



MARKET PROCEDURE for the Pre-Registration of Demand Side Programmes and the association of Curtailable Loads, Non-Dispatchable Loads and Interruptible Loads (Transitional arrangements)

VERSION: 1

ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

COMMENCEMENT:

This Market Procedure took effect from 8:00am (WST) on ~~1~~¹ July 2011

VERSION HISTORY

VERSION	EFFECTIVE DATE	NOTES
1	1 ¹ July 2011	Market Procedure for the Pre-Registration of Demand Side Programmes and the association of Curtailable Loads, Non-Dispatchable Loads and Interruptible Loads (Transitional Arrangements)

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Market Rules

1.1.1 This ~~Market Procedure for the Pre-Registration of Demand Side Programmes and the association of Curtailable Loads, Non-Dispatchable Loads and Interruptible Loads (Procedure)~~ should be read in conjunction with clauses 2.29.5M-5N – 2.29.5ON of the Wholesale Electricity Market (WEM) Rules (Market Rules).

1.1.2 Reference to particular Market Rules within this Procedure in bold and square brackets **[MR XX]** are current as of 1 July 2011. These references are included for convenience only, and are not part of this Procedure.

1.1.3 This Procedure will be revoked in its entirety immediately upon the revocation of the Heads of Power¹.

1.2 Background to Market Procedure

1.2.1 This Procedure has been developed in conjunction with the Rule Change Proposal: Curtailable Loads and Demand Side Programmes (RC_2010_29) for which the substantive amendments are proposed to become effective as of 1 October 2011. Note that a number of transitional arrangements that will facilitate the processes described in this Procedure are proposed to become effective as of 1 July 2011. For further details refer to the IMO Web Site: http://www.imowa.com.au/RC_2010_29

1.2.2 Prior to 1 October 2011 the IMO must determine for each relevant Market Customer a transition plan to allocate all Capacity Credits assigned to its Demand Side Programmes or Curtailable Loads for future Capacity Years to one or more new Demand Side Programme Facilities with effect from 1 October 2011. **[MR2.29.5NM]**

1.2.3 Prior to 1 October 2011, Market Customers with Demand Side Programmes or Curtailable Loads assigned Capacity Credits for a future Reserve Capacity Year may:

a) apply to pre-register Demand Side Programmes in accordance with their transition plans; and

b) apply to associate any Curtailable Loads, Non-Dispatchable Loads or Interruptible Loads with their pre-registered Demand Side Programmes,

in accordance with the process outlined in this Procedure. **[MR2.29.5NM]**

¹ Currently clause 2.31.23A of the Market Rules revokes the Heads of Power at 8:00am on 1 December 2011.

1.2.4 At 8:00am on 1 October 2011:

- a) all Capacity Credits assigned to Demand Side Programmes and Curtailable Loads for the current and any future Capacity Years will transfer to the relevant Demand Side Programme Facilities in accordance with the transition plans, along with any associated obligations, rights and liabilities;
- b) all pre-registered Demand Side Programmes will be deemed to be registered Demand Side Programmes;
- c) any application to pre-register a Demand Side Programme under consideration by the IMO will be deemed to be an application to register a Demand Side Programme; and
- d) each Load that was previously registered as a Curtailable Load will be deemed to be a Non-Dispatchable Load or Interruptible Load, as appropriate, and Curtailable Loads will cease to be a Facility Class **[MR2.29.5ON]**.

1.3 Purpose

1.3.1 This Procedure outlines the process to be followed between 1 July 2011 and 1 October 2011, for:

- a) developing a transition plan for each relevant Market Customer;
- b) the pre-registration of Demand Side Programmes; and
- c) the association of Curtailable Loads, Non-Dispatchable Loads ~~or~~ and Interruptible Loads with pre-registered Demand Side Programmes.

1.4 Application

1.4.1 This Procedure applies to the IMO, System Management and Market Customers who have Capacity Credits assigned to Curtailable Loads or Demand Side Programmes for future Capacity Years.

1.5 Associated Market Procedures

1.5.1 The following IMO Market Procedures are associated with this Procedure:

- a) Facility Registration, De-Registration and Transfer;
- b) Notices and Communications; and
- c) Reserve Capacity Security.

