSALS

Market Rule 2.5.1 of the Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form and submit this to the 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.