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**Wholesale Electricity Market – Submission to Procedure Change  
Proposal: PPCL0019 Revised Power System Operation Procedure:  
Monitoring and Reporting Protocol**

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**Submitted by**

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| <b>Date submitted:</b> | 8 April 2011  |

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**Submission**

Clause 2.10.7 of the Wholesale Electricity Market Amending Rules provides that any person may make a submission for a Procedure Change Proposal by filling in this Procedure Change Submission form.

Submissions for Procedure Changes that relate to the Power System Operation Procedures and IMO Market Procedures should be submitted to:

**Independent Market Operator**

Attn: Manager Market Development & System Capacity  
PO Box 7096  
Cloisters Square, Perth, WA 6850  
Fax: (08) 9254 4399  
Email: [market.development@imowa.com.au](mailto:market.development@imowa.com.au)

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## 1. Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions:

### Background

On 11 March 2011 the Independent Market Operator (IMO) published, on behalf of the System Management, a proposed amended Power System Operation Procedure (PSOP): Monitoring and Reporting Protocol (PPCL0019). System Management's proposed amendments are required for consistency with 'The use of tolerance levels by System Management' rule change RC\_2009\_22, which came into effect on 1 December 2010. System Management's proposal also includes some minor and typographical amendments.

### IMO's views

The IMO outlines its views below including its recommended amendments where appropriate.

In respect of section 5.2 of the Monitoring and Reporting Protocol headed "Initial determination and subsequent annual review of tolerance range and relevant facility tolerance ranges":

#### Step 5.2.2

- These comments apply also to Steps 5.2.7 and 5.2.10 below.
- The IMO considers that the reference to the 'IMO's website' is more appropriately expressed as the Market Web Site, which is defined in the Market Rules. This should be the website specified.
- The IMO considers System Management should publish its responses and that the "may" should be "must". The rationale is similar to that expressed under Step 5.2.4 below.
- Additionally, the IMO suggests rewriting some parts of this step for a clearer statement of the intent, as follows:

"System Management must consult with Rule Participants prior to setting the Tolerance Range. [MR 2.13.6D] System Management must initiate consultation by publishing a proposed through displaying suggested Tolerance Range(s) for public comments for six weeks on either the System Management website or the IMO Market wWeb sSite, whichever source it considers is suitable at the time, and inviting Rule Participants to provide submissions within six weeks. System Management must publish its



responses to each issue raised in submissions received from Rule Participants, on the Market Web Site where the proposed Tolerance Range was published. ~~by publishing its via the nominated consultation medium.~~

- The comments above apply also to Steps 5.2.7 and 5.2.10 below.

#### Step 5.2.3

- The IMO queries whether an ex-post Tolerance Range is contemplated by the Amending Rules and requests System Management’s confirmation of this.
- The IMO notes that the term ‘Power System’ is not a defined term in the Market Rules and considers that ‘SWIS’ would be a more appropriate term.
- The IMO suggests additional wording to clarify the meaning of the second sentence of this section. In particular, the IMO suggests the following amendments:

“System Management may determine a real time Tolerance Range and ~~an ex-post Tolerance Range~~ to apply to all facilities. In making that determination System Management must consider the following ~~elements~~:

- a. the variability of generation/load movement in aggregate on:
  - (i) the ~~SWIS Power System~~ at any point in time; and
  - (ii) the overall effect on system frequency;
- b. the Load Following requirement;
- c. Facility ramping behaviours;
- d. the proportion of Facilities required to comply with Resource Plans synchronised on the system during an average Trading Day; and
- e. any other factors ~~which that~~ which that may influence real time operation of the ~~SWIS Power System~~. **[MR 2.13.6K]”**

#### Step 5.2.4

- The IMO considers that System Management should be required to provide responses to all submissions to reflect that the required consultation has been conducted in good faith. Clause 2.21.4 of the Market Rules provides support for this view.

#### Step 5.2.5

- The IMO considers that, to clarify the obligations, this step should be split to reflect two separate processes:
  - steps for System Management to undertake if it considers that a Tolerance Range is not suitable for a particular Facility; and



- steps for a Market Participant to undertake if it considers that a Tolerance Range is not suitable for a particular Facility.

Under System Management's proposed amendment the IMO considers that the Market Participant would be required to anticipate what System Management considers regarding a Tolerance Range and then apply to have it changed.

- The IMO suggests the following changes (splitting Step 5.2.5 into new Steps 5.2.5A and 5.2.5B):

5.2.5A ~~"In instances where either~~ If System Management considers that a Tolerance Range for all facilities is not suitable for a particular facility it may determine a Facility Tolerance Range for that particular facility in accordance with section 5.2.6 of this procedure. The Facility Tolerance Range will apply to the particular facility in place of the Tolerance Range."

