
Wholesale Electricity Market – Procedure Change Proposal

Change requested by

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Organisation:	System Management
Address:	8 Joel Terrace, East Perth
Date submitted:	14 March 2013
Urgency:	Procedure change process, clause 2.10 of the Market Rules
Procedure change title:	Revised PSOP: Monitoring and Reporting Protocol
Market Procedure(s) affected:	PSOP: Monitoring and Reporting Protocol

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/procedure-changes>

Details of Procedure Change Requested

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

System Management may determine a Tolerance Range to apply to all Facilities (MR 2.13.6D), and a specific Facility Tolerance Range (MR 2.13.6E) for the purpose of System Management's dispatch compliance monitoring and reporting obligations under clauses 7.10.4, 7.10.5 and 7.10.7 of the Rules.

System Management determined the Tolerance Range under clause 2.13.6D to apply to Scheduled Generators from 1 July 2012 as the following formula:

Tolerance Range = (+/-) MAX (6, MIN [5% NPC, 4*ROC])

Where:

NPC: Name plate capacity of the generator, expressed in MW (Market Rules Appendix 1(b)(ii))

ROC: Rate of Change or Ramp Rate of a Unit per minute (Market Rules Appendix 1(b)(v))

The above formula is published on the IMO website as required under clause 2.13.6D.

In effect the setting of tolerances is an annual event subject to annual review under clause 2.13.6G, although currently adjustments are made during the year where a Scheduled Generator changes their Standing Data ramp rate (i.e. change in ROC value). To date, such changes have been infrequent.

Clause 2.13.6K requires System Management to document the procedure for determining and reviewing the Tolerance Range in the Power System Operation Procedure (Monitoring and Reporting PSOP). As part of this Rule requirement, System Management revised the Monitoring and Reporting PSOP to include the Tolerance Range formula through Procedure Change Process PPCL0023. The revised Monitoring and Reporting PSOP commenced on 1 July 2012.

The Tolerance Range formula set out in the Monitoring and Reporting PSOP defines ROC as '*ROC is the currently dispatched ramp rate of a Scheduled Generator in a particular Trading Interval, expressed in MW per minute*'. Applying this ROC definition would result in a dynamic Tolerance Range that potentially changes per interval. This was an oversight and not intended by System Management.

This procedure change proposal intends to correct the ROC definition to align with the definition published on the IMO website (and referred to above) with the intention that it reflects the fairly static Tolerance Range that is currently applied, subject to annual review.

System Management continuously seeks to improve the integrity and clarity of the Power System Operation Procedures, and has also proposed changes to Section 4.3 to clarify the process of determining a Tolerance Range and a Facility Tolerance Range.

System Management have also removed reference to Market Rule 7.10.6 which is currently included in the Appendix of the PSOP: Monitoring and Reporting Protocol. This reference was removed as the IMO is intending on progressing a Fast Track Rule Change proposal to remove this Market Rule (PRC_2013_01). The removal of this reference through this Procedure Change process will be dependent on the outcome of the IMO's Fast Track Rule Change proposal for PRC_2013_01.

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

The amended Procedure, Power System Operation Procedure: Monitoring and Reporting Protocol is attached with changes marked up.

Procedure Change No.: PPCL0024

Received date: 14 March 2013