

Rule Change Notice

LoadWatch, EOI and RDQ Provision (RC_2013_05)

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

Submitter: Allan Dawson, IMO

Date Submitted: 9 April 2013

The Proposal

In accordance with the Market Rules and the IMS Interface Procedure, System Management (SM) and the IMO are obligated to provide each other with specific data. Through consultation between the IMO and SM it has been identified that some key data provided in accordance with the IMS Interface Procedure, is not currently specified in the Market Rules.

The IMO and SM believe the Market Rules should be amended to reflect obligations dictated in the IMS Interface Procedure.

The IMO proposes to create clauses 3.23 and 7A.3.7A in the Market Rules to ensure the obligations on SM to provide LoadWatch, Relevant Dispatch Quantity (RDQ) and End of Interval (EOI) data are specified in the Market Rules.

The IMO also proposes to amend the current drafting of clause 7A.3.7 and the defined term: Relevant Dispatch Quantity. This amendment will provide greater clarity and consistency to the drafting of the Market Rules.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

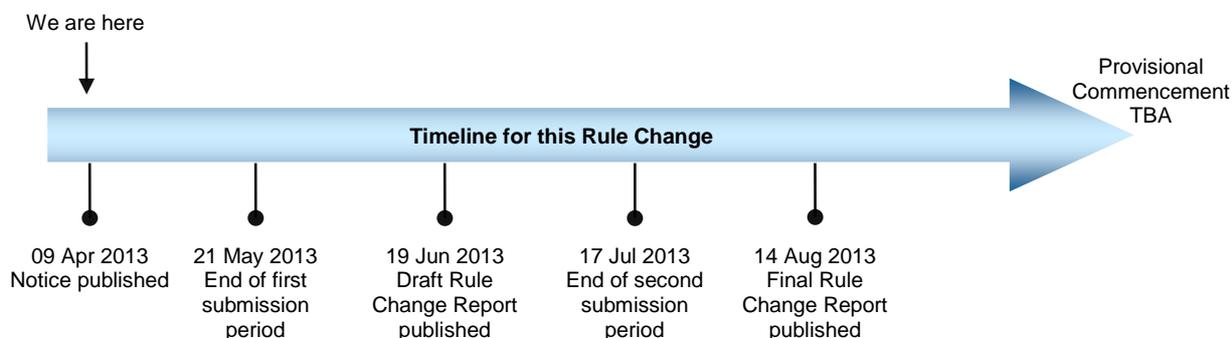
- the proposed amendments to the Market Rules;
- relevant references to clauses of the Market Rules and any proposed specific amendments to those clauses; and
- the IMO's description of how the proposed amendments would allow the Market Rules to better address the Wholesale Market Objectives.

Decision to Progress the Rule Change

The IMO considers that the proposed amendments will provide clarity and consistency between the Market Rules and the IMS Interface Procedure. This Rule Change Proposal will be progressed using the Standard 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 30 Business Days from the publication date of this Rule Change Notice. Submissions must be delivered to the IMO by **5.00pm, Tuesday 21 May 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, Development & Capacity
PO Box 7096
Cloisters Square, PERTH, WA 6850
Fax: (08) 9254 4399



INDEPENDENT
MARKET
OPERATOR

Wholesale Electricity Market Rule Change Proposal

Rule Change Proposal ID: RC_2013_05
Date received: 09 April 2013
Change requested by:

Name:	Allan Dawson
Phone:	9254 4333
Fax:	9254 4399
Email:	allan.dawson@imowa.com.au
Organisation:	IMO
Address:	Level 17, 197 St Georges Tce, Perth 6000
Date submitted:	09 April 2013
Urgency:	Medium
Change Proposal title:	LoadWatch, EOI and RDQ provision
Market Rules affected:	3.23, 7A.3.7, 7A.3.7A and Glossary

Introduction

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the Independent Market Operator.

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

Independent Market Operator

Attn: Group Manager, Development & Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4339
Email: market.development@imowa.com.au

The Independent Market Operator will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.



In order for the proposal to be progressed, all fields below must be completed and the change proposal must 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 Rule Change

1. Describe the concern with the existing Market Rules that is to be addressed by the proposed Market Rule change:

Background

In accordance with the Market Rules and the IMS Interface Procedure, System Management (SM) and the IMO are obligated to provide each other with specific data. Through consultation between the IMO and SM it has been identified that some key data provided in accordance with the IMS Interface Procedure, is not currently specified in the Market Rules. However, the Market Rules do not specify that the information should not be provided.

LoadWatch data: For the previous four years, weekly during the Hot Season, the IMO has prepared and published on the Market Web Site a report called LoadWatch.¹ LoadWatch provides a weekly snapshot of the forecast level of available capacity, Outages, maximum and minimum temperatures, electrical load and capacity cushion (difference between the total capacity credits in the market and the forecasted load) for the Business Days of the coming week.

LoadWatch was first introduced in the summer of 2008/09 following the Varanus Island incident and subsequent gas curtailment, as a means of providing information for stakeholders and the public in general, about the coming week's forecast temperatures and their possible impact on system load. The report has now evolved to compare the coming week with the prior week and also to retrospectively analyse the corresponding week to the previous Hot Season.

