

The background of the lower half of the page is a photograph of a wind farm and power lines, overlaid with a semi-transparent blue filter. The image shows several white wind turbines on a hillside, with high-voltage power line towers and cables extending into the distance under a clear sky.

Independent Market Operator
Procedure Development Report
**Title: Market Procedure for
Individual Reserve
Capacity Requirements**

Ref: PC_2008_15

Date: 10 December 2008

CONTENTS

INTRODUCTION	3
THE PROPOSED NEW PROCEDURE	3
THE WORDING OF THE NEW PROCEDURE	4
SUBMISSIONS RECEIVED	4
THE MARKET ADVISORY COMMITTEE.....	4
THE PROPOSAL AND THE WHOLESALE MARKET OBJECTIVES.....	4
THE IMO'S DECISION	4
COMMENCEMENT	5
GENERAL ABOUT PROCEDURES AND PROCEDURE CHANGES	5

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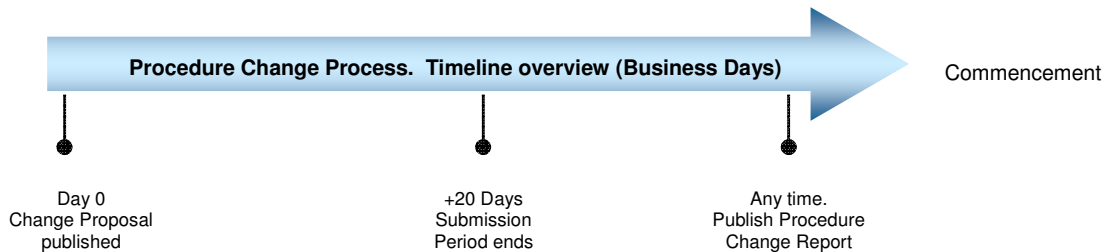
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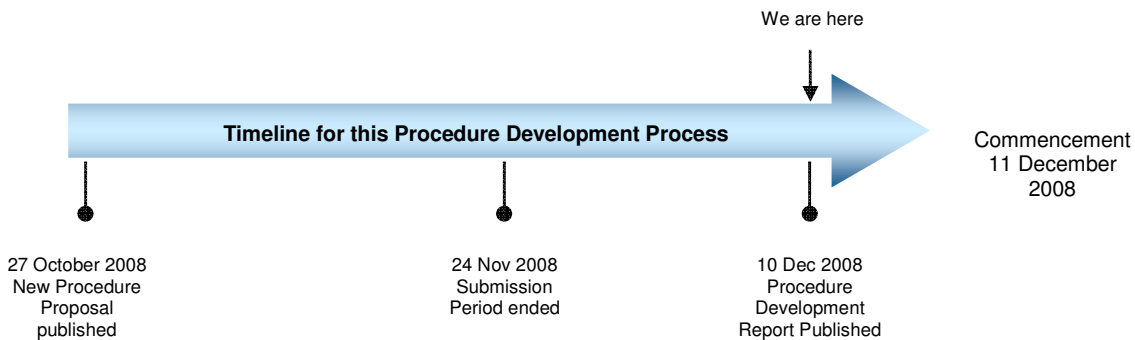
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INTRODUCTION

On 27 October 2008, the IMO published a Procedure Development Proposal titled Market Procedure for Individual Reserve Capacity Requirements. The proposal has been processed according to the Procedure Change Process under section 2.10 of the Wholesale Electricity Market Rules (Market Rules). This process adheres to the following timelines:



The key dates in processing this Procedure Development Proposal are:



This Procedure Development Report is published by the IMO in accordance with clause 2.10.12 of the Market Rules

THE PROPOSED NEW PROCEDURE

The proposed new Market Procedure for Individual Reserve Capacity Requirements (IRCR) outlined the process by which Market Customers and the IMO interact to facilitate the determination of the Market Customer's initial and/or Monthly IRCR.

The purpose of the proposed procedure was:

- (a) To provide the processes to be followed by Market Customers in providing information relating to their Non-Temperature Dependent Loads, new Demand Side Management arrangements, and Intermittent Loads which are required for the determination of their IRCR on an annual basis and/or on a monthly basis; and
- (b) To enable the IMO to request information from Market Customers required for the determination and publication of the Market Customer's initial and/or Monthly IRCR.

THE WORDING OF THE NEW PROCEDURE

The wording of the new procedure, as proposed by the IMO, is available on the IMO's website: http://www.imowa.com.au/Attachments/MarketProcedures/ProcedureChange_2008_15.htm

SUBMISSIONS RECEIVED

The public submission period was between 28 October and 24 November 2008. The IMO did not receive any submissions. Consequently, the IMO has concluded that Market Participants support the proposed new Market Procedure for Individual Reserve Capacity Requirements.

THE MARKET ADVISORY COMMITTEE

This new procedure was submitted directly into the public consultation process and was not discussed by the IMO Market Procedure Working Group.

THE PROPOSAL AND THE WHOLESALE MARKET OBJECTIVES

The IMO considers that the amended procedure will have the following impact on the market objectives:

Impact	Wholesale Market Objectives
Allow the Market Rules to better address objective	-
Consistent with objective	a, b, c, d and e
Inconsistent with objective	-

THE IMO'S DECISION

No party expressed any concerns regarding the proposed new procedure for Individual Reserve Capacity Requirements. The IMO therefore finds it appropriate to adopt the new procedure as proposed in its Procedure Development Proposal.

The new procedure is published on the IMO's website, together with this Procedure Development Report.

COMMENCEMENT

The new procedure is of an administrative nature and will not require Rule Participants or the IMO to implement any procedural or system amendments before it can commence.

The new procedure for Individual Reserve Capacity Requirements will commence at 08.00am on 11 December 2008.

GENERAL ABOUT PROCEDURES AND PROCEDURE CHANGES

Clause 2.9.3 of the Market Rules states that Market Procedures:

- (a) must be:
 - i. developed, amended or replaced in accordance with the process in the Market Rules;
 - ii. consistent with the Wholesale Market Objectives; and
 - iii. consistent with these Market Rules, the Electricity Industry Act and Regulations; and
- (b) may be amended or replaced in accordance with clause 2.10 of the Market Rules and must be amended or replaced in accordance with clause 2.10 where a change is required to maintain consistency with Amending Rules.

The IMO or System Management, as applicable, may initiate a 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 Amending Rules require 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 amendments to or replacement for Market Procedures so as to comply with the Amending Rules.