

---

## Wholesale Electricity Market – Procedure Change Proposal

---

Procedure Change No: PC\_2008\_07

### Change requested by

<b>Name:</b>	Allan Dawson
<b>Phone:</b>	08-92544300
<b>Fax:</b>	08-92544399
<b>Email:</b>	<a href="mailto:imo@imowa.com.au">imo@imowa.com.au</a>
<b>Organisation:</b>	IMO
<b>Address:</b>	Level 3, 197 St Georges Terrace, Perth, WA 6000
<b>Date submitted:</b>	1 September 2008
<b>Procedure change title:</b>	Amendments to the Market Procedure for Reserve Capacity Performance Monitoring
<b>Market Procedure(s) affected:</b>	Reserve Capacity Performance Monitoring

### 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, amendment, or replacement of 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 the 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 Wholesale Market Objectives 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.

---

## **Details of Procedure Change Requested**

---

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

The current procedure for Reserve Capacity Performance Monitoring was developed before the start of the Wholesale Electricity Market in September 2006. Recent changes to the Wholesale Electricity Market Rules pertaining to Commissioning Tests, and in particular clarification of the way in which a Market Participant can notify acceptance of its Reserve Capacity Obligations for new Facilities have required changes to this procedure.

This procedure is proposed to be amended in order to:

- Update a number of typographical and minor items identified in the existing procedure; and
- Provide a list of information that may be required by the IMO in assessing if a Market Participant is capable of fully meeting its Reserve Capacity Obligations in respect of new Facilities (and Facility upgrades). The inclusion of this list in a Market Procedure was suggested by the Market Advisory Committee.

The proposed amendments have been assessed by the IMO Market Procedure Development Group, a group of Industry Representatives set up by the Market Advisory Committee to assist the IMO in developing Market Procedures.

---

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

The proposed amendments to the current Market Procedure for Reserve Capacity Performance Monitoring are provided in the attachment to this proposal.