



INDEPENDENT
MARKET
OPERATOR

Wholesale Electricity Market – Submission to Procedure Change Proposal

PPCL0025: Revised PSOP: Commissioning and Testing

Submitted by:

Name:	Jacinda Papps
Phone:	(08) 9424 1917
Fax:	(08) 9424 1818
Email:	Jacinda.papps@verveenergy.com.au
Organisation:	Verve Energy
Address:	GPO Box F366, Perth WA 6841
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Submission

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

Verve Energy was strongly supportive of the Updates to Commissioning Test Plans Rule Change Proposal (RC_2013_12) which amended the rules to:

- allow System Management to approve (if appropriate):
 - a Commissioning Test Plan within a shorter application period than currently provided for under the Wholesale Electricity Market Rules (Market Rules); or
 - a revision to a Commissioning Test Plan to amend the Commissioning Test Period or change the details of the tests to be undertaken (including allowing for an extension to the end date of a Commissioning Test Period).
- ensure System Management has sufficient discretion to reject a Commissioning Test Plan received under the shorter timeframes, where it does not have sufficient time to consider the new or revised plan; and
- improve the overall integrity and functioning of the Commissioning Test Plan approvals process.

Specifically, Verve Energy considered that the Rule Change Proposal allowed for a more efficient and flexible process which is more aligned with the operational and technical realities of commissioning.

Verve Energy has reviewed the proposed revised Power System Operation Procedure (PSOP) for Commissioning and Testing and, as a whole, Verve Energy is concerned that it does not seem to be implementing the Rule Change Proposal as was intended. Verve Energy's specific concerns are outlined below:

- Verve Energy notes that the original intent of RC_2012_12 was to enable more flexibility to generators when undertaking commissioning activities. For example, the description of the rule change proposal stated that generators would be able to seek revisions to previously approved Commissioning Test Plans where additional time was required to complete the relevant tests or if additional tests were required¹. However, this flexibility does not seem to be appropriately reflected in the proposed revised PSOP. Specifically, step 2.4.2(b)(iii) of the PSOP states that if the conditions require an extension of the Commissioning Test Period, then a new Commissioning Test Plan must be submitted in accordance with Section 2.1 of PSOP (as opposed to simply revising an already approved Commissioning Test Plan). Verve Energy requests that System Management undertake a thorough review of the proposed revised PSOP to ensure that the additional flexibility contemplated by RC_2012_12 is appropriately reflected.
- Step 2.1.3 outlines that System Management must notify the IMO of a potential breach of clause 3.21A.4 of the Market Rules if a Commissioning Test Plan is submitted after the timing requirement as outlined in this clause. Verve Energy notes that clause 2.13.9(gA) outlines System Management's monitoring obligations and, in relation to commissioning, System Management is required to only monitor participant's compliance with clauses 3.21A.2, 3.21A.12 and 3.21A.13(a) not clause 3.21A.4².
- Step 2.1.4 – Verve Energy notes that during the first submission period for RC_2012_12 System Management requested that the IMO consider embedding in the Market Rules a requirement similar to that outlined in step 2.1.4 of the Commissioning and Testing PSOP. In response to this request, the IMO noted in its Draft Rule Change Report³ that it “does not consider it necessary to specify...a requirement for a Commissioning Test Plan be submitted for approval at least 2 days prior” and that there “may be exceptional circumstances where it both possible and desirable for System Management to approve a Commissioning Test Plan within 2 days of its commencement”. As such, Verve Energy does not consider that there is sufficient heads of power provided under the Market Rules for System Management to incorporate a requirement to not approve any plans received less than two days

¹ See the IMO's description of the proposed amendments (pg 3 of 25) and its assessment against the Wholesale Market Objectives (pg 9 of 25) in the Final Rule Change Report, available here:

http://imowa.com.au/f4975,3038040/RC_2012_12_Final_Rule_Change_Report_FINAL1.pdf

² Verve energy notes that prior to the Amending Rules resulting from RC_2012_12 System Management did have an implicit obligation to monitor compliance with clause 3.21A.4 (via its monitoring obligations on clause 3.21A.2).

³ See page 8 of 26 of the Draft Rule Change Report, available here:

http://imowa.com.au/f4975,2897022/RC_2012_12_Draft_Rule_Change_Report_Final.pdf

prior to the commencement date of the tests. As such, Verve Energy recommends that this step be removed from the PSOP.

In reviewing the proposed revised PSOP, Verve Energy has also identified the following minor points for further consideration:

- Relationship with Market Rules – step 2 of this section notes that references to particular clauses of the Market Rules are current as of Balancing Market Commencement Day. Verve Energy considers this should be updated to refer to either the most recent version of the Market Rules or the version of the Market Rules which contain the relevant amendments relating to the commissioning rule changes that this revised PSOP is implementing (i.e. 1 April 2013).
- Related documents – Verve Energy does not agree that the Reserve Capacity Testing Market Procedure is a related document that should be read in conjunction with this PSOP. This PSOP merely states that Reserve Capacity Testing should be done under the Reserve Capacity Testing Market Procedure.
- Scope – Verve Energy suggests that the following amendments be made to the text in the explanatory box contained in this section:
 - Add "or Facility Tolerance Range" after "Tolerance Range" to reflect that specific Facilities may have a Facility Tolerance Range which differs from the general Tolerance Range (as determined by System Management under clause 2.13.6E(b)(iii) of the Market Rules); and
 - Amend the reference from "Verve Energy" to "Verve Energy Balancing Portfolio".
- Step 2.2.3 – Verve Energy questions how this obligation relates to the obligation under clause 3.21A.4(d) or the Market Rules. From the drafting of this step it would seem that this is a general obligation on all Market Participants to inform System Management of the operating person(s) authorised to communicate with it regarding commissioning activities, regardless of whether the Market Participant intends to undertake commissioning activities.
- Section 2.3 explanatory box –
 - Verve Energy considers that the exact wording of clauses 3.21A.3 and 3.21A.7 is not required to be included as part of the explanatory box – noting that when referencing other rules in the PSOP the full wording is not repeated. Verve Energy considers that it is only necessary to retain the interpretation of significant maintenance and the last paragraph in the explanatory box.
 - The interpretation of significant maintenance is outlined as "to mean maintenance work without which the Facility cannot be reasonably assured of

operating at a satisfactory level for its full output as found on the Western Power website". Verve Energy is not certain what "as found on the Western Power website" is specifically referring to, and as such, requests clarification.

- Step 2.3.6 – The reference should be to clause 3.21A.10(a)(ii) and (iii).
- Step 2.5.1 – The wording of this step should reflect the revised definition of a Commissioning Test as outlined in clause 3.21A.1 of the Market Rules i.e. that it is a "series of activities..." as opposed to "For each Test or series of successive Tests".
- Appendix A – Should "Trade Date" be "Trading Day".
- General – the PSOP refers to "Test" (capitalised) in a number of instances. Verve Energy notes that neither the Market Rules, nor the PSOP define "Test".

2. Please provide an assessment whether the Procedure Change Proposal is consistent with the Market Objectives and the Wholesale Electricity Market Amending Rules.

Verve Energy has not undertaken an assessment of the Procedure Change Proposal against the Wholesale Market Objectives.

3. Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

Verve Energy would not require any changes to its IT or business systems, nor incur any organisation costs as a consequence of adopting the changes (either as proposed by System Management or as amended as suggested by Verve Energy).

4. Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.

Verve Energy does not need to undertake any actions to implement this Procedure Change Proposal.