
Wholesale Electricity Market Rule Change Proposal Submission Form

<RC_2012_15 Four Month Commissioning Test Period for new generating systems>

Submitted by

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Submission

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

System Management appreciates the opportunity to respond to Rule Change Proposal RC_2012_15: Four Month Commissioning Test Period for new generating systems.

RC_2012_15 seeks to remove the four month restriction applying to the commissioning period for new generating systems which are yet to commence operation.

Currently a Market Participant seeking to commission for a period greater than four months may not receive approval to commission following the four month period and could be exposed to the potential application of Civil Penalties if they facilitate commissioning activities without having a Commissioning Test approved by System Management.

Given System Management's predominant function is to ensure secure and reliable operations are maintained in the SWIS, System Management supports the above proposal in principle. The removal of the four month restriction will allow new generating systems to request permission for an approved Commissioning Test in accordance with Market Rule 3.21A for as long as required to ensure reliable operation before entering the energy market for the first time.

In addition the proposal encourages Market Participants to be more transparent regarding their testing activities which enables System Management to more adequately plan proposed operations during the testing period including issuing final approvals of planned outages and opportunistic maintenance, and

procuring sufficient levels of Ancillary Services to manage upward and downward deviations during testing.

On the other hand, the elimination of the four month restriction removes the incentive for Market Participants to commission their new generating system in a timely manner. Effectively there will be no mechanism to prevent Market Participants in these circumstances from unnecessarily extending their commissioning. This could impose operational burden on System Management and impose reliability risks to consumers.

In respect of the IMO's decision to progress this rule change proposal through the Fast Track Rule Change Process, System Management queries the underlying justification that the current market rule discussed in RC_2012_15 is a 'manifest error'. The application of the term 'manifest' in this rule change proposal appears to extend beyond that of numerous errors which were evident since the commencement of the market which have not been addressed to date. In addition, there was no evidence of a need to progress RC_2012_15 via the Fast Track Rule Change Process in the recent September 2012 MAC meeting.

Despite this System Management is not materially impacted by the rule change proposal being progressed in accordance with the Fast Track Rule Change process.

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

System Management considers the proposed rule change better addresses:

- Wholesale Market Objective (a) as the proposal encourages Market Participants with new generating systems to request approval of Commissioning Tests from System Management to commission as long as necessary to ensure safe and reliable operations when entering the energy market for the first time.
- Wholesale Market Objective (b) as the proposal allows Market Participants with new generating systems to adequately commission in accordance with an approved Commissioning Test Plan (which may extend beyond four continuous months) and to receive approval to participate in the energy market
- Wholesale Market Objective (d) as encouragement of more new generating systems to enter the energy market promotes greater competition and hence over time decreases the long-term cost of electricity supplied to customers.

System Management considers that the proposed rule changes do not impact on the operation of objective (c) and (e) of the Market Objectives.

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.

It is envisaged that changes to the Commissioning and Testing PSOP may be required as a result of RC_2012_15 together with changes to internal processes.

System Management does not believe any material system changes are anticipated to accommodate the proposed rule change.

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

It is envisaged that possible changes to the Commissioning and Testing PSOP together with changes to internal processes can be accommodated up to 6 months from release of the Final Rule Change Report.