
Wholesale Electricity Market Rule Change Proposal Submission Form

<RC_2010_08> Removal of DDAP uplift when less than facility min gen

Submitted by

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Submission

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

System Management agrees with the intention of the proposal but considers that the intended amendment requires a further change.

Currently the proposal assumes the Facility Dispatch Schedule is measured on the same basis as the minimum generation capacity - measured in MWh. In reality the minimum generation capacity is measured in MW, hence the registered minimum generation capacity as recorded in Standing Data should be multiplied by a factor of 0.5, as suggested in the Market Rule amendment below (in bold and underlined):

6.17.4 The Downward Unauthorised Deviation Quantity, $DUDQ(p,d,t)$, for Market Participant p and Trading Interval t of Trading Day d equals the sum over all that Market Participant's Registered Facilities, for intervals where the Facility Dispatch schedule of each Facility is above that Facility's registered minimum generation capacity **multiplied by a factor of 0.5**, as recorded in Standing Data, other than those to which clauses 3.21A.14 or 4.25.10 apply, of the lesser of:...

Moreover, the term 'minimum generation capacity' in the Rule Change Proposal is not a defined term within the Market Rules nor is it a term utilised in Appendix 1 Standing Data. This may result in ambiguity in its application. In order to create consistency with the Market Rules, Appendix 1(b)(xiii) Minimum stable loading level may be used. However as this is a generated value, System Management suggests use of terminology representative of the sent-out value. Therefore, the term 'Minimum Generation Capacity (sent-out)' which is not defined in the Rules may be required.

Additionally, uplifting the DDAP penalty for generation to only apply once the minimum generation capacity is met may create a financial incentive for Market Participants to increase minimum generation values in Standing Data. This may result in operational inflexibility with dispatching generation effectively detrimental to power system security. System Management strongly encourages the development and adoption of a mechanism to require proposed minimum generation capacity values for each facility to be independently verified.

It is submitted that the IMO fully consider the system security implications of the proposed rule change in light of the commentary above.

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

No comments are made.

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.

This Rule Change and the revisions suggested by System Management are not anticipated to involve any changes in System Management's IT systems.

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

System Management will be able to alter internal processes to implement this Rule Change by the expected commencement date.
