



Independent Market Operator

Procedure Change Report

**Title: Changes to Market
Procedure for Data and
IT Interface
Requirements**

Ref: PC_2011_02

Date: 17 June 2011

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DOCUMENT DETAILS

IMO Notice No.:PC_2011_02

Report Title: Procedure Change Report: Changes to Market Procedure for Data and IT Interface Requirements

Release Status: Public

Confidentiality Status: Public domain

Published in accordance with Market Rule 2.10.12

Independent Market Operator

Level 3, Governor Stirling Tower

197 St George's Terrace, Perth WA 6000

PO Box 7096, Cloisters Square, Perth WA 6850

Tel. (08) 9254 4300

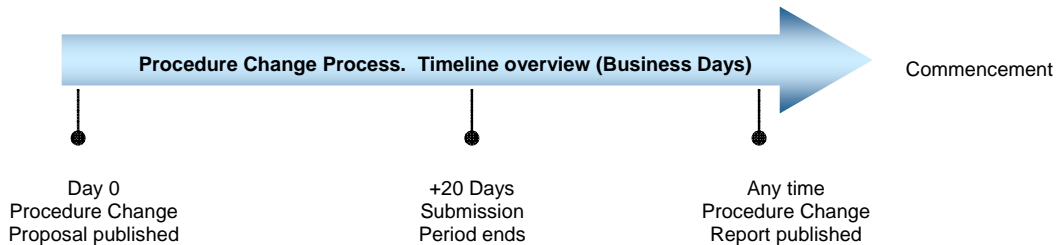
Fax. (08) 9254 4399

Email: imo@imowa.com.au Website: www.imowa.com.au

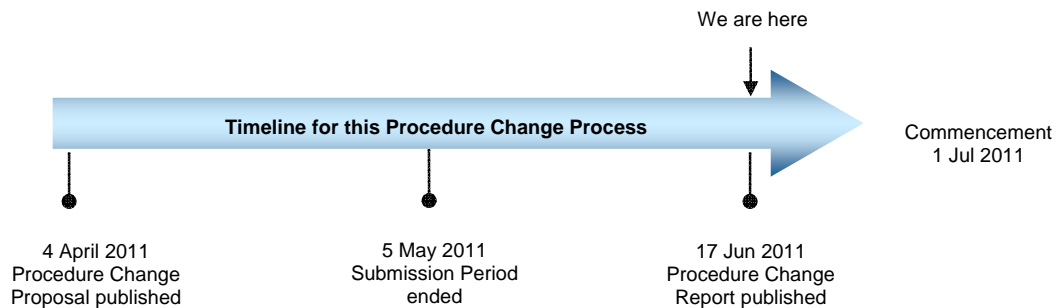


1. INTRODUCTION

On 4 April 2011, the Independent Market Operator (IMO) published a Procedure Change Proposal titled “Changes to Market Procedure for Data and IT Interface Requirements”. The proposal has been processed according to the Procedure Change Process under clause 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:



2. THE PROCEDURE CHANGE PROPOSAL

2.1 Details of the Proposal

In its Procedure Change Proposal the IMO noted that the updates to the Market Procedure for Data and IT Interface Requirements were to reflect the IMO's new format arising from its Market Procedure Project and implement the following changes:

- update the workstation requirements section to specifically outline the recommended workstation requirements (step 4.2.1);
- clarification of Internet Explorer requirements for different versions of the Market Participant Interface (step 4.3.1);
- updates the IMO's Access Security step (step 4.6); and
- updates to the Market Connectivity step (step 4.7).

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

Full details of the Procedure Change Proposal are available at: http://www.imowa.com.au/PC_2011_02

3. PUBLIC CONSULTATION PERIOD

3.1 Submissions received

The public submission period was between 5 April 2011 and 5 May 2011. During this period the IMO received one submission from Landfill Gas & Power (LGP).

In its submission LGP supports the amended Market Procedure. While LGP has no material objection to the tone of the document, it notes that IT interface requirements are mandated in sections 4.1.1 and 4.1.2, where they might more reasonably be recommended. More generally LGP suggests that Market Participants are responsible for their outcomes under guidance from the IMO.

LGP considers that the Amended Market Procedure is consistent with the Market Objectives.

The IMO's response to LGP's submission

The IMO agrees with LGP's submission and has amended the proposed Market Procedure to recommend the requirements detailed in 4.1.1 and 4.1.2 accordingly.

