



Independent Market Operator

**The IMO's decision: Proposed
Amended Power System
Operation Procedure:**

**Operational Data Points for
Generating Plant**

Ref: PPCL0020

Date: 2 February 2011

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Independent Market Operator

Level 3, Governor Stirling Tower
197 St George's Terrace, Perth WA 6000
PO Box 7096, Cloisters Square, Perth WA 6850
Tel. (08) 9254 4300
Fax. (08) 9254 4399
Email: imo@imowa.com.au
Website: www.imowa.com.au

EXECUTIVE SUMMARY

Procedure Change Proposal

System Management proposed amendments to the Power System Operational Procedure to include additional requirements for wind data at nacelle height and solar data to increase the accuracy when calculating a Load Forecast for a Trading Day. These will enable System Management to produce more accurate Load Forecasts for a Trading Day.

Consultation

- System Management formally submitted the Procedure Change Proposal with a request for submissions closing on 9 December 2011.
- The Procedure Change Proposal was provided to members of the System Management Procedure Change and Development Working Group for out of session comment that concluded on 18 November 2011. An additional informal consultation period for Working Group members on the proposed changes was held subsequent to System Management. The informal consultation period concluded on 10 January 2012.
- One submission was received from Landfill Gas & Power (LGP) during the formal consultation period. LGP supported the proposed amendments.

The IMO's Assessment

The IMO has found the proposed amendments to be consistent with the Wholesale Market Objectives, the Market Rules, the Electricity Industry Act and the Regulations.

Practicality and Cost of Implementation

No costs associated with the implementation of the proposed amendments or issues with the practicality of the proposed amendments have been identified by either the IMO or System management.

The IMO's Decision

The IMO's decision is to accept the Procedure Change Proposal.

Next steps

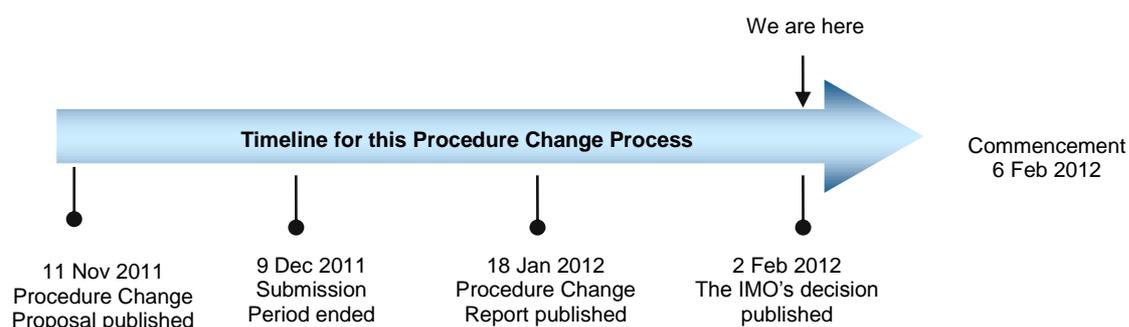
The amended PSOP: Operational Data Points for Generating Plant will commence at 8.00am on 6 February 2012.

1. INTRODUCTION

On 11 November 2011, the Independent Market Operator (IMO) published a Procedure Change Proposal from System Management regarding the proposed amended Power System Operation Procedure (PSOP): Operational Data Points for Generating Plant.

The proposal has been processed according to the Procedure Change Process under clause 2.10 of the Wholesale Electricity Market Rules (Market Rules).

The key dates in processing this Procedure Change Proposal are:



2. PROPOSED AMENDMENTS

2.1 Summary of the Proposal

In its proposal, System Management put forward a number of amendments to the PSOP: Operational Data Points for Generating Plant to address the increase in Non-Scheduled Generation that has registered to operate on the South West Interconnected System (SWIS) since market start.

System Management must produce Load Forecasts for a Trading Day that represent Non-Dispatchable Load and Interruptible Load net of forecast Non-Scheduled Generation **[MR7.2.2(a)]**. The proposed amendments include additional requirements under Table 2 for 'Wind Data at nacelle height' and 'Solar Data'.

System Management also notes that it has included a number of minor and typographical amendments to the PSOP consistent with its endeavour to continuously seek to improve the integrity and accuracy of the PSOPs.

