

The background of the lower half of the page is a photograph of a wind farm and power lines, overlaid with a semi-transparent blue filter. On the left, several white wind turbines are visible, their blades extending outwards. On the right, a tall, lattice-structured power line tower stands prominently. The overall scene is set against a clear sky.

Independent Market Operator

Final Rule Change Report

**Title: Extensions to Procedure
Change Process Timelines**

Ref: RC_2011_12

Date: 22 November 2011

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EXECUTIVE SUMMARY

Proposed Amendments

The IMO's Rule Change Proposal seeks to allow the IMO to issue an extension to any of the timelines associated with the Procedure Change Process, set out in clauses 2.10.7 (the public consultation period) and 2.10.14 (the IMO's decision to accept or reject a new or amended Market Procedure developed by System Management).

Consultation

- The Rule Change Proposal was formally submitted on 24 October 2011 and progressed by the IMO using the Fast Track Rule Change Process.
- The IMO received requests to be consulted on the Rule Change Proposal by System Management and Perth Energy. The IMO requested consultation be undertaken via written submission. System Management provided a written submission raising concerns with the proposed amendments as they could create an inconsistency in the decision making process for timeframe extensions and result in multiple/continuous deferrals in procedure change timeframes. Perth Energy did not provide a written submission during the consultation period
- Out of session submissions were received from Landfill Gas & Power, Perth Energy (late submission) and Synergy which supported the proposed amendments, albeit with Synergy suggesting that the IMO consider implementing a timeline around when Procedure Change Reports must be published.

Assessment against Wholesale Market Objectives

The IMO considers that the proposed amendments, which will improve administrative ease and ensure sufficient consultation can be undertaken on proposed amendments to the Market Procedures, is consistent with the Market Objectives.

Practicality and Cost of Implementation

The proposed amendments will not require a change to the IMO or System Management's IT or business systems. No issues with the practicality of implementing the amendments have been identified.

The IMO's Decision

The IMO's decision is to accept the Rule Change Proposal as amended following the consultation period.

Next steps

The amendments to the Market Rules resulting from this Rule Change Proposal will commence at **8:00am** on **1 January 2012**, subject to Ministerial approval being provided.

1. INTRODUCTION

On 24 October 2011 the IMO submitted a Rule Change Proposal regarding adding new clauses 2.10.17, 2.10.18 and 2.10.19 to the Market Rules.

This proposal was processed using the Fast Track Rule Change Process, described in section 2.6 of the Wholesale Electricity Market Rules (Market Rules).

The key dates in processing this Rule Change Proposal are:



2. PROPOSED AMENDMENTS

2.1 The Rule Change Proposal

In its Rule Change Proposal the IMO noted that there is no ability for the IMO to issue an extension to any of the timeframes outlined in section 2.10 of the Market Rules. In particular:

- The public consultation period on a Procedure Change Proposal prepared by either the IMO or System Management is restricted to twenty Business Days from the date the call for submissions on the Procedure Change Proposal is published to receive submissions (clause 2.10.7);
- The IMO is restricted to making a decision to approve or reject a proposed Market Procedure or amendment to a Market Procedure developed by System Management within 10 Business Days of publishing a Procedure Change Report (clause 2.10.14).

The inability to extend timeframes for the consultation period means that there can be insufficient time to consult on large amendments to existing Market Procedures or complicated new Market Procedures. In addition, if a further issue is identified during a consultation period there would be insufficient time to issue an addendum for consideration by industry.

Likewise, the 10 Business Day period for making a decision regarding proposed System Management Market Procedures creates administrative issues for the IMO when it assesses the proposed amendments. The restricted timelines can potentially affect the robustness of the IMO's review, undermining the Procedure Change Process and the confidence of Rule Participants in the Market Procedures.