1.5.2 The following Registration documents are available on the IMO Web Page (<http://www.imowa.com.au>) to assist Market Participants in proceeding with pre-registration of a Demand Side Programme:

- a) Standard Naming Conventions;
- b) General Registration Instructions;
- c) Standarding Data Formats;
- d) "Application to Pre-Register a Demand Side Programme" form; and
- e) "Application to associate a Load with a Demand Side Programme" form.

1.6 Interpretation

1.6.1 In this Procedure the conventions specified in clauses 1.3- 1.5 of the Market Rules apply. The following additional clarifications apply:

- a) "Association Period" means the time period outlined in step 2.3.8 during which the relevant Load will be associated with the Demand Side Programme.
- b) "Associated Load" means a Load that has been associated with a Demand Side Programme under step 2.3.8 following the acceptance of an application by the IMO.
- c) "Date of Facilitation" means the date determined by System Management under step 2.2.13.
- d) "this Procedure" means "the Market Procedure for the Pre-Registration of Demand Side Programmes and the association of Curtailable Loads, Non-Dispatchable Loads and Interruptible Loads made under clause 2.31.23A of the Market Rules".
- e) "Heads of Power means the authority to make this Procedure that is contained in clause 2.31.23A of the Market Rules"

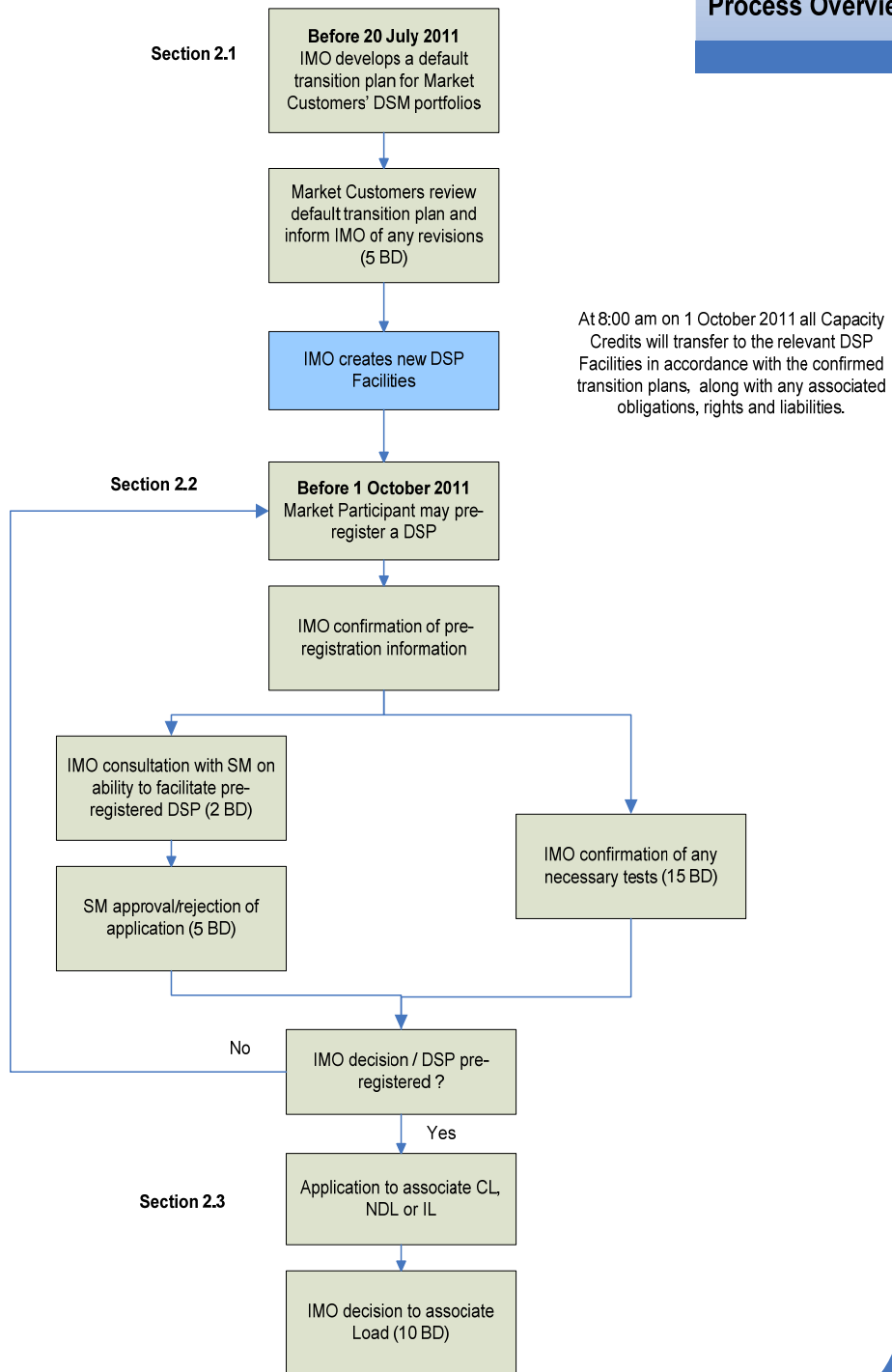
2 PROCEDURE STEPS

This section outlines the procedure steps for developing a transition plan, pre-registering a Demand Side Programme and associating any Curtailable Loads, Non-Dispatchable Loads or Interruptible Loads (Loads) with a pre-registered Demand Side Programme during the transitional period prior to 1 October 2011. The diagram on the next page gives an

overview of the process. Details of the associated sections of this Procedure are also indicated.

Pre-registration of Demand Side Programmes

Process Overview



2.1 Creating a new Demand Side Programme Facility

Creation of a transition plan

- 2.1.1 Prior to 20 July 2011, the IMO must determine for each relevant Market Customer a plan to allocate all Capacity Credits assigned to its Demand Side Programmes or Curtailable Loads for future Capacity Years to one or more new Demand Side Programme Facilities (transition plan). Note that this will cover all Demand Side Programmes and Curtailable Loads with Capacity Credits for future Capacity Years as of 1 July 2011.
- 2.1.2 To assist in determining the transition plan for each relevant Market Customer's Demand Side Management portfolio under step 2.1.1, the IMO must determine at least one Demand Side Programme Facility name for each relevant Market Customer. Each determined Demand Side Programme Facility name must be consistent with the IMO's standard naming conventions. A copy of the IMO's standard naming conventions is available on the following Web Site:
