
Wholesale Electricity Market Rule Change Proposal Submission Form

<RC_2012_12 Updates to Commissioning Test Plans>

Submitted by

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Submission

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

Verve Energy supports the Independent Market Operator's (IMO's) Rule Change Proposal to:

- allow System Management to approve (if appropriate):
 - a Commissioning Test Plan within a shorter application period than currently provided for under the Wholesale Electricity Market Rules (Market Rules); or
 - a revision to a Commissioning Test Plan to amend the Commissioning Test Period or change the details of the tests to be undertaken.
- ensure System Management has sufficient discretion to reject a Commissioning Test Plan received under the proposed shorter timeframes, where it does not have sufficient time to consider the new or revised plan; and
- improve the overall integrity and functioning of the Commissioning Test Plan approvals process.

Specifically, Verve Energy considers that the proposal allows for a more efficient and flexible process which is more aligned with the operational and technical realities of commissioning. Additionally, Verve Energy considers that the proposal removes unnecessary costs

(application of Civil Penalties and costs arising from unnecessary time delays) from the Commissioning Test process.

In reviewing the Rule Change Proposal, Verve Energy has identified the following minor points for further consideration by the IMO:

- Clauses 3.16.9(j) and 3.19.9(j) refer to “for each approved Commissioning Test”. The IMO’s Rule Change Proposal indicates that System Management approves a Commissioning Test Plan (new or revised) not a Commissioning Test (page 5 of 11). Therefore, should these clauses be amended to refer to “for each approved Commissioning Test Plan”? There are similar references to “approved Commissioning Test” in chapter 4 which may require review (and amendment if appropriate).
- Amended clause 3.21A.16 refers to a new clause 3.21A.10A. However, the proposed Amending Rules do not include a new clause 3.21A.10A. Should clause 3.21A.16 instead refer to clause 3.21A.10(a)(iii)?
- Clauses 4.12.6(c) and 4.26.1A refer to “for the purposes of permission sought under clause 3.21A.2...”. Verve Energy considers that the request for permission in the proposed Amending Rules is clause 3.21A.4 and, as such, clauses 4.12.6(c) and 4.26.1A should be updated to reflect this.

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

Verve Energy considers that the proposal will have the following impact on the Wholesale Market Objectives:

Market Objective	Comments
(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system.	Verve Energy considers that the Rule Change Proposal will promote the economically efficient production and supply of electricity. Specifically, productive efficiency requires that demand be served by the least-cost sources of supply, and that there be incentives for producers to achieve least-cost supply through a better management of cost drivers. As such, Verve Energy considers that the proposal allows for a more efficient management of commissioning processes, timeframes and costs, which in turn promotes the economically efficient production and supply of electricity.
(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors.	Verve Energy considers that improvements to the efficiency of the commissioning test process contemplated by the proposal may assist in the facilitation of efficient entry of new competitors.

Market Objective	Comments
(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system.	Verve Energy considers that the impacts on economic efficiency and efficient entry of new competitors (as outlined above) potentially lead to the minimisation of the long term cost of electricity supplied.

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.

Verve Energy would not require any changes to its IT or business systems, nor incur any organisation costs as a consequence of adopting the changes.

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

Verve Energy will need to undertake some work to implement this Rule Change Proposal (i.e. updating internal processes and procedures). However, these are expected to be minimal, and as such, Verve Energy will not need any significant time to implement the change.
