
Wholesale Electricity Market – Submission to Procedure Change Proposal PC2009_10 Market Procedure for Reserve Capacity Testing

Submitted by

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Date submitted:	2 February 2010

Submission

Clause 2.10.7 of the Wholesale Electricity Market Amending Rules provides that any person may make a submission for a Procedure Change Proposal by filling in this Procedure Change Submission form.

Submissions for Procedure Changes that relate to the Power System Operation Procedures and IMO Market Procedures should be submitted to:

Independent Market Operator

Attn: Manager Market Development & System Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4399
Email: market.development@imowa.com.au

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

The Procedure Change Proposal is consistent with most current practices with respect to the procedure for Reserve Capacity testing. Verve Energy however does have concerns with some parts of the procedure as proposed.

In particular, Verve Energy has concerns with procedure steps 1.7.5 (b) and (c) and the use of temperature dependent curves as suggested by these procedure steps. Verve Energy's interpretation of procedure step 1.7.5 (b) is that a facility will be deemed not to have passed a Reserve Capacity Test if the output is not higher than the highest point of the temperature dependence curve where the ambient temperature measured at site exceeds the largest value supplied in the temperature dependence curve. In reality, the facility might have passed the Reserve Capacity Test if the data exists to correct the data back down to 41°C. Take for example, a Facility might be tested at 45°C and its output is not higher than that recorded on a temperature dependence curve at 41°C (which might be the highest data point in the temperature dependence curve). Hence, this Facility will be deemed to have failed the Test. This does not seem reasonable.

Similarly for procedure step 1.7.5 (c), Verve Energy's interpretation of this is that if the lower bound of the temperature dependence curve ends at 10°C and a Reserve Capacity Test was conducted at an ambient temperature lower than 10°C, this Test will be deemed a failed Test. Verve Energy believes that this is also unreasonable and that a more conservative approach should be adopted. More generally, Verve Energy questions the validity of correcting data back up to 41°C based on tests conducted at such low ambient temperatures, as is common during the winter testing cycle.

Clarity is sought from the IMO as to the purpose of procedure steps 1.7.5 (b) and (c). Verve Energy objects to the inclusion of these two procedure steps without further clarity.

More generally it is noted that there does not seem to be any ability for participants to request a review of the IMO's decisions. It could be foreseen that errors could be made in the transcript or calculation of data against temperature dependence curves in general and these could potentially lead to Tests being recorded as failed Tests. It doesn't seem reasonable that if such an error did occur that the Market Participant is penalised with a failed result.

Furthermore, given that if procedure steps 1.7.5 (b) and (c) are to apply, there should be provisions in the procedure to allow the IMO to deem a test invalid. Again, it could be foreseen that there could be gross errors in the recording of site temperature readings which meant that a Facility might have passed a Test will be deemed to have failed.

Verve Energy also notes that determination of the Relevant Level continues to be based on ambient temperature considerations alone and does not account other potentially relevant weather factors such a relative humidity. Furthermore no allowance is made for uncertainty in the assessment, for example due to metering inaccuracy and ambient temperature correction. Verve Energy believes these issues also require further consideration.

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

The Procedure Change Proposal for the most part is consistent with the Market Objectives and the Wholesale Electricity Market Amending Rules.

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.

There will not be any IT or business system cost incurred by Verve Energy should the Procedure Change Proposal be implemented.

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

The changes can be implemented immediately as there isn't an impact on Verve Energy's IT or business systems.