These concerns are given greater focus in light of the forthcoming changes to the Market Rules resulting from the Market Evolution Program (MEP). In particular, the introduction of

the new Balancing rules will result in multiple Procedure Change Proposals entering the formal process in a short space of time. The potentially large number of Market Procedures out for consultation at once along with the principles based drafting approach (which will result in a substantive amount of detail being included in the Market Procedure) will require a considerable amount of consideration by interested parties during the consultation process and by the IMO in making its decision under clause 2.10.14.

The proposed amendments to the Market Rules outlined in the Rule Change Proposal will allow the IMO to extend the timelines for the Procedure Change Process, set out by clauses 2.10.7 and 2.10.14 of the Market Rules.

For further details refer to the Rule Change Proposal available in Appendix 1 of this report.

2.2 The IMO's Initial Assessment of the Proposal

The IMO decided to progress the Rule Change Proposal on the basis that Rule Participants should be given an opportunity to provide submissions as part of the rule change process.

The IMO decided to process the 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 criterion in clause 2.5.9(a) of the Market Rules. Clause 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 IMO considered that an optional extension of the Procedure Change Process timeline is procedural in nature, and this qualifies it for the Fast Track Rule Change Process under clause 2.5.9(a) of the Market Rules. In making this determination the IMO noted that the proposed amendments will enhance the process for amending or creating Market Procedures but will not otherwise affect the process that is prescribed in the Market Rules or undermine any of the protections provided. Providing for flexibility around timelines replicates the process provided for to amend or introduce new Amending Rules, and will improve the IMO's ability to consult on any amendment as well as administrative efficiency.

3. CONSULTATION

3.1 Views expressed by the Market Advisory Committee

The Market Advisory Committee did not meet to discuss the proposed amendments.

3.2 Consultation period

An invitation for all Rule Participants to contact the IMO, should they wish to be consulted on the Rule Change Proposal, was published on the IMO website on 24 October 2011, together with the Rule Change Notice.

The consultation period for the Rule Change Proposal was between 25 October 2011 and 15 November 2011. Interested stakeholders were requested to inform the IMO if they wished to be consulted on the Rule Change Proposal by 1 November 2011. The IMO received requests to be consulted on the Rule Change Proposal from System Management and Perth Energy during this period. The IMO subsequently requested that this consultation take place via written submissions to be provided during the consultation period. The IMO only received a submission from System Management. The main points raised in that submission are summarised below, with the full text of the submission available on the IMO website.

System Management raised the following two concerns with the proposed amendments:

- that there is currently no guidance as to when it may be appropriate for the IMO to exercise the discretion to extend the process timeframes (potentially resulting in inconsistent application as the amendments lack a degree of transparency); and
- that there is no right of appeal to a decision to extend the timeframes or limit to the length or number of extensions that may be granted. This creates the risk of multiple and/or continuous timeframe deferrals.

System Management supported the concept of providing sufficient time to the market for consultation and was supportive of improving administrative efficiency. System Management considered that if the issues identified in its submission were sufficiently addressed the proposed change will better facilitate the achievement of the Market Objectives.

3.3 Out of Session Submissions

The IMO received out of session submissions from Landfill Gas & Power (LGP), Perth Energy (as their submission was received after the end of the consultation period) and Synergy. A copy of the full text of all out of session submissions is available on the IMO website.

In summary, LGP supported the Rule Change Proposal and agreed that it should be progressed under the Fast Track Rule Change Process. LGP also supported the contention that the changes are consistent with the Market Objectives and will facilitate more effective administration.

Likewise, Perth Energy supported the proposed amendments, noting that removing a current inefficiency in the Market Rules would potentially positively impact on Market Objective (a). Perth Energy did not identify any detrimental impacts of the proposed amendments on the other Market Objectives.

Synergy was supportive of the general intention of the proposal, albeit suggesting that a processing framework of 20 Business Days be introduced around the preparation and publication of Procedure Change Reports. This would ensure consistency with the timeframes outlined for similar stages in the rule change process.

3.4 The IMO's response to submissions

The IMO's response to issues raised in submissions received both during the formal consultation period and out of session is presented in Appendix 2 of this report.