http://www.imowa.com.au/10_5_1_registration_documents.htm
- 2.1.3 The transition plan for each Market Customer's Demand Side Management portfolio determined by the IMO under step 2.1.1 must:
- a) include the Demand Side Programme Facility name(s) determined under step 2.1.2;
 - b) ensure that all Capacity Credits for future Capacity Years currently assigned to Demand Side Programmes and Curtailable Loads belonging to that Market Customer are allocated to the Demand Side Programme Facility name(s);
 - c) account for the individual characteristics of each relevant Curtailable Load or Demand Side Programme. For example differences in the availability characteristics of a number of Curtailable Loads; and
 - d) identify any changes to the Reserve Capacity Security currently held for a Curtailable Load or Demand Side Programme that would be required as a result of the changes to the structure of the Market Customer's Demand Side Management portfolio.
- 2.1.4 The IMO must notify each relevant Market Customer via email of its transition plan as determined under step 2.1.1 by 20 July 2011.
- 2.1.5 The notification provided under step 2.1.4 must include any available options for revising the transition plan of the Demand Side Management portfolio of the Market Customer.

Market Customer review of transition plan

- 2.1.6 Within five Business Days of receipt of the notification under step 2.1.4, a Market Customer must review its transition plan and inform the IMO via email of any requested changes to the transition plan in accordance with the options outlined in the notification (operations@imowa.com.au).
- 2.1.7 The IMO must approve a requested change to the transition plan that is consistent with the options for revising the transition plan outlined in the notification. This will be deemed to be the confirmed transition plan by the IMO.
- 2.1.8 Where a Market Customer does not inform the IMO of any requested changes to its transition plan within five Business Days, the proposed transition plan will be deemed by the IMO to be the confirmed transition plan.
- 2.1.9 Following the receipt of any requested changes under step 2.1.6 or where a Market Customer does not inform the IMO of any further amendments under step 2.1.8 the IMO must within one Business Day:
- a) provide a summary of the confirmed transition plan to the Market Customer via email; and
 - b) create the necessary Demand Side Programme Facility names in the Wholesale Electricity Market Systems (WEMS).

