



MARKET PROCEDURE: Procedure Administration

VERSION 3

ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

COMMENCEMENT:

This Market Procedure took effect from 8:00am (WST) on the same date as the Wholesale Electricity Market Rule.

VERSION HISTORY

VERSION	EFFECTIVE DATE	NOTES
1	21 September 2006	Market Procedure for Procedure Administration
2	1 October 2009	Amendments to Market Procedure resulting from PC_2009_02
3	8 November 2010	Amendments to Market Procedure resulting from PC_2010_01

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Market Rules

1.1.1 This Procedure Administration Market Procedure (Procedure) should be read in conjunction with clause 2.9.5 of the Wholesale Electricity Market (WEM) Rules (Market Rules).

1.1.2 Reference to particular Market Rules within the Procedure in bold and square brackets **[MR XX]** are current as of 1 July 2010. These references are included for convenience only, and are not part of this Procedure.

1.2 Purpose

1.2.1 The Procedure outlines the process by which Market Procedures (including Power System Operation Procedures) are to be developed and amended.

1.2.2 This Procedure provides the processes to be followed by:

- a) the IMO in developing and approving Procedure Change Proposals;
- b) System Management in developing Procedure Change Proposals; and
- c) Rule Participants where participating in the Procedure Change Process.

1.3 Application

1.3.1 This Procedure applies to the IMO, System Management and Rule Participants.

1.4 Associated Market Procedures

1.4.1 The following IMO Market Procedures are associated with this Procedure:

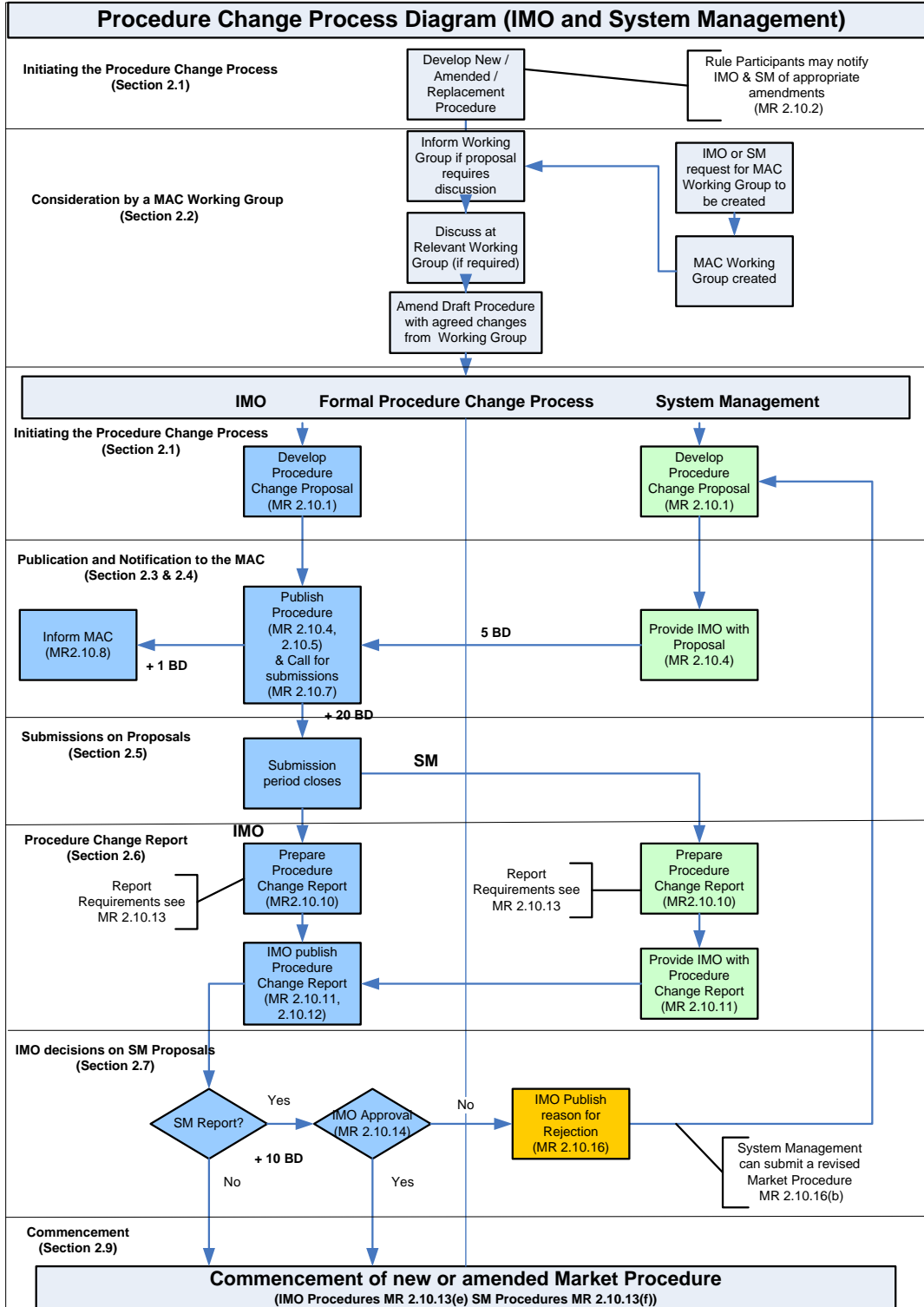
- a) Notices and Communications.