3.5 Public Forums and Workshops

No public forums or workshops were held in relation to this Rule Change Proposal.

4. THE IMO'S ASSESSMENT

In preparing this Final Rule Change Report, the IMO must assess the Rule Change Proposal in light of clauses 2.4.2 and 2.4.3 of the Market Rules.

Clause 2.4.2 outlines that the IMO "must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives".

Additionally, clause 2.4.3 states, when deciding whether to make Amending Rules, the IMO must have regard to the following:

- any applicable policy direction from the Minister regarding the development of the market;
- the practicality and cost of implementing the proposal;
- the views expressed in submissions and by the MAC; and
- any technical studies that the IMO considers necessary to assist in assessing the Rule Change Proposal.

The IMO notes that there has not been any applicable policy direction from the Minister, nor have there been any technical studies commissioned in respect of this Rule Change Proposal or consultation with the MAC.

The IMO's assessment is outlined in the following sections.

4.1 Additional Amendments to the proposed Amending Rules

Following the consultation process the IMO has made additional changes to the proposed Amending Rules to:

- clarify the reasons for the IMO to extend the timelines associated with the Procedure Change Process (clause 2.10.17). This amendment has been made in response to the issue raised by System Management and will ensure increased rigour around decisions to amend the timelines; and
- require the IMO to detail a 'proposed work program' in any extension notices published under clause 2.10.19. This amendment will provide greater transparency of the next steps in the progression of any Procedure Change Proposals and will ensure

alignment with the requirements for extension notices issued for Rule Change Proposals.

The IMO has made the following amendments to the Market Rules (~~deleted text~~, added text)

~~2.10.17. The IMO may, at any time after publishing a Procedure Change Proposal, decide to extend the normal timeframe for processing the Procedure Change Proposal. If the IMO decides to do so, then it may modify the times and time periods under clauses 2.10.7 or 2.10.14 in respect of the Procedure Change Proposal and publish details of the modified times and time periods.~~

If the IMO considers, at any time after publishing a Procedure Change Proposal, that it is necessary to extend the normal timeframes for processing the Procedure Change Proposal because:

- (a) issues of sufficient complexity or difficulty have been identified relating to the Procedure Change Proposal; or
- (b) further public consultation on an issue associated with the Procedure Change Proposal is required; or
- (c) the Procedure Change Proposal cannot be dealt with adequately without an extension because of any other special circumstance,

then the IMO may modify the times and time periods under clauses 2.10.7 or 2.10.14 in respect of the Procedure Change Proposal and publish details of the modified times and time periods.

2.10.19. A notice of extension under clause 2.10.18 must include:

- (a) the reasons for the proposed extension;
- (b) the views of any Rule Participant consulted on the extension; ~~and~~
- (c) the proposed length of any extension; ~~;~~ and
- (d) the proposed work program.

4.2 Wholesale Market Objectives

The IMO considers that the Market Rules as a whole, if amended, will be consistent with the Wholesale Market Objectives.

Wholesale Market Objective	Consistent with objective
<ul style="list-style-type: none"> • to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system 	Yes

Wholesale Market Objective	Consistent with objective
<ul style="list-style-type: none"> to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors 	Yes
<ul style="list-style-type: none"> 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 	Yes
<ul style="list-style-type: none"> to minimise the long-term cost of electricity supplied to customers from the South West interconnected system 	Yes
<ul style="list-style-type: none"> to encourage the taking of measures to manage the amount of electricity used and when it is used 	Yes

Further, the IMO considers that the Market Rules, if amended, would not only be consistent with the Wholesale Market Objectives but will improve the administrative efficiency of the IMO and the integrity of the Procedure Change Process.

4.3 Practicality and cost of implementation

Cost:

The proposed amendments will not require changes to the IT or business systems operated by the IMO.

