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## Wholesale Electricity Market – Procedure Change Proposal

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Procedure Change No: **PC\_2010\_01**

### Change requested by:

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<b>Date submitted:</b>	30 August 2010
<b>Procedure change title:</b>	Changes to Market Procedure for Procedure Administration
<b>Market Procedure(s) affected:</b>	Market Procedure for Procedure Administration

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### Introduction

The Independent Market Operator (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.

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## Details of Procedure Change Requested

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

The proposed amended Market Procedure for Procedure Administration updates the Market Procedure to reflect the IMO's new format resulting from the IMO current Market Procedure Project. The proposed updates will also implement the following changes:

- o Incorporate a diagram reflecting the IMO's procedure change process (Step 2);
- o Ensure changes to procedures are shown as tracked changes where possible (Step 2.1.4);
- o Include details of the role of Working Groups and the process for convening Working Groups (Step 2.2);
- o Clarify that the IMO or System Management must conduct an assessment of the proposal against the Market Objectives, Market Rules and Industry Act and Regulations prior to preparing a Procedure Change Report (Step 2.6.2); and
- o Delete details of the submission form from the appendix.

To improve the integrity of the Market Procedure, the IMO also proposes a number of minor and typographical amendments.

The proposed amended Market Procedure was discussed by the IMO Market Procedures Working Group at the 28 July 2010 meeting. Minutes from the meeting are available on the following webpage: <http://www.imowa.com.au/IMO-Procedures-Working-Group>

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### 2. Provide the wording of the Procedure

The proposed amended Market Procedure for Procedure Administration is provided as an attachment to this proposal.

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**3. Describe how the proposed changes to the Market Procedure would be consistent with the Market Rules, the Electricity Industry Act and Regulations**

The proposed amended Market Procedure for Procedure Administration has been reviewed as a whole by the IMO to ensure compliance of the Market Procedure with the relevant provisions in the:

- Market Rules;
- Electricity Industry Act; and
- Regulations.

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**4. Describe how the proposed changes to the Market Procedure would be consistent with the Wholesale Market Objectives**

The steps described in the proposed amended Market Procedure for Procedure Administration facilitates the Procedure Change Process described in the Market Rules (Section 2.10).

The IMO considers that the steps are drafted in 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 Procedure Administration, as a whole, is consistent with the Wholesale Market Objectives.