Updates to confirmed transition plans

- 2.1.10 For any Demand Side Programme or Curtailable Load assigned Capacity Credits for the 2013/14 Capacity Year, the IMO must, by 25 September 2011:
- a) update the confirmed transition plan for the relevant Market Customer (as necessary); or
 - b) where a transition plan has not yet been determined for the Market Customer, determine a transition plan.
- 2.1.11 The transition plan for each Market Customer to which step 2.1.10(b) applies must include one Demand Side Programme Facility for each relevant Demand Side Programme or Curtailable Load.
- 2.1.12 A Market Customer applying for certification of a new Demand Side Programme or Curtailable Load for the 2013/14 Capacity Year may not revise its transition plan in relation to that Demand Side Programme or Curtailable Load. Any transition plan

determined under clause 2.1.10(b) will be deemed by the IMO to be the confirmed transition plan.

2.1.12 Where the IMO updates the confirmed transition plan under step 2.1.10(a) or determines a confirmed transition plan under step 2.1.10(b), the IMO must within one Business Day:

- a) provide a summary of the confirmed transition plan to the relevant Market Customer via email; and
- b) create any necessary new Demand Side Programme Facility names in the WEMS.

2.1.13 On 1 October 2011 all Capacity Credits assigned to Demand Side Programmes and Curtailable Loads for the current Capacity Year and any future Capacity Years will transfer to the relevant Demand Side Programme Facility in accordance with the confirmed transition plans, along with any associated obligations, rights and liabilities.

2.1.14 Where a Market Customer's Reserve Capacity Security will no longer be current or valid, as previously notified in the confirmed transition plan, the Market Customer must ensure the IMO holds the benefit of a replacement Reserve Capacity Security in accordance with the timeframes outlined in clause 4.13.4 of the Market Rules. A Market Customer that is required to provide a replacement Reserve Capacity Security must adhere to the processes outlined in the Market Procedure for Reserve Capacity Security.

2.2 Pre-registration of a Demand Side Programme

2.2.1 Following the creation of a Demand Side Programme Facility name by the IMO under step 2.1.9(b) or 2.1.12(b), a Market Customer may apply to pre-register a Demand Side Programme by completing and submitting to the IMO via email (operations@imowa.com.au) an "Application to Pre-Register a Demand Side Programme" form available on the IMO Web Site: http://www.imowa.com.au/10_5_1_market_forms.htm.

2.2.2 The completed application form submitted under step 2.2.1 must include the following Standing Data for the relevant Demand Side Programme:

- a) evidence that the communication and control systems required by clause 2.35 are in place and operational;
- b) the maximum amount of load that can be curtailed;
- c) the maximum duration of a single curtailment;

d) for a Demand Side Programme that is to be pre-registered to a Market Participant other than the Electricity Generation Corporation, Standing Balancing Data comprising:

1. a Consumption Decrease Price for Peaking Trading Intervals; and
2. a Consumption Decrease Price for Off-Peak trading Intervals,

where these prices must be not less than the Minimum STEM Price, and not more than the Alternative Maximum STEM Price, and must be expressed in units of \$/MWh to a precision of \$0.01/MWh;

- e) the minimum response time before the Demand Side Programme can begin to respond to an instruction from System Management to change its output;
- f) the maximum number of hours per year the Demand Side Programme can be curtailed;
- g) the Trading Intervals where the Demand Side Programme can be curtailed;
- h) any restrictions on the availability of the Demand Side Programme;
- i) the normal ramp up and ramp down rates as a function of output level, if applicable;
- j) emergency ramp up and ramp down rates, if applicable; and
- k) the maximum number of times that the Demand Side Programme can be curtailed during each relevant Capacity Year.

2.2.3 Where a Market Customer applies to pre-register a Demand Side Programme under this Market Procedure prior to 1 October 2011 it will not be subject any application fee. Further details are available on the IMO Web Site: http://www.imowa.com.au/registration_information for further information.

2.2.4 The IMO must within one Business Day acknowledge receipt of an application to pre-register a Demand Side Programme received under step 2.2.1.