System Management identified in its submission that as drafted the proposed changes may create uncertainty in terms of implementation planning timeframes for procedures changes and related changes to IT/business systems and internal processes. This may in turn impact on resource planning and have cost implication that cannot be quantified at this point in time. In response, the IMO notes however that System Management’s concerns around ensuring that consistent and appropriate decisions to extend the timeframes have been addressed through the further amendments to clauses 2.10.17 and 2.10.19 presented in section 4.1 of this report. As such the IMO does not consider there will be any significant uncertainty relating to implementation planning for procedure changes created and therefore not result in any significant cost implications to the market.

Practicality:

The IMO has not identified any issues with the practicality of implementing the proposed amendments.

5 THE IMO’S FINAL DECISION

The IMO’s final decision is to accept the Rule Change Proposal as modified by the amendments specified in section 4.1 of this report.

5.1 Reasons for the decision

The IMO has made its decision on the basis that the Amending Rules:

- will improve the administrative efficiency of the IMO and the integrity of the Procedure Change Process;

- are consistent with the Wholesale Market Objectives; and
- have no significant costs to either the IMO or System Managements IT or business systems, and can be implemented immediately.

Additional detail outlining the analysis behind the IMO's reasons is outlined in section 4 of this Final Rule Change Report.

6. AMENDING RULES

6.1 Commencement

The amendments to the Market Rules resulting from this Rule Change Proposal will commence at **8:00am** on **1 January 2012**, subject to Ministerial Approval.

6.2 Amending Rules

The following clauses are amended (~~deleted text~~, new text):

2.10.17. If the IMO considers, at any time after publishing a Procedure Change Proposal, that it is necessary to extend the normal timeframes for processing the Procedure Change Proposal because:

- (a) issues of sufficient complexity or difficulty have been identified relating to the Procedure Change Proposal; or
- (b) further public consultation on an issue associated with the Procedure Change Proposal is required; or
- (c) the Procedure Change Proposal cannot be dealt with adequately without an extension because of any other special circumstance,

then the IMO may modify the times and time periods under clauses 2.10.7 or 2.10.14 in respect of the Procedure Change Proposal and publish details of the modified times and time periods.

2.10.18. The IMO must publish a notice of an extension determined in accordance with 2.10.17 and must update any information already published in accordance with clause 2.10.7 or 2.10.15.

2.10.19. A notice of extension under clause 2.10.18 must include:

- (a) the reasons for the proposed extension;
- (b) the views of any Rule Participant consulted on the extension;
- (c) the proposed length of any extension; and

(d) the proposed work program.

APPENDIX 1: FULL DETAILS OF THE PROPOSAL

Change Proposal No: RC_2011_12
Received date: 24 October 2011

Change requested by:

Name:	Suzanne Frame
Phone:	(08) 9254 4300
Fax:	(08) 9254 4399
Email:	marketdevelopment@imowa.com.au
Organisation:	IMO
Address:	Level 3, Governor Stirling Tower, 197 St Georges Terrace
Date submitted:	24 October 2011
Urgency:	Fast Track
Change Proposal title:	Extensions to Procedure Change Process Timelines
Market Rules affected:	New Clauses 2.10.17, 2.10.18, 2.10.19.

Introduction

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

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

Independent Market Operator
 Attn: Group Manager, Market Development
 PO Box 7096
 Cloisters Square, Perth, WA 6850
 Fax: (08) 9254 4339
 Email: market.development@imowa.com.au

The Independent Market Operator will assess the proposal and, within 5 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.

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

The process for making changes to Market Procedures is outlined in clause 2.10 of the Market Rules. The clause sets out a process to be followed by each of the Independent Market Operator (IMO) and System Management, including the timelines that will apply.

Issue

There is no ability for the IMO to issue an extension to any of the timeframes outlined in section 2.10 of the Market Rules. In particular:

1. The public consultation period on a Procedure Change Proposal prepared by either the IMO or System Management is restricted to twenty Business Days from the date the call for submissions on the Procedure Change Proposal is published to receive submissions (clause 2.10.7);
2. The IMO is restricted to making a decision to approve or reject a proposed Market Procedure or amendments to a Market Procedure developed by System Management within 10 Business Days of publishing a Procedure Change Report (clause 2.10.14).

