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## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2012\_22 Commitment and De-commitment Notification Requirements

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#### Submitted by

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<b>Date submitted:</b>	6 February 2013

#### Submission

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

#### Background

Clause 7.9.1 and 7.9.5 of the Market Rules require a Scheduled Generator to notify System Management prior to synchronising or desynchronising to the network. Failing to do so may lead to civil penalties being imposed.

Some Scheduled Generators are connected at the distribution rather than transmission level of the network. For distribution level connected generators it is normal for Western Power to provide an electrical signal to indicate when it is safe for the generator to synchronise. When it is not safe to do so the electrical signal is turned off.

For those Scheduled Generators connected to the distribution system and with the necessary system installed to receive electrical signals from Western Power to indicate whether it is safe to synchronise, System Management considers it unnecessary to have to also confirm with System Management prior to synchronising or de-synchronising to the network.

## Change Proposal

System Management submitted Rule Change Proposal RC\_2012\_22 “Commitment and De-commitment Notification Requirements” on 11 December 2012.

System Management proposed to remove requirement of notifying System Management of the intention to synchronise or de-synchronise for those distribution connected Scheduled Generators that in System Management’s view have “safe operating equipment and procedures in place”.

## Perth Energy’s Views

Perth Energy supports System Management’s change proposal.

Unnecessary requirements under the Market Rules should be removed where possible to reduce the amount of “red tape” and thereby improve the efficiency of the operation of the Wholesale Electricity Market (WEM).

The reduction in “red tape” must however not be compromised by any deterioration of system security. Perth Energy therefore queries how System Management intends to monitor the ongoing compliance the systems of the affected distribution connected Scheduled Generators that may be exempted from the requirements of clauses 7.9.1 and 7.9.5 if this proposed rule change were to be implemented. Perth Energy notes that new clauses 7.9.2A and 7.9.6B both refer to “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 / de-synchronisation...”.

Perth Energy suggests that a requirement should be placed upon Market Participants with distribution connected Scheduled Generators to notify System Management as soon as they become aware of anything that may adversely impact on the operating equipment and procedures that are referred to in clauses 7.9.2A and 7.9.6B.

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

Subject to our comments above, Perth Energy considers the proposed changes would better facilitate achievement of Market Objective (a)<sup>1</sup> relating to economic efficiency. The proposed

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<sup>1</sup> 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.

changes would remove an unnecessary and cumbersome requirement for a subset of generators that are able to satisfy the safety requirements around synchronisation and de-synchronisation via automated systems.

Perth Energy has not identified any impacts on the other 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.**

Perth Energy has not identified any impacts on our IT or other business systems.

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

Perth Energy will not require any lead time to implement the proposed changes.