

The background of the lower section is a blue-tinted photograph. On the left, a large wind turbine is visible, its blades extending towards the center. On the right, a tall, lattice-structured power transmission tower stands prominently. The overall scene is a landscape of renewable energy infrastructure.

Independent Market Operator

Procedure Change Report

**Title: Market Procedure for
Registration and De-
registration of Rule
Participants**

Ref: PC_2009_03

Date: 17 July 2009

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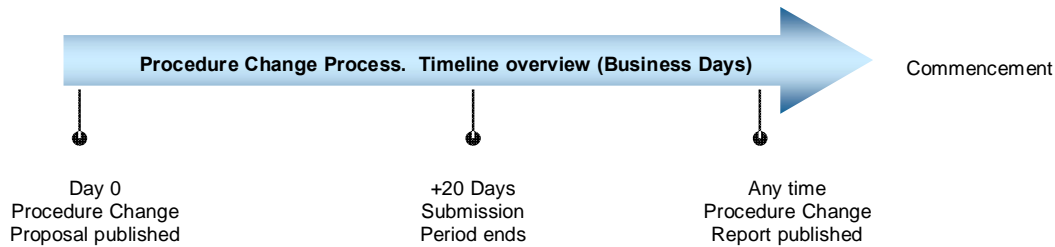
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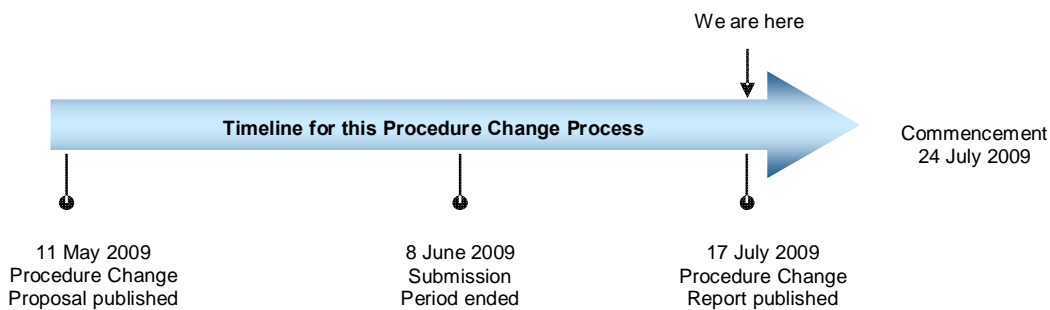
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1. INTRODUCTION

On 11 May 2009, the Independent Market Operator (IMO) published a Procedure Change Proposal titled "Market Procedure for Registration and De-registration of Rule Participants". 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 Change Proposal are:



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

2. THE PROCEDURE CHANGE PROPOSAL

2.1 Details of the Proposal

The proposed amendments to the Market Procedure for Registration of Rule Participants detail the process by which new participants can apply for entry to the Market by registering as Market Participants, existing Market Participants can apply to be de-registered as Market Participants, and how the IMO must assess and accept these applications.

The purpose of the proposed amendments to the Market Procedure for Registration and De-Registration of Rule Participants is to:

- improve the process description for Registration as a Rule Participant;

- outline the process for De-registration as a Rule Participant; and
- ensure consistency with any Registration and De-registration related Market Rule changes that have occurred since this procedure was last updated.

3. PUBLIC CONSULTATION PERIOD

3.1 Submissions received

The public submission period was between 12 May 2009 and 8 June 2009. The IMO did not receive any submissions.

4. THE IMO'S ASSESSMENT

In determining whether to accept the Procedure Change Proposal the IMO has assessed the Procedure Change Proposal in light of clauses 2.9.3 (a) and 2.10.13 of the Market Rules.

Market Rules 2.9.3.(a) outlines that Market Procedures must be:

- developed, amended or replaced in accordance with the process in the Market Rules;
- consistent with the Wholesale Market Objectives; and
- consistent with these Market Rules, the Electricity Industry Act and Regulations.

Additionally, clause 2.10.13 states that the Procedure Change Report prepared by the IMO must contain the following:

- the wording of the proposed Market Procedure or amendment to or replacement for the Market Procedure;
- the reason for the proposed Market Procedure or amendment to or replacement for the Market Procedure;
- all submissions received before the due date, a summary of those submissions and the response of the IMO or System Management, as applicable, to any issues raised;
- a summary of the views of the Market Advisory Committee (MAC); and
- a proposed date and time for the Market Procedure or amendment to or replacement to commence, which must allow sufficient time, in the IMO's opinion, after the date of publication for Rule Participants to implement changes required by it.

The IMO's assessment is outlined in the following sections.

5.1 Wholesale Market Objectives

In accordance with clause 2.9.3(a)ii. of the Market Rules, Market Procedures must be consistent with the Wholesale Market Objectives.