The inability to extend timeframes for the consultation period means that there can be insufficient time to consult on large amendments to existing Market Procedures or complicated new Market Procedures. This is because substantive amendments (or new obligations) may

require significant consideration by Market Participants which may not be achievable within a 20 Business Day timeframe.

In addition, if a further issue is identified during the consultation process that would justify the issuing of an addendum (acknowledging an addendum would have no formal standing under the Market Rules), there would be insufficient time available to do this.

This was the situation with the Procedure Change Proposal: Transitional arrangements for the Registration of Demand Side Programmes and the association of Non-Dispatchable Loads (PC_2011_03) and resulted in the IMO undertaking an informal consultation process on the further identified amendments.

Likewise, the 10 Business Day period for making a decision regarding a proposed System Management Market Procedure creates administrative issues for the IMO when it assesses the proposed amendments. This can affect the robustness of the IMO's review of System Management Market Procedures, potentially undermining the Procedure Change Process and the confidence of Market Participants in the Market Procedures.

These concerns are given greater focus in light of the forthcoming changes to the Market Rules resulting from the Market Evolution Program (MEP). The introduction of the new balancing rules means there will be multiple Market Procedure proposals entering the formal process within a short space of time.

Further, the balancing regime provides for a substantive amount of detail to be included in Market Procedures. Without the option to extend the timelines it could prove difficult to carry out adequate consultation on the proposed amendments, and the IMO is likely to experience administrative issues in undertaking a comprehensive review of proposed new and amended Market Procedures put forward by System Management.

The IMO can receive multiple Market Procedure proposals and/or amendments from System Management at the one time (as will likely be the case following the changes to the Market Rules associated with the MEP). This can create a bottleneck of Procedure Change Proposals or amendments to be reviewed and accepted or rejected by the IMO, within 10 Business Days.

Proposal

The proposed amendments to the Market Rules outlined in this Rule Change Proposal will allow the IMO to extend the timelines for the Procedure Change Process, set out by clauses 2.10.7 and 2.10.14 of the Market Rules.

The IMO notes that the proposed amendments will also:

1. more closely align the rule change process and the Procedure Change Process. The rule change process allows for an extension of the timelines as per clause 2.5.10 of the Market Rules;
 2. improve the administrative efficiency of the IMO and the integrity of the Procedure Change Process.
-

3. Explain the reason for the degree of urgency:

The IMO submits that this Rule Change Proposal should be fast-tracked, on the basis that it satisfies the criteria in clauses 2.5.9(a) of the Market Rules.

Clause 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:

1. *is of a minor or procedural nature;*
2. *is required to correct a manifest error; or*
3. *is urgently required and is essential for the safe, effective and reliable operation of the market or the SWIS.*

The IMO submits that the Rule Change Proposal should be subject to the Fast Track Rule Change Process as it is of a procedural nature. The proposed amendments will amend the Procedure Change Process to allow for extensions of the timeframes specified in clauses 2.10.7 and 2.10.14. This will enhance the process for amending or creating Market Procedures but will not otherwise affect the process that is prescribed in the Market Rules or undermine any of the protections provided. Providing for flexibility around timelines replicates the process provided for to amend or introduce new Rules, and will improve the IMO's ability to consult on any amendment as well as administrative efficiency.

The IMO notes that the changes only amend the Procedure Change Processes and not the operation of the Market. There will be no financial consequences as a result of the proposed amendments. Likewise there will be no operational impacts, except for those to the IMO as a result of the changes.

4. Provide any proposed specific changes to particular Rules: (for clarity, please use the current wording of the Rules and place a ~~striketrough~~ where words are deleted and underline words added)

2.10.17. The IMO may, at any time after publishing a Procedure Change Proposal, decide to extend the normal timeframe for processing the Procedure Change Proposal. If the IMO decides to do so, then it may modify the times and time periods under clauses 2.10.7 or 2.10.14 in respect of the Procedure Change Proposal and publish details of the modified times and time periods.

