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## Wholesale Electricity Market Rule Change Proposal

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**Change Proposal No:** RC\_2009\_24  
**Received date:** 20/07/2009

### Change requested by

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<b>Date submitted:</b>	20/07/2009
<b>Urgency:</b>	Fast Track Rule Change Process
<b>Change Proposal title:</b>	Market Procedure Change Process Timelines
<b>Market Rule(s) affected:</b>	2.10.4 and 2.10.11

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### Introduction

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the Independent Market Operator (IMO)) may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the IMO.

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

**Independent Market Operator**

Attn: Manager Market Administration and System Capacity  
PO Box 7096  
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4339  
Email: [marketadmin@imowa.com.au](mailto:marketadmin@imowa.com.au)

The IMO will assess the proposal and, within five Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the change proposal must 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.

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## **Details of the proposed Market Rule Change**

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### **1. Describe the concern with the existing Market Rules that is to be addressed by the proposed Market Rule change:**

#### **Background**

Clauses 2.10 and 2.11 of the Wholesale Electricity Market Rules (Market Rules) outline the process for amending Market Procedures.

Either the IMO or System Management may initiate the Procedure Change Process by developing a Procedure Change Proposal.

In the case that System Management develops a Procedure Change Proposal they must provide the proposal to the IMO for publication (clause 2.10.4). If the IMO develops a Procedure Change Proposal it must also publish it on the IMO's webpage (clause 2.10.5).

Likewise, following the conclusion of the public consultation process for a Procedure Change Proposal, the IMO or System Management, as applicable, must prepare a Procedure Change Report on the proposal (clause 2.10.10). If System Management prepares the Procedure Change Report then they must provide it to the IMO and the IMO must publish it (clause 2.10.11). The IMO must also publish Procedure Change Reports which it prepares (clause 2.10.12).

#### **Issue**

There is currently an inconsistency between detail provided in the Market Rules regarding the timeframes for publication associated with the Rule Change Process and the Procedure Change Process.

For example, clause 2.5.7 of the Market Rules states that:

*“When it has developed a Rule Change Proposal, or within seven Business Days of receiving a Rule Change Proposal under clause 2.5.1, the IMO must publish notice of the Rule Change Proposal on the Market Website...”*

This provides a transparent timeframe around the publication of Rule Change Proposals received from other parties and results in a consistent approach being taken during the Rule Change Process.

The current Procedure Change Process is open ended with regards to the timeframes for publishing System Management’s Procedure Change Proposals and Procedure Change Reports. Recent experience and discussions held between the IMO and System Management has indicated that the current open ended timeframes lack transparency and potentially reduce the integrity of the Procedure Change Process.

## **Proposal**

To address this issue, the IMO proposes that clauses 2.10.4 and 2.10.11 of the Market Rules be amended to incorporate a timeframe of five Business Days for publishing both Procedure Change Proposals and Procedure Change Reports on the IMO’s webpage.

These timeframes have been based on the provisions outlined in section 2.5 and section 2.7 of the Market Rules for the Standard Rule Change Process and in discussion with System Management. The IMO considers that these timeframes will allow sufficient time for the publication of Procedure Change Proposals and Procedure Change Reports.

The IMO considers that these changes will allow for similar levels of rigour to be applied to the Procedure Change Process as the Rule Change Process. Additionally, this Rule Change Proposal will allow for a greater level of transparency and consistency when publishing these documents.

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## **2. Explain the reason for the degree of urgency:**

This pre-rule change discussion paper consists of a procedural correction to provide a timeframe for the publication of Procedure Change Proposals and Procedure Change Reports on the IMO’s webpage. It does not seek to amend the operation of the Market Rules. As such, it fulfils sub-clause 2.5.9(a), in that it is of a procedural nature, and therefore may be fast-tracked:

*2.5.9. 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;*
- (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.*
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**3. Provide any proposed specific changes to particular Rules:** (for clarity, please use the current wording of the Rules and place a ~~strickthrough~~ where words are deleted and underline words added)

- 2.10.4. Where the Procedure Change Proposal is developed by System Management, System Management must provide the Procedure Change Proposal to the IMO, and the IMO must publish it within five Business Days.
- 2.10.11. Where the Procedure Change Report is prepared by System Management, System Management must provide the Procedure Change Report to the IMO, and the IMO must publish it within five Business Days.
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**4. Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:**

The IMO considers that the proposed Amending Rules will improve the integrity of the Market Rules, and are consistent with the Wholesale Market Objectives.

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**5. Provide any identifiable costs and benefits of the change:**

**Costs:**

The proposed changes will not require changes to the Wholesale Electricity Market Systems.

**Benefits:**

The proposed changes will provide for:

- Greater transparency and consistency with regards to the publication of Procedure Change Proposals and Procedure Change Reports;
- A similar level of rigour being applied to Procedure Change Process as the Rule Change Process; and
- Greater integrity of the Procedure Change Process.