
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.

System Management has reviewed the IMO's Draft Rule Change Report: Updates to Commissioning Test Plans (RC_2012_12) and provides the following comments:

Compliance with other regulatory requirements

In its first submission System Management set out its understanding that RC_2012_12 would expand the definition of a Commissioning Test to include an obligation to comply with the Technical Rules and any other applicable regulatory requirements.

System Management's position was based on agreements reached at officer level with the IMO in discussions held on 22 August 2012.

System Management notes that the Draft Rule Change Report does not implement this expanded definition as per the aforementioned discussions but suggests that this issue be dealt with solely in the Commissioning and Testing Power System Operation Procedure (PSOP).

It is unclear whether there are sufficient heads of power in the Rules to allow this to occur in the absence of an expanded Commissioning Test definition. System Management requires that the IMO reconsider its position on this issue.

'Good Faith' Intentions

The Rules currently require a Commissioning Test Plan to represent the 'good faith' intention of the Market Participant to conduct the test (clause 3.21A.5). The IMO has added clause 3.21A.5A to the proposed amendments to the effect that a Market Generator must not request a Commissioning Test Plan principally to avoid exposure to Reserve Capacity refunds when applied in conjunction with existing clause 3.21A.5.

The IMO has released an addendum to the Draft Rule Change Report which seeks views on whether Category C civil penalties should apply to these clauses.

System Management considers that it would be difficult for it or the IMO to reach a definitive position on the good faith intentions test set out in clauses 3.21A.5 and 3.21A.5A based on the information at hand when considering a Commissioning Test Plan. System Management notes that Category C civil penalties are determined by the Electricity Review Board (ERB) and in these situations it seems reasonable that the ERB should make a decision based on the facts put to it by the IMO and the relevant participant.

System Management reiterates that the responsibility for pursuing compliance with clause 3.21A.5 and 3.21A.5A properly rests with the IMO.

Broader Issues

In its first submission System Management raised the following broader issues:

1. The compliance obligations relating to the requirements to issue an Operating Instruction for a Commissioning Test are ambiguous and require clarification. System Management notes that the IMO has logged its concerns regarding operating instructions as an area for further review
2. The need for clarity on the application of the Rules for the commissioning of non-scheduled generation
3. Issues surrounding the linkage between facility registration and Commissioning
4. Clarity on whether a Commissioning Test Plan should be covered by an approved planned outage and the extent of the capacity that should be included in that outage.

System Management notes the IMO's view that issues 1 to 3 above are outside the scope of RC_2012_12 but that the IMO has logged these issues for further consideration. System Management looks forward to discussing these issues further with the IMO in due course.

In relation to issue 4 above, System Management acknowledges the IMO's clarification that a Commissioning Test should not be covered by a planned outage.

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

System Management reiterates its previous support for the intent of RC_2012_12 and considers that the amendments support objectives 1.2.1(a) and 1.2.1(b) contained in the Rules.

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.

System Management has not identified any further implications since its first submission.

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

The Draft Rule Change Report recognises that System Management will need to make amendments to the Commissioning and Testing PSOP. System Management previously identified an implementation time of 4 months after the Final Rule Change Report is published to allow PSOP updates and related internal process updates to be made.

The extent of the required PSOP changes will not be known until the Final Rule Change Report but System Management notes that the proposed 1 April 2013 commencement date contained in the Draft Rule Change Report aligns with its first submission comments.
