

Rule Change Notice

Commitment and De-commitment Notification Requirements (RC_2012_22)

This notice is given under clause 2.5.7 of the Market Rules.

Date Submitted: 11 December 2012

Submitter: Brendan Clarke, System Management

The Proposal

System Management has submitted the Rule Change Proposal: Commitment and De-commitment Notification Requirements (RC_2012_22) to address an issue in the Market Rules where an unnecessary obligation of notification is placed on Market Participants with a Scheduled Generator connected to a distribution network. Under clauses 7.9.1 and 7.9.5, Market Participants intending to synchronise or desynchronise a Scheduled Generator must confirm with System Management.

System Management considers that most Scheduled Generators which are connected to a distribution network synchronise and desynchronise via an electrical signal received from Western Power Networks. No further confirmation is necessary to System Management in such situations. However, in accordance with clauses 7.9.1 and 7.9.5, these Market Participants would be required to confirm the synchronisation and desynchronisation of the Scheduled Generators with System Management. It should also be noted that Market Participants are subject to civil penalties under these clauses.

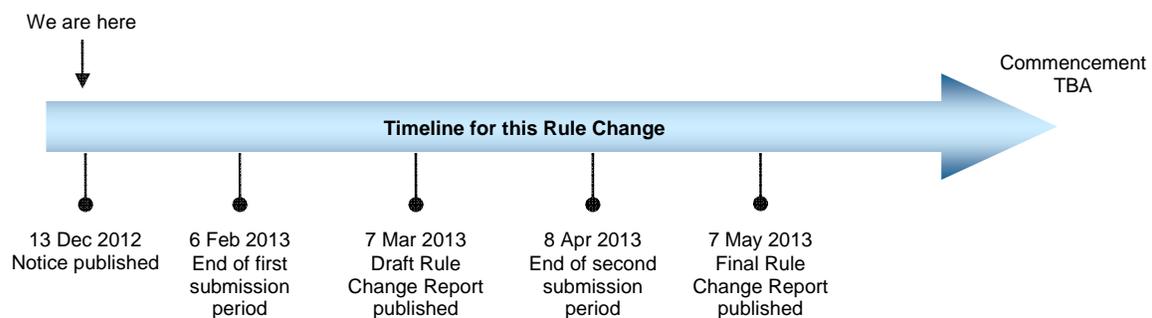
System Management has proposed that an exemption be created in the Market Rules for Market Participants that have Scheduled Generators connected to a distribution network and are able to satisfy System Management that safe equipment and operating procedures exist.

Decision to Progress the Rule Change

The IMO has 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.

Timeline

The projected timelines for processing this proposal are:





Call for Submissions

The IMO invites interested stakeholders to make submissions on this Rule Change Proposal. The submission period is 35 Business Days. Submissions must be delivered to the IMO by **5.00pm, Wednesday 6 February 2013**.

The IMO prefers to receive submissions by email (using the submission form available on the Market Web Site: <http://www.imowa.com.au/rule-changes>) to: market.development@imowa.com.au

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator

Attn: Group Manager, Market Development
PO Box 7096
Cloisters Square, PERTH, WA 6850
Fax: (08) 9254 4399

Wholesale Electricity Market Rule Change Proposal

Submitted by

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Organisation:	System Management
Address:	
Date submitted:	11 December 2012
Urgency:	High
Change Proposal title:	Commitment and Decommitment Notification Requirements
Market Rule(s) affected:	Clause 7.9

Introduction

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

Independent Market Operator

Attn: Suzanne Frame, Manager Market Development

PO Box 7096

Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

Email: marketadmin@imowa.com.au

The paper should 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) Outline the issue concerning the existing Market Rules that is to be addressed by the proposed Market Rule change:

Issue: There is an unnecessary obligation on Market Participant in certain circumstances in regard to confirming commitment and decommitment times

The Market Rules' provisions relating to this issue are

"7.9.1. Subject to clauses 7.9.1A and 7.9.2, if a Market Participant intends to synchronise a Scheduled Generator, then it must confirm with System Management the expected time of synchronisation:

- (a) at least one hour before the expected time of synchronisation; and*
- (b) must update this advice immediately if the time confirmed pursuant to clause 7.9.1(a) changes."*

"7.9.5. Subject to clause 7.9.6A, if a Market Participant intends to desynchronise a Scheduled Generator, then it must:

- (a) confirm with System Management the expected time of desynchronisation at least one hour before the expected time of desynchronisation; and*
- (b) update this advice immediately if the time confirmed pursuant to clause 7.9.5(a) changes"*

System Management requires to be informed of the intention of any generator to synchronise in order to ensure the system will remain in a safe condition. In particular it must ensure that equipment ratings are not exceeded and there is no possibility of energising plant that is being worked on.

For transmission connected generators this notification is typically done by telephone to enable a check of the impact on the network of the generator connecting.

However, System Management believes that these obligations are unnecessary for most distribution connected generator.

For distribution connected generators a different philosophy is normally applied. Western Power Networks provides an electrical signal to the generator that allows it to synchronise without further advising Western Power Networks. When a safety issue is foreseen this signal is turned off by Western Power Networks.

Under the current Market Rules there is a requirement to provide a separate notification to System Management.

It should be noted that clauses 7.9.1 and 7.9.5 are subject to civil penalties under “Electricity Industry (Wholesale Electricity Market) Regulations 2004”

System Management proposes that it be able to give relief to Market Participants that have this type of network connection.

Conversely if these safety measures are removed then System Management proposes that this relief be withdrawn

2) Explain the reason for the degree of urgency:

System Management submits that the Rule Change Proposal be progressed with an urgency of High, as Market Participant’s unnecessarily face the risk of civil penalties.

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

The issue can be addressed by making amendments to clause 7.9 to allow System Management to grant exemption from this obligation.

The proposed change is given below:

7.9.1. Subject to clauses 7.9.1A, ~~and 7.9.2~~ and 7.9.2A, if a Market Participant intends to synchronise a Scheduled Generator, then it must confirm with System Management the expected time of synchronisation:

- (a) at least one hour before the expected time of synchronisation; and
- (b) must update this advice immediately if the time confirmed pursuant to clause 7.9.1(a) changes.

7.9.2A. System Management may advise in writing that a Market Participant that owns a Scheduled Generator connected to a distribution network is not required to confirm the expected time of synchronisation with System Management under clause 7.9.1, in respect of that Scheduled Generator, if System Management is satisfied that safe operating equipment and procedures are in place. If System Management is no longer satisfied that safe operating equipment and procedures are in place, then it must advise in writing that a Market Participant is required to confirm the expected time of synchronisation under clause 7.9.1 in respect of that Scheduled Generator..

7.9.5. Subject to clause 7.9.6A and 7.9.6B, if a Market Participant intends to desynchronise a Scheduled Generator, then it must:

- (a) confirm with System Management the expected time of desynchronisation at least one hour before the expected time of desynchronisation; and
- (b) update this advice immediately if the time confirmed pursuant to clause 7.9.5(a) changes.

7.9.6B. System Management may advise in writing that a Market Participant that owns a Scheduled Generator connected to a distribution network is not required to confirm the expected time of desynchronisation with System Management under clause 7.9.5, in respect of that Scheduled Generator, if System Management is satisfied that safe operating equipment and procedures are in place. If System Management is no longer satisfied that safe operating equipment and procedures are in place, then it must advise in writing that a Market Participant is required to confirm the expected time of desynchronisation under clause 7.9.5 in respect of that Scheduled Generator.

4) Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:

This proposed Rule Change would better address objective (d) of the Market Objectives. The change as submitted would promote the to minimise the long-term cost of electricity supplied to customers from the South West interconnected system.

The proposed rule change addresses this objective by removing an unnecessary obligation on the Market Participant.

5) Provide any identifiable costs and benefits of the change:

Benefits:

- The costs to Market Participants are reduced.

Costs:

- No costs have been anticipated by System Management other than the administrative costs to change the rules.
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