1.5 Interpretation

1.5.1 In this Procedure the conventions specified in clauses 1.3- 1.5 of the Market Rules apply.

2 PROCEDURE STEPS

This section outlines the procedure steps associated with the Procedure Change Process. The diagram on the next page gives an overview of the process. Details of the associated sections of this Procedure are also indicated.



2.1 Initiating the Procedure Change Process

2.1.1 The Procedure Change Process is initiated by either the IMO or System Management drafting a Procedure Change Proposal (proposal) [MR 2.10.1]. System Management is responsible for changes to its Power System Operation Procedures. The IMO is responsible for changes to its Market Procedures.

2.1.2 A proposal can be initiated only by the IMO or System Management, as applicable, and will be in response to:

- a) The IMO or System Management, as applicable, determining that an existing Market Procedure requires amending or replacing; or
- b) The IMO or System Management, as applicable, developing new Market Procedures, or amending or replacing existing Market Procedures following an amendment to the Market Rules [MR2.10.3]. This must be done as soon as practicable ~~after the Amending Rules commence; or~~
- c) A notification from a Rule Participant [MR2.10.2]. Any such notification must be in writing, by email, to the following:
 - i) The IMO: as outlined in the Notices and Communications Procedure
 - ii) System Management by email to:
market.development@westernpower.com.au

2.1.3 The IMO and System Management have the discretion whether to initiate any Procedure Change Process arising from a Rule Participant's notification.

2.1.4 The proposal must include the details outlined in clause 2.10.6 of the Market Rules. Amendments to the Market Procedure or Power System Operation Procedure should be clearly identified using tracked changes, where possible [MR2.10.6].

2.1.5 The IMO or System Management, as applicable, may commence the Procedure Change Process [MR2.10] at any time the IMO or System Management, as applicable, considers appropriate, including before the commencement of the Amending Rule, or a proposed Amending Rule, to which that Procedure Change Proposal relates. However, a Procedure Change Process in respect of an Amending Rule that has not yet commenced, or in respect of a proposed Amending Rule, must be conditional upon the Amending Rule commencing.

2.2 Consideration by a Market Advisory Committee Working Group

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- 2.2.1 The Market Advisory Committee (MAC) is an advisory body to the IMO and System Management comprised of industry representatives. The MAC is established pursuant to clause 2.3.1 of the Market Rules and one of its roles is to advise the IMO and System Management regarding Procedure Change Proposals.
- 2.2.2 The MAC may establish Working Groups comprised of representatives of Rule Participants and interested stakeholders, to assist it in providing advice to the IMO or System Management on Procedure Change Proposals **[MR2.3.17]**.
- 2.2.3 The MAC has established the following Working Groups to consider proposed amendments to Market Procedures before a proposal is submitted into the formal Procedure Change Process:
- a) The IMO Procedure Change and Development Working Group; and
 - b) The System Management Procedure Change and Development Working Group.
- 2.2.4 In addition to the general Working Groups referred to in step 2.2.3 of this Procedure, the MAC can initiate Working Groups to consider amendments to a specific Market Procedure, for example the Maximum Reserve Capacity Price Working Group. Further details of the current existing active Working Groups, including those associated with advising the IMO and System Management on potential Procedure Change Proposals are available on: http://www.imowa.com.au/mac_working_groups
- 2.2.5 The IMO or System Management, as applicable, may convene an existing active Working Group established by the MAC to discuss a Procedure Change Proposal either before submitting it into the formal Procedure Change Process or during the formal Procedure Change Process.
- 2.2.6 Prior to formal submission of a Procedure Change Proposal, the IMO or System Management, as applicable, must notify members of the appropriate existing active Working Group (noted in either step 2.2.3 or 2.2.5 of this Procedure) as to whether any proposed amendments to the Market Procedure require discussion by the Working Group and the reasons why.

2.3 Publication of Procedure Change Proposals

- 2.3.1 Once a proposal has been formally submitted into the Procedure Change Process, the IMO will publish that proposal on its website. The IMO must publish all Procedure Change Proposals that are open for public comment on its website.
- 2.3.2 Where System Management develops a Procedure Change Proposal and provides it to the IMO for publication, the IMO must publish the proposal within 5 Business Days **[MR2.10.4]**.

