
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2010_24 Adjustment of Relevant Level for Intermittent Generation Capacity

Submitted by

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Submission

1. Please provide your views on the proposal, including any objections or suggested revisions.

System Management agrees with the intention of the proposal. However, System Management believes that as it currently stands, the process set out within the Rule Change Proposal ie the requirement to send information on a daily basis, imposes an unnecessary additional compliance burden. System Management has discussed these concerns with the IMO and understands the IMO recognises this issue.

Currently the proposal requires System Management to send a schedule of all instructions to curtail Verve intermittent generators 'by 12pm on the first Business Day following the day on which the Trading Day ends' pursuant to proposed clauses 7.13.1(cC) and 7.13.1(eD) of the Market Rules. New clauses 7.13.1 (cC) and 7.13.1(eD) proposed is provided below:

'Clause 7.13.1(cC): a schedule of all instructions provided to the Electricity Generation Corporations Non-Scheduled Generators to deviate from its Dispatch Plan or change its commitment of output in accordance with clause 7.6A.3 for each Trading Interval of the Trading Day;

Clause 7.13.1(eD): the estimated decrease, in MWh, in the output of each Electricity Generation Corporation Non-Scheduled Generator as a result of a instruction from System Management to deviate from its Dispatch Plan or change its commitment or output in accordance with clause 7.6A.3(a), as determined in accordance with clause 7.7.5E, where this is to be used in the calculation of the Relevant Level described in clause 4.11.3A;...'

The information relating to the curtailment of non-scheduled generators owned by Verve Energy is used annually in the Certification of the Reserve Capacity (which is normally an annual event). As such, provision of this information on a daily basis, rather than aggregated annually, serves no purpose and results in System Management and the IMO incurring unnecessary additional IT system costs.

System Management proposes the obligations above should instead be placed in Chapter 4 of the Market Rules, and involve System Management providing the necessary information to the IMO 10 business days after a request is issued by the IMO. This change would also need to be reflected in clause 4.11.3A(cB) of the Market Rules.

Additionally Dispatch Instructions for Non-Verve Intermittent Generator loads as contemplated by clause 7.13.1(c), are not sent to the IMO due to a historical agreement between System Management and the IMO.

Hence implementation of clause 4.11.3A(a)(i) of the Market Rules, given below, serves problematic.

“Clause 4.11.3A(a)(i): was owned, controlled or operated by a Market Participant other than the Electricity Generation Corporation and:

- 1. was affected by a Planned Outage or Consequential Outage as notified under clause 7.13.1A; or*
- 2. was issued a Dispatch Instruction from System Management as notified under clause 7.13.1(c); or...”*

System Management suggests the proposed clause should be amended as follows:

“Clause 4.11.3Aa)(i) was issued a Dispatch Instruction from System Management for which the curtailment amount was notified under clause 7.13.1(eB);”

2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.

System Management believes that the proposed changes addresses the concerns expressed.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

This Rule Change Proposal will involve changes to System Management’s IT systems, PSOP’s and associated internal processes.

Costs involved in progressing IT changes to implement this Rule Change Proposal have not yet been evaluated by System Management, as there is no IMO Interface Specification to cost to. It is expected that IT interface modifications to reflect changes highlighted in the Rule Change Proposal would prove significant.

However, adoption of System Management’s proposed amendments in this submission requires only changes to its internal processes ie no associated IT system upgrade costs.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

The expected implementation date of this Rule Change Proposal has not been estimated as there is no IMO Interface Specification to cost to. It is expected that modifications to the interface specification will be costly and time consuming.

If the amendments proposed in this submission are accepted, System Management will be able to amend its internal processes to implement this Rule Change prior to the Rule Change commencement date.