2.10.18. The IMO must publish a notice of an extension determined in accordance with 2.10.17 and must update any information already published in accordance with clause 2.10.7 or 2.10.15.

2.10.19. A notice of extension under clause 2.10.18 must include:

- (a) the reasons for the proposed extension;

- (b) the views of any Rule Participant consulted on the extension; and
 - (c) the proposed length of any extension.
-

5. 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 Rule Change, which will improve the administrative ease in the IMO and will ensure sufficient consultation can be undertaken on proposed amendments to the Market Procedures, is consistent with the Wholesale Market Objectives.

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

Costs:

No costs associated with implementing these proposed changes have been identified.

Benefits:

The proposed changes will improve the administrative efficiency of the IMO, allow the IMO to maintain a high standard in comprehensively reviewing Market Procedure proposals and amendments, and allow additional time for consultation on complex changes to Market Procedures, where necessary.

APPENDIX 2: THE IMO'S RESPONSE TO SUBMISSIONS

Submitter	Comment/Change Requested	IMO's response
System Management	System Management's view is that a rigorous decision making process should arrive at timeframe decisions that balance the needs of the Market, its participants, and other stakeholders. The process should be transparent and consistently applied.	The IMO agrees with System Management and notes that reasons for an extension must be published and consultation with impacted parties must be undertaken under clause 2.10.19.
System Management	The proposed rule changes as drafted do not provide any guidance as to when it may be appropriate for the IMO to exercise the discretion to extend timeframes, and in this regard lacks a degree of transparency and may result in the inconsistent application of the proposed power.	<p>The IMO disagrees, noting that clause 2.10.19 (a) and (c) require the IMO to publish an extension notice which includes details of the reasons for the proposed extension, and the proposed length of the extension. This reflects the transparency and limitations of the Rule Change Process.</p> <p>The IMO however considers that there is further benefit in improving the integrity of the Procedure Change Process by providing clarification in the Market Rules of the circumstances under which the IMO can issue an extension to the process timelines. As such the IMO has incorporated further amendments to clause 2.10.17 to outline the situations where an extension may be made.</p> <p>The IMO has also incorporated a requirement to outline the proposed work programme so interested parties can be provided with greater transparency of the next steps in the progression of the Procedure Change Proposal. This requirement is duplicative of the requirements for extensions of the rule change process</p>
System Management	The absence of this guidance in the Market Rules or a supporting Market Procedure could lead to a situation where the application of the proposed power is driven by administrative priorities rather than those of the Market and its participants.	Refer above.
System Management	The proposed amendments as drafted do not provide for any right of appeal to a decision to extend the timeframes. There is also an absence of limits to the length of extensions that may be granted or limits to the number of times that an extension may be granted.	<p>The IMO considers that providing a mechanism for an external review would not add value in these circumstances, as the underlying reasons for the decision to extend (unusual complexity, requirement for additional consultation) are not matters that can be assessed objectively.</p> <p>The IMO must consult with the impacted parties as part of the extension. Refer to proposed clause 2.10.19 (b).</p>
System Management	This results in the risk of multiple and/or continuous timeframe deferrals for procedure changes, as seen with some recent rule change processes.	The IMO considers that it is preferable to ensure that new and amended Market Procedures, and any associated issues identified with the proposal, are given adequate consideration. This will assist in ensuring that further changes are not required in quick succession of the amended Market