4. ADDITIONAL AMENDMENTS MADE BY THE IMO FOLLOWING THE PUBLIC CONSULTATION PERIOD

The IMO has made some amendments to the proposed amended Market Procedure following the public consultation period. These changes include:

- incorporating the following additional sentence in step 4.1.1 for clarity – *'Market Participants must ensure that they have suitable IT Infrastructure to support their obligations under the Market Rules and their participation in the Wholesale Electricity Market'* and;
- amending steps 4.1.1 and 4.1.2 to use the term "should" rather than "must" when referring to workstations.

5. THE IMO'S ASSESSMENT

In determining whether to accept the Procedure Change Proposal, the IMO has undertaken an assessment in light of clauses 2.9.3 (a) of the Market Rules. 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 the Market Rules, the Electricity Industry Act and Regulations.

The Procedure Change Report prepared by the IMO must contain:

- 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 if the MAC has delegated its role to consider the Procedure Change Proposal to a Working Group, a summary of the views expressed by that Working Group; 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 (clause 2.10.13).

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

5.1 Wholesale Market Objectives

Market Procedures must be consistent with the Wholesale Market Objectives (clause 2.9.3(a) ii).

The steps described in the proposed amended Market Procedure for Data and IT Interface Requirements specifies the necessary technical details and standards, software and hardware specifications, and security standards required for Market Participants to operate in the Wholesale Electricity Market (WEM).

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 Data and IT Interface Requirements, as a whole, is consistent with the Wholesale Market Objectives.

Wholesale Market Objective	Consistent with objective
(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system	Yes



Wholesale Market Objective	Consistent with objective
(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors	Yes
(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	Yes
(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system	Yes
(e) to encourage the taking of measures to manage the amount of electricity used and when it is used	Yes

5.2 Wholesale Market Rules, Electricity Industry Act and Regulations

The IMO considers that the proposed amended Market Procedure is consistent, as a whole, with the Market Rules, the Electricity Industry Act and Regulations.

The IMO also considers that the Market Procedure is consistent with all other Market Procedures.

5.3 Views expressed in submissions

During the consultation period the IMO received one submission from LGP which broadly supported the proposed amendments, albeit for one minor clarification which has been adopted by the IMO.

5.4 Implementation of the Market Procedure

The Market Procedure will not require Rule Participants or the IMO to implement any procedural or system amendments before it can commence. Consequently, the IMO considers that commencement at 8:00am on 1 July 2011 will allow Rule Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance with the amended Market Procedure.

5.5 Views of the Market Advisory Committee or a Working Group delegated to consider the Procedure Change Proposal

The MAC has delegated the role of considering IMO Procedure Change Proposals to the IMO Procedure Change and Development Working Group (Working Group) (clause 2.3.17(a)). Therefore the MAC has not reviewed the Procedure Change Proposal. However, in accordance with clauses 2.10.8 and 2.10.9 the IMO notified the MAC once the Procedure Change Proposal had been published and noted that it would convene a meeting of the MAC to discuss the proposal should two or more members request it. No MAC member contacted the IMO in this regard.

The Working Group was presented the Procedure Change Proposal at its 2 February 2011 meeting. The Working Group was in general support of the proposed amendments to the Market Procedure. The Working Group did however make a

number of recommendations which were adopted by the IMO prior to formally submitting the proposal into the process. Further details of the agreed amendments to the Market Procedure are outlined in the meeting minutes available on the IMO's Web Site: <http://www.imowa.com.au/IMO-Procedures-Working-Group>

6. THE IMO'S DECISION

The IMO's decision is to approve the proposed Market Procedure for Data and IT Interface Requirements as proposed in the Procedure Change Proposal and amended following the public consultation process.

The IMO has made its decision on the following basis. The amended Market Procedure for Data and IT Interface Requirements:

- is consistent with the Wholesale Market Objectives;
- is consistent with the Market Rules, Electricity Industry Act and Regulations;
- had the support of the Working Group; and
- requires no system changes prior to implementation.

Additional detail outlining the analysis behind the IMO's reasons is outlined in section 4 of this Procedure Change Report.

7. THE AMENDED MARKET PROCEDURE

7.1 Commencement

The amended Market Procedure for Data and IT Interface Requirements will commence at 8.00am on 1 July 2011.

7.2 The Amended Market Procedure

The amended Market Procedure for Data and IT Interface Requirements is attached to this report and is also available on the IMO's website: http://www.imowa.com.au/PC_2011_02