¹ <http://imowa.com.au/load-watch>

RDQ and EOI data: In accordance with the IMS Interface Procedure, within five minutes of the end of each Trading Interval, SM must transfer Provisional Relevant Dispatch Quantity (RDQ) and provisional resource End Of Interval (EOI) data from the previous trading interval to the IMO. This data is displayed in the Market Participant Interface for Market Participants to view. This data is then transferred again in accordance with clause 7A.3.7, two hours after the end of the Trading Day. However this data captures every Trading Interval for the entire Trading Day and the data is more accurate as it has been “cleaned” by SM.

Provisional RDQ data received two hours after the end of the Trading Day is the basis for the Provisional and Final Balancing Price calculations for the Balancing Market.

The Provisional EOI quantity data received two hours after the end of the Trading Day is required to determine the Minimum and Maximum Theoretical Energy Schedules (TES) used for calculating Out of Merit quantities. EOI values are also used to determine the starting point for a Facility ramp rate constraining the pricing BMO.

Issue

LoadWatch data: The production of LoadWatch relies on input data from SM, in particular the daily forecasted maximum temperature, minimum temperature and maximum load (MW) for the upcoming week’s Business Days, and normally commences on the first Monday of each Hot Season.

To date SM has provided the necessary input data voluntarily, based on its other load forecasting activities, to assist the IMO in its efforts to provide general and accessible information to wider stakeholders and consumers about anticipated system load.

In light of this, the IMO and SM wish to formalise LoadWatch within the Market Rules so that the delivery of input data and the calculation and publication of LoadWatch becomes an obligation on the respective organisations to ensure consistent delivery and publication.

RDQ and EOI data: The current drafting of the Market Rules does not explicitly place an obligation on SM to provide the IMO with Provisional RDQ and/or EOI data within 5 minutes after the end of each Trading Interval. However, the IMS Interface Procedure does place an obligation on SM to provide the aforementioned quantity data. This should stem from an obligation in the Market Rules.

Proposal

The IMO and SM believe the Market Rules should be amended to reflect obligations dictated in the IMS Interface Procedure.

The IMO proposes to create clauses 7A.3.7A and 3.23 in the Market Rules to ensure the obligations on SM to provide Loadwatch, RDQ and EOI data are specified in the Market Rules.

The IMO also proposes to amend the current drafting of clause 7A.3.7 and the defined term: Relevant Dispatch Quantity. This amendment will provide greater clarity and consistency to the drafting of the Market Rules.

2. Explain the reason for the degree of urgency:

The IMO proposes that this Rule Change Proposal be progressed through the Standard Rule Change Process.

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- 3. Provide any proposed specific changes to particular Rules:** *(for clarity, please use the current wording of the Rules and place a strikethrough where words are deleted and underline words added)*

3.23 LoadWatch Data

3.23.1. System Management must, by 11:59 AM on each Monday within the Hot Season, provide to the IMO for each Business Day of that week, System Management's estimate of:

- (a) daily maximum temperature;
- (b) daily minimum temperature;
- (c) daily maximum load in MW; and
- (d) other data agreed between the IMO and SM for the purpose of Loadwatch.

3.23.2. The IMO must, within one Business Day of receipt of the information in clause 3.23.1, prepare and publish on the Market Web Site the LoadWatch report for the relevant week within the Hot Season.

3.23.4. The IMO must ensure that the LoadWatch report includes the estimates in clause 3.23.1 and, where available, the prior week's Business Days daily:

- (a) total procured capacity;
- (b) total Outages;
- (c) available capacity;
- (d) maximum and minimum temperatures;
- (e) maximum operational system load; and
- (f) capacity cushion.

7A.3.7. System Management must, no later than two hours after the end of the Trading Day, provide the IMO with an estimate of:

- (a) the SOI Quantity and the EOI Quantity for each Balancing Facility; and
- (b) the Relevant Dispatch Quantity, ~~which is the sum of the EOI Quantities for each Balancing Facility, in MW, at the end of a Trading Interval,~~

for each Trading Interval in the Trading Day, determined in accordance with the Power System Operation Procedure.

7A.3.7A. System Management must make reasonable endeavours to provide to the IMO, no later than five minutes after the end of each Trading Interval, a provisional estimate of:

(a) the SOI Quantity and the EOI Quantity for each Balancing Facility; and

(b) the Relevant Dispatch Quantity,

for that Trading Interval, determined in accordance with the Power System Operation Procedure.

11 Glossary

LoadWatch: A report compiled and published weekly during the Hot Season that provides general estimates of Business Day maximum and minimum temperatures, maximum system load and available capacity in accordance with clause 3.23.4.

Relevant Dispatch Quantity: Means, for a Trading Interval, the quantity determined under clause 7A.3.7(b)- the sum of the EOI Quantities for each Balancing Facility, in MW, at the end of that Trading Interval.

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

The IMO considers that the proposed amendments will provide clarity and consistency between the Market Rules and the IMS Interface Procedure.

Furthermore, the IMO considers that the proposed amendments will allow the Market Rules to better address Wholesale Market Objective (d) and (a). By providing transparency to SM regarding the data requirements of the IMO, SM will be better equipped to manage their budget and resourcing.

Through better defined data requirements the IMO and SM will achieve greater efficiencies in information management. In turn minimising the long-term cost of electricity supplied to customers.

This Rule Change will also better achieve Wholesale Market Objective (a) through formalising the publication of Loadwatch and improving the design of the Market Rules.

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

Costs: None identified.

Benefits:

- Formalise and define the obligations to be followed by SM and the IMO;
- Formalise the routine publication of LoadWatch report during the Hot Season; and

- Provide simple and accessible market information to wider stakeholders and electricity consumers.