Full details of the Procedure Change Proposal are available at: www.imowa.com.au/PPCL0020

3. CONSULTATION

3.1 Market Advisory Committee or Working Group

The Market Advisory Committee (MAC) has delegated the role of considering System Management Procedure Change Proposals to the System Management Procedure Change and Development Working Group (Working Group) (clause 2.3.17(a)) and accordingly the MAC has

not reviewed the Procedure Change Proposal. However, in accordance with clauses 2.10.8 and 2.10.9 the IMO notified the MAC once the Procedure Change Proposal had been published and noted that it would convene a meeting of the MAC to discuss should two or more members request it. No MAC member contacted the IMO in this regard.

The proposed amended PSOP was given to the System Management Procedure Change and Development Working Group for out of session comment on the 14 November 2011.

During the 12 December 2011 meeting, the Chair advised members that there would be a further informal consultation for PPCL0020 to allow members more time to evaluate the amended PSOP. This informal consultation period ended on 10 January 2012 and System Management received no further comments.

3.2 Submissions received during consultation period

The public submission period was between 14 November 2011 and 9 December 2011. During this time System Management received one submission from Landfill Gas & Power (LGP).

LGP noted that it supports the Procedure Change Proposal on the grounds that the inclusion of additional data for solar and wind facilities will help improve System Management's forecasts of System Load. LGP considered the amendments enhanced Wholesale Market Objectives (a) and (d) as it will improve the dispatch of Scheduled Generators and alleviate the disconnect between the STEM and MCAP prices that has manifested over the last few months.

4. THE IMO'S ASSESSMENT

The IMO is required under clause 2.10.14 of the Market Rules to make a decision whether to approve a proposed PSOP, or amendment to or replacement for a PSOP, prepared by System Management.¹ The IMO has undertaken an assessment of the proposed amendments in light of the requirements outlined clause 2.9.3(a) of the Market Rules which requires that Market Procedures must be:

- developed, amended or replaced in accordance with the process in the Market Rules;
- consistent with the Wholesale Market Objectives; and
- consistent with the Market Rules, the Electricity Industry Act and Regulations.

The IMO has also reviewed the commencement date proposed by System Management to ensure that it will allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it (clause 2.10.15(c)),

The IMO's assessment of System Management's proposed amended PSOP is outlined in the following sections.

4.1 Wholesale Market Objectives

The IMO considers that the proposed amendments to PSOP: Operational Data Points for Generating Plant are drafted in a way that does not change the operation or objectives of the Market Rules. As a result, the IMO considers that the proposed amended PSOP: Operational Data Points for Generating Plant as a whole is consistent with the Wholesale Market Objectives.

4.2 Market Rules, the Electricity Industry Act and Regulations

The IMO considers that the proposed amended PSOP: Operational Data Points for Generating Plant is consistent, as a whole, with:

- the Market Rules,
- the Electricity Industry Act; and
- Regulations.

The IMO also considers that the proposed amended PSOP is consistent with all other Market Procedures.

4.3 Implementation of the amended Power System Operation Procedure

In its Procedure Change Report, System Management does not identify any operational considerations that need to be taken into account when determining the implementation date for PPCL0020. The IMO also notes that the submissions received during the public consultation process did not provide any evidence to suggest that the proposed amended PSOP: Operational Data Points for Generating Plant will require Market Participants, the IMO or System Management to implement any procedural or system amendments before it can commence. Consequently the IMO considers that System Management's proposed commencement date at 8.00am on 6 February 2012 should allow sufficient time from the date of publication of System Management's Procedure Change Report to ensure compliance with the amended PSOP.

5. THE IMO'S DECISION

The IMO's decision is to approve the amended PSOP: Operational Data Points for Generating Data as proposed by System Management in its Procedure Change Report.

5.1 Reasons for the decision

The IMO's decision is based on its assessment that the amended PSOP:

- is consistent with the Wholesale Market Objectives;
- had the support of the submission received during the public consultation period;
- is consistent with the Market Rules, the Electricity Industry Act and Regulations; and
- requires no operational or system changes prior to implementation.

The IMO also notes that no concerns were raised by Working Group members during their consideration of the proposed amendments both formally and informally out of session.

Additional detail outlining the analysis behind the IMO's reasons is outlined in section 4 of this report.

6. THE AMENDED POWER SYSTEM OPERATION PROCEDURE

6.1 Commencement

The amended PSOP: Operational Data Points for Generating Plant will commence at 8.00am on 6 February 2012.

6.2 The Amended Power System Operation Procedure

The wording of the approved amended PSOP: Operational Data Points for Generating Plant is available on the IMO's website.