2.2.5 On receipt of the application to pre-register a Demand Side Programme, the IMO must within one Business Day confirm whether the information provided with the application:

- a) is consistent with the requirements of the Market Rules and this Procedure; and

- b) is sufficient to allow the IMO to proceed with the pre-registration process.
- 2.2.6 Where the IMO determines under step 2.2.5 that the information provided is not consistent with the requirements of the Market Rules and this Procedure, or that the information supplied is not sufficient to allow pre-registration to proceed, the IMO may request additional information be provided by the Market Customer.
- 2.2.7 The IMO must within one Business Day acknowledge receipt of any additional information provided by the Market Customer. The date on which the requested information is received by the IMO in full will become the new date of receipt of the application to pre-register the Demand Side Programme.
- 2.2.8 The IMO may consult with the relevant Network Operators with respect to an application to pre-register a Demand Side Programme.
- 2.2.9 Within two Business Days of receipt of an application to pre-register a Demand Side Programme, the IMO must consult with System Management on the pre-registration of the Demand Side Programme.
- 2.2.10 In considering an application to pre-register a Demand Side Programme System Management must, in conjunction with the IMO, review the Standing Data for the Demand Side Programme for completeness and consistency.
- 2.2.11 System Management must advise whether it can facilitate the pre-registration of a Demand Side Programme within five Business Days of receipt of a request for consultation from the IMO and provide the IMO with its decision including:
- a) whether it can facilitate the application to register a Demand Side Programme;
 - b) where System Management can not facilitate the application, the reasons why;
 - c) a Date of Facilitation as determined under step 2.2.13, if applicable;
 - d) the reasons the Date of Facilitation is later than the date provided in the application, if applicable;
 - e) any extra or clarifying information required by System Management to process the application if the application was incomplete or inconsistent with the requirements of the Market Rules or this Procedure; and
 - f) any tests that are required.

- 2.2.12 Where System Management does not make a decision within five Business Days on whether it can facilitate the pre-registration of a Demand Side Programme, the application will taken as being able to be facilitated by System Management.
- 2.2.13 Where System Management advises the IMO that it can facilitate an application under step 2.2.11, it must determine a date at which facilitation (“Date of Facilitation”) of the pre-registration of the Demand Side Programme can take place: The Date of Facilitation must be the later of:
- a) the date in the application; and
 - b) the earliest date at which System Management can provide for facilitation of the registration, subject to any network or connection constraints.
- 2.2.14 The IMO must notify a Market Customer within 15 Business Days from the date of receipt of an application to pre-register a Demand Side Programme of:
- a) the dates on which any tests required by the Market Rules, that must be conducted prior to Demand Side Programme pre-registration, must be held, if applicable;
 - b) the date by which results of tests referred to in step 2.1.14 (a) must be made available to the IMO, if applicable; and
 - c) the date by which the IMO will determine whether to accept or reject the application, where this date must be no later than 10 Business Days after the date referred to in step 2.2.14 (b) or the date of receipt of the application.
- 2.2.15 Where a test is required prior to the pre-registration of a Demand Side Programme, the IMO may determine that the test is not necessary and, in doing so, must take into consideration any previous tests performed in connection with an Arrangement for Access.
- 2.2.16 The IMO must determine whether to accept or reject the application to pre-register a Demand Side Programme and notify the applicant accordingly by the date specified in step 2.2.14(c).
- 2.2.17 Where the IMO accepts an application to pre-register a Demand Side Programme it must notify the Market Customer of its decision in writing and include the Date of Facilitation and the date for commencement of operation, if applicable.
- 2.2.18 The IMO must accept an application for the pre-registration of a Demand Side Programme unless:

- a) the application form, when read in conjunction with any information received in response to a request made under step 2.2.6, is incomplete or provides insufficient detail;
- b) the required supporting evidence provided by the Market Customer is insufficient or has not been provided;
- c) the IMO is not satisfied that the applicant can comply with the requirements for either pre-registration; or
- d) the applicant fails to conduct tests in accordance with step 2.2.15, fails those tests, or fails to provide adequate information about the results of the tests.

2.2.19 Where the IMO rejects an application to pre-register a Demand Side Programme it must notify the Market Customer in writing within two Business Days of its decision and include the reason(s) why the application was rejected.

