
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2010_11 Removal of Network Control Services expression of interest and tender process from the Market Rules

Submitted by

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Submission

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

System Management is pleased to make this submission on the

Draft Rule Change Report

Title: Removal of Network Control Services expression of interest and tender process from the Market Rules

Ref: RC_2010_11

Standard Rule Change Process

Date: 24 December 2010

System Management supports rule change proposal.

Issue 1 – Commencement Date

However System Management is concerned in regard to the process for finalising the commencement date.

It is understood Western Power Networks is currently putting into place an alternative procurement process under the Access Code and this process should be finalised by 1 July 2011.

As there may be unexpected delays or impediments then the current process would need to remain until the establishment of the process has been completed.

System Management believes that the commencement date should not be established until this process has been completed and Western Power has advised the IMO

Issue 2 Clarification of Clauses

In addition, System Management believes that the proposed changes could be made clearer.

The following changes are suggested.

Proposed rule 5.9.3 is

“(b) the MWh quantity by which the Facility was instructed by System Management to increase its output as specified by System Management in accordance with clause 7.13.1(dB) (Loss Factor adjusted to the Reference Node) or reduce its consumption as specified by System Management in accordance with clause 7.13.1(dB);

(c) the per MWh price paid by the IMO for the quantity dispatched under the Network Control Service Contract; and

(d) the total amount paid by the IMO to the Market Participant for the quantity dispatched under the Network Control Service Contract.”

System Management believes the following wording is clearer as it prevents defining the amounts twice

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“(b) the MWh quantity by which the Facility was instructed by System Management to increase its output or reduce its consumption in accordance with clause 6.17.6(e)(i);

(c) the per MWh price paid by the IMO for the quantity dispatched under the Network Control Service Contract in accordance with clause 6.17.6(e)(ii) ; and

(d) the total amount paid by the IMO to the Market Participant for the quantity dispatched under the Network Control Service Contract in accordance with clause 6.17.6(e).”

Also the definition of clause 7.13.1(dB) could be made clearer. It is currently

“(dB) The MWh energy dispatched under a Network Control Service Contract for each Trading Interval in the Trading Day by Facility;”

The wording is not clear as to whether this means the instructed value or the value provided by the facility.

System Management believes the following is clearer to state it is the instructed quantity

“the MWh quantity by which the Facility was instructed by System Management to increase its output or reduce its consumption under a Network Control Service Contract for each Trading Interval in the Trading Day by Facility;”

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

System Management agrees that the proposed rule changes better facilitate the achievement of the Market Objective (a) and (b) as outlined by Perth Energy.

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 Proposal will not involve changes to System Management's IT or business systems.

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

The expected implementation date of this Rule Change Proposal should be achievable as there are no changes required.