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## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2010\_29 Curtailable Loads and Demand Side Programmes

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#### Submitted by

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<b>Date submitted:</b>	31 January 2011

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#### Submission

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

System Management is pleased to make this submission on the

Rule Change Notice Title: Curtailable Loads and Demand Side Programmes  
Ref: RC\_2010\_29  
Standard Rule Change Process  
Dated 6 December 2010

System Management System Management supports the changes to a Demand Side Program (DSP), rather than the current individual curtailable load facility as it enables efficient dispatch by allowing instructions to be given to a program rather than a number of individual loads.

In the first part of its response System Management will follow the issues list given in the Rule Change Notice

#### Issue 1: Registration of Curtailable Loads

The agreed outcome is that a Market Participant (by definition a Market Generator or a Market Customer) is able to contract for Reserve Capacity associated with curtailable loads. In essence this is understood to mean that the Market Participant who is registered as a Market Generator or a Market Customer can register a DSP.

The minutes of the MAC meeting of 12 May 2010 state

“It was noted that registration of Curtailable Loads only works for individual loads and not for aggregators. Mr Huxtable queried whether the proposed change would create a new participant class. Mr Forward confirmed that this was the case.”

The proposed rule changes do not mention a new rule participant class.

System Management suggest that it would be consistent if rule 2.28.1 be expanded to include a rule participant called Demand Side Programme Provider and new rules be added which state

“A person who contracts for Reserve Capacity associated with a Demand Side Programme must register as a Demand Side Programme Provider”;

and

“A person who intends to contract for Reserve Capacity associated with a Demand Side Programme must register as a Demand Side Programme Provider”;

This would make the proposed rule change 2.29.5A redundant and 2.29.5 would need to change to “A Demand Side Programme Provider ..” and A new definition in the Glossary

### Issue 2: Facility Definition

System Management believes the proposed rule changes appear to cover the agreed outcome of the registration of the DSP as a Facility and allow over subscription

System Management still has an issue in the dispatch of DSP however. The rules allow for three blocks within a demand side program. There is no minimum size for these blocks, so the dispatch of a block could be for a quantity of 0.001MW, being the minimum reserve capacity size. Additionally a DSP provider may register many DSP facility each of which may also be 0.001MW.

System Management suggest the follow additions to overcome these outcomes.

4.10.1(f)vii. With only one block of having its expected Reserve Capacity to be less than 10 MW

2.29.5x

A Demand Side Programme Provider may not register a Demand Side Programme if it already has registered a Demand Side Programme whose reserve capacity is less than 10MW

### Issue 3 Market Fees

System Management does not wish to comment on this issue

### Issue 4 Measurement of CL Performance

System Management believes the proposed rule changes appear to cover the agreed outcome the Relevant Demand be programme based and based on the IRCR intervals

### Issue 5 Capacity Cost Refunds

System Management believes the proposed rule changes appear to cover the agreed outcome that Capacity Costs Refunds are made if a DSP is not filled

### Issue 6 Reserve Capacity Security

System Management does not wish to comment on this issue

### Issue 7 Stipulated Default Loads

System Management believes the proposed rule changes appear to cover the agreed outcome that Stipulated Default Load should be removed

### Issue 8 Potential Double Payment

System Management believes the proposed rule changes appear to cover the agreed outcome that no payment shall be made for Reserve Capacity or Verification test.

### Other Issues

System management believes there are a further three related practical issues that should be addressed

#### Other Issue 1 Ramp Rate in Rule 7.7.3

The proposed Rule change correctly adds a “required decrease in MW” which is appropriate for DSP.

System Management believes 7.7.3(e) should be amended to cater for the fact that a DSP has no ramp rate stipulated in standing data however this rule requires one be stated.

System Management suggest amending this rule to be “For a Scheduled Generator, Non-Schedule Generator or Dispatchable Load the ramp rate required ...”

Essentially the notion of ramp rate is removed from the rules for Demand Side Programs

#### Other Issue 2 Notification Time in Rule 7.7.10

System Management believes that this rule restricts issue of dispatch instructions to be before 4 hours before response. System Management believes it should be before the notification time as stated in standing data. That is if the notification time is 1 hour System Management should not be restricted to giving a 4 hour notification.

System Management suggest deleting 7.7.10(a) as rule 7.7.2(c) already requires system management to take into account the response time given in the standing data for all facilities.

#### Other Issue 3 Standing Data

System Management dispatchs DSPs in accordance with Rule 7.7.4A (as adjusted by this rule change).

“When selecting Demand Side Program from the Dispatch Merit Order System Management must select them in accordance with the Power System Operations Procedure, where the selection process specified in the Power System Operations Procedure must only discriminate between Demand Side Program based on size of the capacity, response time, availability and cost of different Demand Side Program.”

In order to do this effectively System Management must have the full details of the DSP as given in 4.10.1(f). Appendix 1. Standing data should be amended to include the availability of the DSP. The data currently not given is the availability being

- The number of curtailment in a capacity year.
- The total duration of curtailments in a capacity year
- The times during the day the DSP is available
- Any restrictions on curtailment, such as no more than 3 consecutive days, not on weekends

In addition the consumption decrease price for on peak and off peak must be given to System Management to enable it to comply with rule 7.7.4(A)

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

System Management believes that the proposed changes with the suggestions from System Management addresses the concerns expressed.

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### **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 to accept the new class of facility registration.

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 to be minimal.

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**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 able to amend its IT systems prior to the Rule Change commencement date.