Submitter	Comment/Change Requested	IMO's response
System Management	System Management is concerned that similar issues could arise with procedure change proposals under the current drafting of RC_2011_12. Notably, the current drafting of RC_2011_12 enables the possible scenario of a procedure change to be indefinitely deferred with no requirement for a decision on the proposal to be made.	<p>Procedure commencing.</p> <p>The IMO notes System Management's concern. Refer above for further details of the additional amendments to the Amending Rules that the IMO has included to ensure greater rigour around this process. .</p>
System Management	This could result in a range of adverse consequences for System Management and others including for example compliance breaches, where a procedure change is required in response to a compliance issue. It also introduces greater uncertainty in planning and preparing for possible procedure change proposal outcomes.	<p>The IMO disagrees with this statement. The IMO will not extend a timeline unless there is a valid reason, which has been discussed with the involved parties (refer to clause 2.10.19).</p> <p>The IMO notes that if a delay by System Management to implement or amend a Market Procedure was caused by the IMO's own decision to extend the timelines associated with the amendments that would undoubtedly act as a mitigating factor in any enforcement decision.</p>
System Management	System Management recommends that the proposed discretion sought through RC_2011_12 be subject to specific conditions contained in the Market Rules and/or subject to a Market Procedure, that sets out a transparent and rigorous process for determining when it is appropriate to extend these timeframes. Consideration should be given to providing a review mechanism to timeframe extension decisions and imposing limits on the extension lengths and the number of times that an extension may be granted.	<p>Not all decisions made by the IMO are subject to review. Those that are reviewable generally are the ones that will have a direct effect on participants, for example in connection with registration, standing data, penalties, MAC membership, facility registration and aggregation, credit limits, outages and IRCRs.</p> <p>Significantly this list does not include the IMO's decisions in relation to rule changes or procedure changes. These are subject only to a process review, where the decision itself is not subject to scrutiny. As there is no specified process for making a decision to extend, subjecting those decisions to a process review would not achieve any benefit.</p> <p>Further, the IMO's decisions to extend timelines on rule changes are not subject to review, and the IMO believes that the same approach should be adopted with the extensions of timelines in the Procedure Change Process.</p>
Synergy	It is unclear to Synergy whether this lack of consistency between the Procedure Change and Rule Change processes is a matter of design, say to provide a degree of timing flexibility in managing the Procedure Change Process, or an oversight. Whatever the case, Synergy takes the view that there is merit, if one of the objectives of this Rule Change Proposal is to align the align the Procedure Change Process with the Rule Change Process, in adopting a similar report preparation and publishing timeframe in the Procedure Change Process to that already required of the Rule Change Process.	The IMO agrees that there is merit in aligning the Rule Change and the Procedure Change processes. However, amending the Market Rules to impose timelines for preparing Procedure Change Reports, as suggested by Synergy, is beyond the scope of this Fast Track Rule Change. Such an amendment should be subject to further consultation with System Management and other interested stakeholders and would be more appropriately considered and progressed as a separate Rule Change Proposal.

Submitter	Comment/Change Requested	IMO's response
		The IMO has included this issue in the Rule Change Log and will endeavour to address this as part of its wider review of the alignment of the rule and procedure change processes.
Synergy	If Procedures are to become a more important and potentially more frequently amended instrument in operating the market, then Synergy submits that the Procedure Change Process would benefit by requiring the report preparation and publishing requirements be executed within the same timeframe require for rule changes.	Refer above.
Synergy	The timeframe would impose a discipline on this part of the Procedure Change Process, as is the case with the Rule Change Process, potentially improving the efficiency of the process (e.g. the Procedure Change Report and adoption decision cannot be unreasonably delayed) thus giving Market Participants, who have made submissions and the market more generally, the assurance that the process will be concluded in a timely and efficient fashion. We note with procedures that this has not always been the case.	Refer above.
Synergy	Adopting a 20 Business Day timeframe would impose a new discipline in the Procedure Change Process. Synergy submits that adequate safeguards to manage complex procedural issues requiring extended consultation and analysis are included in this Rule Change Proposal and as such Synergy recommends the IMO consider adopting a reasonable report preparation and publishing timeframe to be included in the Procedure Change Process. In this regard, Synergy's view is that 20 Business Days, the limit in the Rule Change Process, would be reasonable.	Refer above.