

Wholesale Electricity Market Rule Change Proposal

Change Proposal No: RC_2010_21

Received date: 18 October

Change requested by:

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Date submitted:	15 October 2010
Urgency:	Low
Change Proposal title:	Excluding Providing Price Related Standing Data to System
	Management
Market Rule affected:	2.34.1

Introduction

Clause 2.5.1 of the Wholesale Electricity Market Rules (Market Rules) provides that any person (including the Independent Market Operator (IMO)) may make a Rule Change Proposal by submitting a completed Rule Change Proposal form to the IMO.

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

Independent Market Operator

Attn: General Manager, Development

PO Box 7096

Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4339

Email: market.development@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 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.

Details of the proposed Market Rule Change

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

Background

Standing Data is the data required to be maintained by the Independent Market Operator (IMO) for use by:

- the IMO in market processes; and
- System Management in dispatch processes.

Standing Data includes all the data described in Appendix 1 of the Wholesale Electricity Market Rules (Market Rules).

Clause 2.34.1(b) of the Market Rules currently requires the IMO to provide Standing Data to System Management. However, some of the information in Appendix 1 relates to prices (for example (c) v and vi, (h) vi and (i) xA).

A similar problem existed with clause 2.34.12 in that the IMO had an obligation to consult with System Management before making a decision to require a Market Participant to provide updated Standing Data. This provision applied to all standing data, even that related to pricing.

In 2008 System Management submitted a Rule Change Proposal¹ to rectify this issue, noting that:

 "System Management considers that it is inappropriate that the provision continue in its current broad form, and suggests it be constrained to only non-pricing related data"; and

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¹ Refer: www.imowa.com.au/RC 2008 04



• "The changes [from RC_2008_04] would delete an inappropriate provision, which is System Management being consulted about price related standing data".

Issue

The Market Rules currently require the IMO to provide Standing Data, including price related data, to System Management. The IMO considers that this is inappropriate and inconsistent with the changes arising from RC_2008_04.

Proposal

The IMO proposes to amend the Market Rules to ensure that price related Standing Data is not provided to System Management.

2. Explain the reason for the degree of urgency:

The IMO proposes that this Rule Change Proposal be progressed through 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 <u>underline</u> words added)

2.34.1. The IMO must:

- (a) maintain a record of the Standing Data described in Appendix 1, including the date from which the data applies; and
- (b) provide the Standing Data excluding any Standing Data that concerns prices, and any revisions of the that Standing Data, to System Management as soon as practicable.
- 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 changes, which will improve the integrity of the Market Rules, are consistent with the operation of the Wholesale Market Objectives.

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

Costs: No costs associated with implementing this proposed change have been identified.

Benefits: The proposed changes will:

remove an inappropriate provision from the Market Rules; and