2.2.20 On 1 October 2011 any application received by the IMO to pre-register a Demand Side Programme, for which the receipt was acknowledged under step 2.2.4, that is still under consideration by the IMO and System Management will become an application to register a Demand Side Programme.

2.3 Association of Loads with a pre-registered Demand Side Programme

2.3.1 Prior to 1 October 2011 a Market Customer with a pre-registered Demand Side Programme may apply to the IMO to associate one or more Curtailable Loads, Non-Dispatchable Loads or Interruptible Loads with the pre-registered Demand Side Programme as an Associated Load by completing and submitting to the IMO via email (operations@imowa.com.au) an "Application to associate a Load with a Demand Side Programme" form, available on the IMO Web Site:
http://www.imowa.com.au/10_5_1_market_forms.htm

2.3.2 A completed application form submitted under step 2.3.1 must include the following as supporting evidence:

- a) evidence that the applicant has entered into a contract with the person who owns, operates or controls the Load to provide curtailment on request by the applicant;
- b) the connection point of the Load;
- c) the expected minimum average consumption of the Load in units of MW;
- d) contract start date;

- e) contract end date; and
 - f) where the Load has a generation system behind its associated meter, a single line diagram for the Load, including the locations of transformers, switches, operational and settlement meters.
- 2.3.3 The IMO must notify the applicant of receipt of the application made under step 2.3.1 within one Business Day.
- 2.3.4 The IMO may, at its discretion, request additional information to be provided by the applicant to support an application to associate a Load. The date at which the requested information is received by the IMO in full will become the date of receipt of the application.
- 2.3.5 Within 10 Business Days of receipt of an application to associate a Load the IMO must determine whether to accept or reject the application and advise the applicant of its decision.
- 2.3.6 The IMO must accept an application to associate a Load with a pre-registered Demand Side Programme unless:
- a) the IMO considers that the evidence provided by the applicant under steps 2.3.2 and 2.3.4 is not satisfactory;
 - b) the relevant Load is not equipped with interval metering;
 - c) the relevant Load is an Interruptible Load assigned Capacity Credits for any part of the proposed Association Period;
 - d) the relevant Load is registered as an Intermittent Load for any part of the proposed Association Period; or
 - e) the relevant Load is already associated with a Demand Side Programme for any part of the proposed Association Period.
- 2.3.7 If the IMO accepts an application under step 2.3.5, the IMO must:
- a) advise the applicant of the date and time from which the Load:
 - (i) will be associated with the Demand Side Programme, as defined under step 2.3.8 (a); and
 - (ii) will cease to be associated with the Demand Side Programme, as defined under step 2.3.8 (b); and

- b) provide System Management with any single line diagrams received in accordance with step 2.3.2(f), if applicable, within one Business Day.
- 2.3.8 If the IMO accepts an application then the IMO must associate the Load (“Associated Load”) with the Demand Side Programme for the period (“Association Period”) between:
- a) the later of:
 - (i) the start of the Trading Day commencing on the contract start date provided under step 2.3.2(d); and
 - (ii) the start of the Trading Day following the day that the IMO notifies the applicant of its decision under step 2.3.5;
- and
- b) the end of the Trading Day starting on the contract end date provided under step 2.3.2 (e).
- 2.3.9 If the IMO rejects an application under step 2.3.5, the IMO must provide the applicant with the reasons for the rejection of the application. A Market Customer whose application is rejected may reapply to associate a Load with a Demand Side Programme.

Cancellation or reductions to Association Periods for Loads

- 2.3.10 A Market Customer with an Associated Load may apply to the IMO via email (operations@imowa.com.au) to:
- a) cancel the association of the Load with the Demand Side Programme; or
 - b) reduce the Association Period of the Associated Load.
- 2.3.12 The IMO must notify the applicant of receipt of the application made under step 2.3.10 within one Business Day.
- 2.3.13 The IMO must decide whether to accept the application made under step 2.3.10 and notify the applicant of its decision within two Business Days of receipt of the application.
- 2.3.14 The IMO must accept an application if the proposed change does not affect the association of the Load with the Demand Side Programme during any period before the start of the Trading Day three Business Days after the receipt of the application.

2.3.15 If the IMO accepts an application under step 2.3.13 then it must:

- a) cancel the association of the Load with the Demand Side Programme; or
- b) reduce the Association Period of the Associated Load,
as requested in the application.