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## Wholesale Electricity Market – Procedure Change Proposal

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### Change requested by

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<b>Organisation:</b>	System Management
<b>Address:</b>	
<b>Date submitted:</b>	11 January 2012
<b>Urgency:</b>	Procedure change process, clause 2.10 of the Market Rules
<b>Procedure change title:</b>	Replaced PSOPs: Competitive Balancing and Load Following Market 2
<b>Market Procedure(s) affected:</b>	PSOPs: Competitive Balancing and Load Following Market

### 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](mailto: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](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:**

Following feedback from Market Participants and the findings of the Verve Energy Review, a proposal to establish competition in the provision of both the balancing and load-following ancillary service markets has been developed. The resulting amendments to the Market Rules have been documented in the Rule Change Notice: Competitive Balancing and Load Following Market RC\_2011\_10.

It has therefore been necessary for System Management to make related and relevant changes to the Power System Operating Procedures which are impacted by the proposed Rule changes in RC\_2011\_10.

System Management continuously seeks to improve the integrity and accuracy of the Power System Operation Procedures.

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

In accordance with MR 2.10.3, to maintain consistency, it is necessary to replace the Power System Operation Procedures impacted by the proposed Rule changes in RC\_2011\_10. This procedure change proposal reflects changes required for the Power System Operation Procedures:

- Power System Security
- Ancillary Services

The new Power System Operation Procedures are attached.

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**Procedure Change Nos.: PPCL0022**

**Received date: 11/01/2012**

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