5.2.5B ~~"If or a Market Participant does not~~ considers that believe the a Tolerance Range in for all facilities is not suitable for a particular facility, a the Market Participant is required to may submit an application by via email to System Management stating the reasons why a the Tolerance Range is less suitable for the particular facility concerned. System Management may, in accordance with the process in section 5.2.6 of this procedure, determine a specific Facility Tolerance Range for the facility. This Facility Tolerance Range will apply to a the specific particular generation facility in place of the Tolerance Range."

#### Step 5.2.6

- The IMO suggests a small grammatical amendment, as follows

The circumstances ~~by~~ in which System Management may exercise its discretion to determine a specific Facility Tolerance Range include:

- a. first time entry of small loads into the SWIS;
- b. generators with excessively variable output; or
- c. any other exceptional circumstances which System Management considers reasonable.

#### Step 5.2.7

- Refer to the IMO's comments under Step 5.2.2. The IMO's suggests the following amendments:

"System Management must consult with the Market Participants prior to determining a Facility Tolerance Range **[MR 2.13.6E]**. System Management must initiate consultation by publishing a proposed ~~through displaying~~



~~suggested Facility Tolerance Range(s) for public comments for six weeks on either the System Management website or the IMO Market wWeb sSite, whichever source it considers is suitable at the time, inviting Rule Participants to provide submissions within six weeks. System Management must publish its responses to each issue raised in submissions received from Rule Participants, on the Market Web Site where the proposed Facility Tolerance Range was published. by publishing its via the nominated consultation medium.~~

#### Step 5.2.9

- The IMO considers that System Management should be required to provide responses to all submissions to reflect that the required consultation has been conducted in good faith. Clause 2.21.4 of the Market Rules provides support for this view.
- The IMO suggests the following amendment for clarification:

At least 14 Business Days prior to the date from which a change to the Facility Tolerance Range becomes effective, System Management must submit to the IMO for publication on the Market Web Site:

- a. the reasons for System Management's decision to change the Facility Tolerance Range;
- b. any submissions received from Market Participants;
- c. the applicable Facility Tolerance Range; and
- d. an effective date for the commencement of the applicable Facility Tolerance Range. **[MR 2.13.6E]**

Where appropriate, System Management may provide responses to each issue raised in the submissions received from Market Participants.

#### Step 5.2.10

- Refer to the IMO's comments under Step 5.2.2. The IMO suggests the following amendments:

~~As required by the The Market Rules, require that System Management must review the Tolerance Range and all Facility Tolerance Ranges at least annually **[MR 2.13.6G]**. System Management must initiate consultation by publishing a proposed through displaying suggested Tolerance Range and Facility Tolerance Ranges(s) for public comments for six weeks on either the System Management website or the IMO Market wWeb sSite, whichever source it considers is suitable at the time, and inviting Rule Participants to provide submissions within six weeks. System Management must publish its responses to each issue raised in submissions received from Rule Participants, on the Market Web Site. by publishing its via the nominated consultation medium.~~



#### Step 5.2.11

- The IMO considers that as currently drafted this step is unclear. The Tolerance Range or Facility Tolerance Range will not be effective from the date that IMO publishes the information received from System Management under clauses 2.13.6D and 2.13.6E, but rather from the date that System Management specifies under clauses 2.13.6D(b)iii. and 2.13.6E(b)iv..
- The IMO suggests the following amendments:

Following a review, System Management may vary the Tolerance Range or Facility Tolerance Range **[MR 2.13.6G]**. Varied Tolerance Ranges and Facility Tolerance Ranges are effective from the date specified by System Management, as published by the IMO on the Market Web Site in accordance with the Market Rules [MR2.13.6D and MR2.13.6E].

In respect of section 9.2 of the Monitoring and Reporting Protocol headed “Alleged Breaches”:

#### Step 9.2

- The IMO considers this section is unclear and inaccurate. Breaches are not required to be reported by System Management under clause 7.10.1 of the Market Rules. System Management is required to monitor Rule Participants for breaches of clause 7.10.1 but this clause itself does not expressly require System Management to report a failure to comply with this clause. A breach report is required by System Management under clause 2.13.8(b), but not if the conditions outlined in clause 2.13.6B are relevant. The IMO considers that this should be clarified in section 9.2. Therefore, the IMO suggests that section 9.2 be reviewed by System Management to ensure its intent and purpose is accurately reflected.