



Independent Market Operator

Rule Change Notice

**Title: Approval of proposed
new, amended, and
replacement Market
Procedures**

Ref: RC_2009_04

Fast Track Rule Change Process

Date: 20 February 2009

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1. THE RULE CHANGE PROPOSAL

1.1. The Submission

On 18 February 2009 the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding changes to clauses 2.10.6, 2.10.13, 2.10.14, 2.10.15, 2.10.16 and the Glossary 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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Address:	Level 3, Governor Stirling Tower, 197 St George's Terrace
Date submitted:	18 February 2009
Urgency:	Medium
Change Proposal title:	Approval of proposed new, amended, and replacement Market Procedures
Market Rule(s) affected:	Clauses 2.10.6, 2.10.13, 2.10.14, 2.10.15, 2.10.16 and Glossary

1.2. Details of the Proposal

Clauses 2.10 and 2.11 of the Market Rules outline the process for amending Market Procedures.

A Procedure Change Proposal is defined as a proposal developed by the IMO or System Management to initiate a Procedure Change Process. In other words, the Procedure Change Proposal is the originating document.

A Procedure Change Report is currently defined as a final report published by the IMO or System Management in relation to a Procedure Change Proposal. In other words, this is the final document for a procedure change. An amendment to this glossary term is also proposed as part of this Rule Change Proposal.

Clause 2.10.14 of the Market Rules is the clause under which the IMO may approve or reject System Management's proposed procedure changes. The clause currently states that the IMO's role is deciding whether to approve a Procedure Change **Proposal** prepared by System Management. Given that this document undergoes a public consultation process, which potentially could result in amendments to the originally proposed wording, the IMO proposes that the Market Rules should be amended to clarify that the IMO's role is not to decide whether to approve the original document, but rather to approve the wording of the proposed Market

Procedure, or amendment to or replacement for the Market Procedure, contained in the Procedure Change Report.

Additionally, the IMO proposes to correct the patently incorrect reference to Proposals 'published' by System Management in clause 2.10.14 and in the glossary definition of Procedure Change Report. Proposals are developed either by the IMO or by System Management, and are published by the IMO. The opening words of clause 2.10.14 are clearly intended to refer to those proposals *developed* by System Management.

The IMO also proposes, in a number of clauses, to improve the language surrounding proposed amendments to Market Procedures by the IMO or by System Management to read "...an amendment to" rather than "...an amendment of".

1.3. The Proposal and the Wholesale Market Objectives

The IMO considers that the proposed changes, which clarify the IMO's role in approving System Management's proposed Market Procedures, are consistent with the 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. At its meeting on 11 February 2009, the Market Advisory Committee agreed with the IMO's assessment, and endorsed the fast tracking of this proposal.

Section 2.5.9 states:

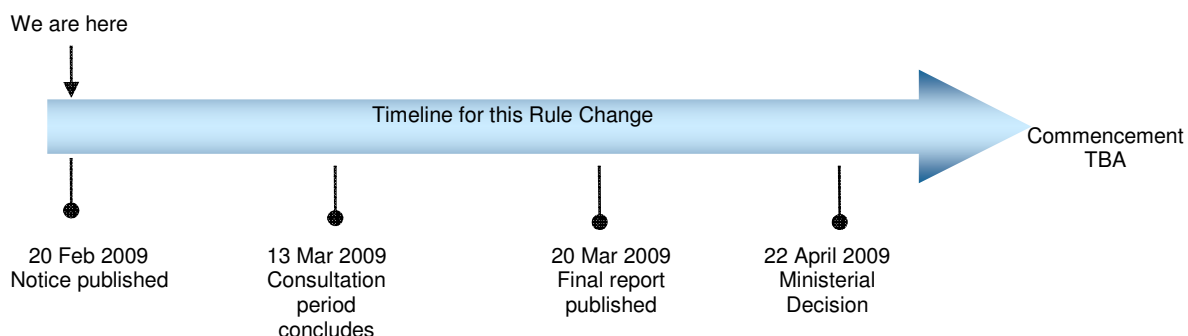
The IMO may subject a Rule Change Proposal to the Fast Track Rule Change Process if, in its opinion, the Rule Change Proposal:

(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 and System Capacity
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):

2.10.6. A Procedure Change Proposal must include:

- (a) a proposed Market Procedure or an amendment ~~of~~ to or replacement for a Market Procedure, indicating the proposed amended words, or a proposed Market Procedure; and
- (b) the reason for the proposed Market Procedure or an amendment ~~of~~ to or replacement for a Market Procedure or proposed Market Procedure.

2.10.13. The Procedure Change Report must contain:

- (a) the wording of the proposed Market Procedure or amendment ~~of~~ to or replacement for the Market Procedure;
- (b) the reason for the proposed Market Procedure or amendment ~~of~~ to or replacement for the Market Procedure;
- (c) all submissions received before the due date for submissions, a summary of those submissions, and the response of the IMO or System Management, as applicable, to the issues raised in those submissions;
- (d) a summary of the views expressed by the Market Advisory Committee;
- (e) in the case of a Procedure Change Proposal developed by the IMO, a proposed date and time for the Market Procedure or amendment or replacement to commence, which must, in the IMO's opinion, allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it; and
- (f) in the case of a Procedure Change Proposal developed by System Management, a recommendation for a date and time for the Market Procedure, amendment or replacement to commence which, in System Management's opinion, allows sufficient time after the date of publication of the IMO's approval of the Procedure Change Proposal under clause 2.10.12, for Rule Participants to implement changes required by it.

2.10.14. For Procedure Change Proposals ~~published~~ developed by System Management, the IMO must within 10 Business Days of the publication of the Procedure Change Report make a decision as to whether to approve the ~~Procedure Change Proposal~~

proposed Market Procedure or amendment to or replacement for the Market Procedure. The IMO may:

- (a) approve the ~~Procedure Change Proposal~~ proposed Market Procedure or amendment to or replacement for the Market Procedure; or
- (b) reject the ~~Procedure Change Proposal~~ proposed Market Procedure or amendment to or replacement for the Market Procedure.

2.10.15. Where the IMO approves a ~~Procedure Change Proposal~~ proposed Market Procedure or amendment to or replacement for the Market Procedure from System Management, it must notify System Management and the IMO must publish, the following information:

- (a) that the ~~Procedure Change Proposal~~ proposed Market Procedure or amendment to or replacement for the Market Procedure is approved;
- (b) the IMO's reasons for the decision; and
- (c) a date and time for the Market Procedure, amendment or replacement to commence, which must, in the IMO's opinion, allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it.

2.10.16. Where the IMO rejects a ~~Procedure Change Proposal~~ proposed Market Procedure or amendment to or replacement for the Market Procedure from System Management:

- (a) the IMO must:
 - i. notify System Management; and
 - ii. publish the following information:
 - 1. that the ~~Procedure Change Proposal~~ proposed Market Procedure or amendment to or replacement for the Market Procedure is rejected; and
 - 2. the IMO's reasons for the decision; and
- (b) in the case of a ~~Procedure Change Proposal~~ proposed Market Procedure or amendment to or replacement for the Market Procedure required by an Amending Rule, System Management must submit a revised Procedure Change Proposal in accordance with clause 2.10 that complies with the Amending Rule and is acceptable to the IMO. The provisions of clause 2.10 apply to any revised Procedure Change as if it were a new Procedure Change Proposal by System Management.

Chapter 11 Glossary

Procedure Change Report: A final report published prepared by the IMO or System Management in relation to a Procedure Change Proposal, containing the information described in clause 2.10.13.

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.