- 2.3.3 The IMO must call for submissions on the proposal by publishing the proposal on its website and provide a due date for the submissions, being 20 Business Days following the publication of the call for submissions **[MR2.10.7]**.
- 2.3.4 Before providing the Procedure Change Proposal to the IMO, System Management will assign the proposal a reference number to be quoted on submissions related to its Procedure Change Proposal. This will be in the formal PPCLxxxx.
- 2.3.5 For Procedure Change Proposals developed by the IMO, the IMO will assign a reference number to be quoted on submissions related to its Procedure Change Proposal. This will be in the format of PC_YYYY_ID.

2.4 Notification to Market Advisory Committee

- 2.4.1 Once it has published a Procedure Change Proposal the IMO must notify all members of the MAC, and advise them whether it considers that the MAC should be convened in relation to the Procedure Change Proposal, giving reasons why. This notification must be in writing and made within one Business Day of publishing the Procedure Change Proposal **[MR 2.10.8]**.
- 2.4.2 The IMO must convene a meeting of the MAC, prior to the close of submissions, in relation to the Procedure Change Proposal if:
- a) the IMO considers that advice on the Procedure Change Proposal is required from the MAC; or
 - b) two or more members of the MAC have written to the IMO indicating they consider that advice on the Procedure Change Proposal is required from the MAC **[MR2.10.9]**. This must be done with sufficient time to allow the IMO to convene a meeting of the MAC prior to the close of submissions, in relation to the Procedure Change Proposal.

2.5 Submissions on Procedure Change Proposals

- 2.5.1 Any person may make a submission on a Procedure Change Proposal using the Procedure Change Submission form **[MR2.10.7]**. A copy of this form is available on the IMO website: <http://www.imowa.com.au/procedure-changes>
- 2.5.2 A submission on a Procedure Change Proposal must be made to the IMO, by email, by the due date published by the IMO.

2.6 Procedure Change Report

- 2.6.1 Following the closing date of submissions, the IMO or System Management, as applicable, must prepare a Procedure Change Report **[MR 2.10.10]**.
- 2.6.2 Prior to preparing a Procedure Change Report proposing the approval of a procedure change, the IMO or System Management, as applicable, must conduct an assessment of the proposed changes to ensure consistency with:
- a) the Wholesale Market Objectives; and
 - b) the Market Rules, Electricity Industry Act and Regulations **[MR2.9.3]**.
- 2.6.3 The IMO must publish the Procedure Change Reports prepared by the IMO **[MR 2.10.12]** and by System Management **[MR 2.10.11]**. The Procedure Change Report must contain all of the information outlined in clause 2.10.13 of the Market Rules **[MR 2.10.13]**.
- 2.6.4 In proposing a date and time for procedure changes to commence, the IMO or System Management, as applicable, must be of the view that Rule Participants will have sufficient time between publication of the Procedure Change Report and commencement of the Market Procedure to implement any changes required **[MR 2.10.13]**. The IMO may extend the timeframe for commencement under step 2.8.2 if it considers that Rule Participants will not have sufficient time to implement the required changes.

2.7 IMO Decisions on System Management Procedure Change Proposals

- 2.7.1 Market Procedures developed by System Management require IMO approval.
- 2.7.2 Within 10 Business Days of publishing a Procedure Change Report prepared by System Management, the IMO must decide whether to approve or reject the proposed Market Procedure or amendment to, or replacement for, the Market Procedure **[MR 2.10.14]**.

Approval of Procedure Change Proposal

- 2.7.3 Where the IMO approves the proposed Market Procedure or amendment to, or replacement for, the Market Procedure, it must notify System Management in writing and publish on its website the information specified in clause 2.10.15 of the Market Rules **[MR 2.10.15]**.

Rejection of Procedure Change Proposal

- 2.7.4 Where the IMO rejects the proposed Market Procedure or amendment to, or replacement for, the Market Procedure, it must notify System Management in writing and publish on its website the information specified in clause 2.10.16(a).

2.7.5 In the case where the IMO rejects a Procedure Change Proposal submitted by System Management which is required by an Amending Rule, System Management must prepare and submit a new Procedure Change Proposal that complies with the Amending Rule and is acceptable to the IMO. The new Procedure Change Proposal must go through the full Procedure Change Process **[MR 2.10.16(b)]**.

2.7.6 If the IMO rejects a proposed procedure change not required by an Amending Rule, System Management has the discretion to prepare and submit a new Procedure Change Proposal or to discard the procedure change.

2.8 Commencement of Market Procedures

2.8.1 A procedure change will commence on the date set by the IMO:

- a) in the IMO's Procedure Change Report, for IMO initiated procedure changes; or
- b) on the date published by the IMO with its decision to accept a Procedure Change Proposal, for procedure changes initiated by System Management **[MR 2.11.3]**.

2.8.2 The IMO may extend the time and date for commencement of procedure changes and must publish a notice of extension, including a revised time and date for commencement of the Market Procedure **[MR 2.11.4]**.