The steps described in the proposed amended Market Procedure for Registration and De-registration of Rule Participants facilitates the Registration and De-registration processes prescribed in the Market Rules.

The IMO considers that the steps are drafted in such a way that does not change the operation or objectives of the Market Rules. As a result the IMO considers that the amended Market Procedure for Registration and De-registration as a whole is consistent with the Wholesale Market Objectives.

5.1 Wholesale Market Rules, the Electricity Industry Act and Regulations

In accordance with clause 2.9.3(a)iii of the Market Rules, Market Procedures must be consistent with the Market Rules, the Electricity Industry Act and Regulations.

The IMO considers that the amended Market Procedure for Registration and De-registration of Rule Participants is consistent, as a whole, with the Market Rules, the Electricity Industry Act and Regulations. The IMO also considers that the proposed new Market Procedure is consistent with all other Market Procedures.

5.2 Implementation of the amended Market Procedure

In accordance with clause 2.10.13(e) of the Market Rules, when preparing a Procedure Change Report the IMO must propose a date and time for the Market Procedure or amendment or replacement to commence. This timeframe must, in the IMO's opinion, allow for sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required.

The proposed amendments to the Market Procedure for Registration and De-registration of Rule Participants will not require Rule Participants or the IMO to implement any procedural or system amendments before it can commence. Consequently, the IMO considers commencement at 08.00am on 24 July 2009 will allow Rule Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance with the amended Market Procedure for Registration and De-registration of Rule Participants.

5.3 Views expressed in submissions

In accordance with clause 2.10.13(c) of the Market Rules, when preparing a Procedure Change Report the IMO must provide:

- a summary of all submissions received before the due date; and
- the IMO's response, as applicable, to the issues raised in those submissions.

The IMO did not receive any submissions on the proposed amendments to the Market Procedure for Registration and De-registration of Rule Participants.

5.4 Market Advisory Committee

In accordance with clause 2.10.13 (d) of the Market Rules, when preparing a Procedure Change Report the IMO must provide a summary of the views expressed by the MAC.

The MAC did not meet to discuss the proposed new Market Procedure as it had been discussed by the IMO Market Procedures Working Group (Working Group) at the 25 March 2009 meeting. The Working Group is a group appointed by the MAC to consider IMO Market Procedures, if required.

The Working Group was in general support of the proposed new Market Procedure. The Working Group did however make a number of recommendations which were adopted by the IMO in the proposed new Market Procedure which was submitted into the Procedure Change Process. Further details of the agreed amendments to the Market Procedure for Registration and Deregistration of Rule Participants are provided in Appendix 1.

Once the agreed changes had been made by the IMO the new proposed Market Procedure was submitted directly into the public consultation process.

After publishing the Procedure Change Proposal, the IMO invited all MAC members to contact the IMO if they considered the proposal to be significant enough to require convening the MAC. No MAC member contacted the IMO in this regard.

5. THE IMO'S DECISION

The IMO's decision is to accept the proposed amended Market Procedure for Registration and De-registration of Rule Participants as proposed in the Procedure Change Proposal.

The IMO has made its decision on the following basis. The amended Market Procedure for Registration and De-registration of Rule Participants:

- had the support of the Working Group, a group of representatives nominated by the MAC to assist the MAC in advising the IMO;
- is consistent with the Wholesale Market Objectives;
- is consistent with the Market Rules, the Electricity Industry Act and Regulations; and
- there are no procedural or system changes required prior to implementation.

Additional detail outlining the analysis behind the IMO's reasons is outlined in section 5 of this Procedure Change Report.

6. THE AMENDED MARKET PROCEDURE

6.1 Commencement

The amended Market Procedure for Registration and De-registration of Rule Participants will commence at 08.00am on 24 July 2009.

6.2 *The amended Market Procedure*

The wording of the amended Market Procedure for Registration and De-registration of Rule Participants, as proposed by the IMO, is available on the IMO's website:

http://www.imowa.com.au/Attachments/MarketProcedures/ProcedureChange_2009_03.htm

7. GENERAL INFORMATION ABOUT PROCEDURE CHANGES PROPOSALS

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 (clause 2.10.1).

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 (clause 2.10.3).

8. APPENDIX 1

At the 25 March 2009 meeting of the IMO Market Procedure Working Group, the following changes to the proposed amendments to the Market Procedure for Registration and De-registration of Rule Participants were discussed and agreed:

- Table 1-1: amending to read %~~South West Interconnected System~~ interconnected system+for consistency with the Electricity Act.
- Section 1.6.2: amending to reflect that it is optional for an applicant to enter into an agreement for the IMO to issue Recipient Created Tax Invoices.
- Section 1.7.12: amending to clarify what System Management is responding to within five days.
- Section 1.10: amending to read %Capacity Credits+as this is a defined term in the Market Rules.
- Section 1.12.2: amending %egistration+ with +de-registration+to correct this typographic error.