
Wholesale Electricity Market – Procedure Change Proposal

Change requested by

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Organisation:	System Management
Address:	
Date submitted:	13 January 2010
Urgency:	Procedure change process, clause 2.10 of the Market Rules
Procedure change title:	Revised PSOP: Dispatch
Market Procedure(s) affected:	PSOP: Dispatch (as amended to incorporate PSOP: Scheduling and Dispatch of Electricity Generation Corporation Facilities)

Introduction

The IMO or System Management, as applicable, may initiate the Procedure Change Process by developing a Procedure Change Proposal. Rule Participants may notify the IMO or System Management, as applicable, where they consider an amendment or replacement of a Market Procedure would be appropriate.

If an Amending Rule requires the IMO or System Management to develop new Market Procedures or to amend or replace existing Market Procedures, then the IMO or System Management, as applicable, is responsible for the development of, amendment of or replacement for, Market Procedures so as to comply with the Amending Rule.

Market Procedures:

- (a) must:
 - i. be developed, amended or replaced in accordance with the process in the Market Rules;
 - ii. be consistent with the Wholesale Market Objectives; and
 - iii. be consistent with these Market Rules, the Electricity Industry Act and Regulations; and
- (b) may be amended or replaced in accordance with clause 2.10 and must be amended or replaced in accordance with clause 2.10 where a change is required to maintain consistency with Amending Rules.

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.

Submissions on the Procedure Change Proposal can be posted, faxed or emailed to:

Independent Market Operator

Attn: Manager Market Administration
 PO Box 7096
 Cloisters Square, Perth, WA 6850
 Email: marketadmin@imowa.com.au

However, the IMO prefers to receive submissions by email using the submission form available on the IMO website:

http://www.imowa.com.au/10_5_1_b_procedure%20change%20proposal.htm

Details of Procedure Change Requested

1. Provide a reason for the proposed new, amended or replacement Market Procedure:

Recent Procedure Change Proposals relating to the Dispatch Power System Operation Procedure highlights amendments which System Management (subject to consultation with the System Management Power System Operation Procedure Working Group and the Independent Market Operator) believed were necessary to accurately reflect System Management's performance of its functions and evolving market requirements.

During the consultation processes on amendments to the Dispatch Power System Operation Procedure several issues were identified in relation to the dispute resolution mechanism which applies between System Management and Verve Energy (in its guise as the balancer).

System Management has discussed the suggested amendments with Verve Energy accordingly.

These issues, which principally involve ambiguity in interpretation or application, are set out in the following section.

2. Provide the wording of the new or amended Procedure (as applicable)

The proposed amendments addressing the above proposal regarding the Power System Operation Procedure: Dispatch, in particular clause 10.5, is as follows. A ~~strike through~~ has been made where words are deleted and underline where words have been added.

- (2) Where agreement cannot be reached under clause 7.6A.5(b) of the Market Rules and arbitration is required either party may refer the issue to the IMO for a binding decision. The party seeking arbitration must...
- (4) The IMO must notify both parties of receipt of the report from the party seeking arbitration, as provided under subsection 2, within one Business Day of receipt. Notification will be provided via email.
- 4(5) At the same time as notifying both parties of the receipt of the report, the IMO must request that the other party must-submit its own report on the issue. The report must include:
- details of any areas of disagreement with the facts and opinions expressed in the report of the party seeking arbitrations; and
 - any other matters which the other party believes are relevant and wishes the IMO to take into consideration.

The other party must submit its report on the issue to the IMO within 2 4 Business Days of the notification being issued under subsection 4. At the same time the report is submitted to the IMO a copy must be provided to the party seeking arbitration. In the case where the other party fails to submit a report within 2 4 Business Days, the IMO will take the issues raised in the party seeking arbitrations report to have been agreed by the other party. of the receipt of the report noted in subsection (5)

- 5(6) The IMO must review the issues as submitted by the two parties under subsections (3) and (5). In reviewing the issue, the IMO must have regard for the following:...
- 6(7) The IMO may seek further information from either party, and this information must be provided within 25 Business Days of receipt of the request from the IMO.
- 7(8) The IMO must provide a draft recommendation to the EGC and System Management within two-weeks 10 Business Days after the notification both parties are notified of receipt of the report under subsection 4. Both parties have 2 Business Days to provide the IMO with comments on the draft recommendation.
- 8(9) The IMO must, within 120 Business Days of ~~receiving comments on the~~ providing the draft recommendation to the EGC and System Management, issue a binding decision.
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Procedure Change No.: PPCL0015

Received date: _____
