

**ADDENDUM TO DRAFT RULE CHANGE REPORT:
RC_2010_23: Consequential Outage – Relief from capacity refund and
unauthorised deviation penalties**

The IMO acknowledges that, because this addendum is not contained in the Draft Rule Change Report, it has no formal standing. However, the IMO invites interested stakeholders to make submissions on the Draft Rule Change Report as previously notified, and if considered appropriate the IMO invites interested stakeholders to take into account the information contained in this addendum.

As previously notified, the second submission period submissions must be delivered to the IMO by 5.00pm on **Thursday 16 December 2010**.

BACKGROUND

RC_2010_23, proposed by Alinta on 3 August 2010, seeks to amend the Wholesale Electricity Market Rules to provide Market Participants with relief from capacity refunds and UDAP/DDAP where a Facility suffers a Consequential Outage.

Full details of the original proposed amendments are provided in the Rule Change Proposal available: http://www.imowa.com.au/RC_2010_23

FURTHER UPDATES TO PROPOSED AMENDMENTS

Following further internal review and discussion with System Management, the IMO has identified some additional changes to the proposed Amending Rules. These additional changes:

- enforce the requirement for a Market Participant to confirm the details of a Consequential Outage in a notice signed by an Authorised Officer;
- extend the notice requirement to all Facility types, not just Scheduled Generators and Dispatchable Loads, due to the potential financial impacts of Consequential Outages on other Facility types;
- correct cross-reference errors in clause 3.21.6 (c) and (d); and
- clarify the Glossary definition of Authorised Officer.

In addition, some changes to wording and clause order have been made to improve the clarity of the proposed amendments.

For clarity, the IMO has provided the proposed revised drafting in full in this addendum, rather than showing incremental changes to the proposed Amending Rules listed in section 7 of the Draft Rule Change Report.

The IMO proposed revised drafting is as follows (~~deleted text~~, added text):

- 3.21.2. A Consequential Outage is an outage of a Facility or item of equipment on the list described in clause 3.18.2 for which no approval was received by System Management, but which System Management determines:

- (a) was caused by a Forced Outage to another Rule Participant's equipment; and
- (b) would not have occurred if the other Rule Participant's equipment did not suffer a Forced Outage,

but excludes any outage deemed not to be a Consequential Outage in accordance with clause 3.21.10.

3.21.6 The following will apply for the purposes of clauses 7.3.4 (a) and 7.13.1A (b):

- (a) outage data will be entered by Market Participants in System Management's computer interface system on a sent out basis at 15 degrees Celsius. System Management will convert the outage data to a sent out basis at 41 degrees Celsius by multiplying the outage quantity at 15 degrees Celsius by the ratio of the maximum capacity at 41 degrees Celsius to the maximum capacity at 15 degrees Celsius for the Facility as found in the Standing Data file for temperature dependence provided under Appendix 1(b) iv on a generated basis for that facility. Market Participants will submit the outage data at 41 degrees Celsius as displayed by System Management's computer interface system;
- (b) System Management will calculate the Forced Outage (on a sent out basis at 41 degrees Celsius) for a Facility in a Trading Interval as the greater of:
 - i zero and
 - ii the sum of all Forced Outages notified for that Facility minus the difference of the Facility maximum capacity and its Reserve Capacity Obligation Quantity;
- (c) System Management will calculate the Planned Outage (on a sent out basis at 41 degrees Celsius) for a Facility in a Trading Interval as the greater of:
 - i. zero and
 - ii. the sum of all Planned Outages minus the greater of:
 - 1. zero and
 - 2. the maximum capacity of the Facility minus its Reserve Capacity Obligation Quantity minus the sum

of all Forced Outages notified for the Facility before the adjustment in (a**b**) above is made by System Management; and

- (d) System Management will calculate the Consequential Outage (on a sent out basis at 41 degrees Celsius) for a Facility in a Trading Interval as the greater of:
- i. zero and
 - ii. the sum of all Consequential Outages minus the greater of:
 1. zero and
 2. the maximum capacity of the Facility minus its Reserve Capacity Obligation Quantity minus the sum of all Forced Outages and the sum of all Planned Outages notified for the Facility before the adjustments in (a**b**) and (b**c**) above are made by System Management;
- (e) the IMO will provide System Management the Reserve Capacity Obligation Quantity of each Facility as currently applicable;
- (f) the maximum capacity used in this clause is the value defined in clause 3.21.5.

3.21.8 If a Market Participant considers that one of its Facilities has suffered a Consequential Outage then the Market Participant may provide System Management with a notice confirming details of the Consequential Outage no later than 15 calendar days following the Trading Day on which the Consequential Outage commenced. The notice must:

- (a) be signed by an Authorised Officer of the Market Participant;
- (b) confirm that a Consequential Outage has occurred; and
- (c) provide details (to the best of its knowledge) of the events which resulted in the Consequential Outage.

3.21.9 In its determination of a Consequential Outage under clause 3.21.2, System Management must accept the information provided by a Market Participant under clause 3.21.8 unless the information is inconsistent with other information held by System Management.

3.21.10 If a Market Participant informs System Management of a Consequential Outage under clause 3.21.4, but does not provide System Management

with a notice in accordance with clause 3.21.8, then the outage will be deemed not to be a Consequential Outage and System Management must not include the outage as a Consequential Outage in the schedule provided to the IMO in accordance with clause 7.13.1A(b).

3.21.11 System Management must retain the notices it receives under clause 3.21.8, and must provide copies to the IMO:

(a) if requested by the IMO; and

(b) at least once every six months.

3.21.12 System Management must document the procedure to be followed in determining and reporting Forced Outages and Consequential Outages in the Power System Operation Procedure and System Management. Market Participants and Network Operators must follow that documented Market Procedure.

6.15.1. For a Market Participant other than the Electricity Generation Corporation, the Dispatch Schedule for a Trading Interval for a Scheduled Generator (excluding those to which clauses 3.21.2, 3.21A.14 or 4.25.10 apply) or Dispatchable Load is:

...

6.15.2. The Dispatch Schedule for a Trading Interval for any of the following Facilities equals the corresponding Metered Schedule:

(a) a Non-Scheduled Generator;

(aA) a Scheduled Generator to which clauses 3.21.2, 3.21A.14 or 4.25.10 apply;

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Glossary:

Authorised Officer: In respect of a Market Participant, an Officer as defined in Section 9 of the Corporations Act.

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GENERAL MANAGER DEVELOPMENT