
Wholesale Electricity Market – Procedure Change Proposal

Procedure Change No: PC_2012_05

Change requested by:

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Procedure change title:	Amendments to Market Procedure for Data and IT Interface
Market Procedure affected:	Market Procedure for Data and IT Interface

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.

Details of Procedure Change Requested

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

Background

The Rule Change Proposal: Balancing and Load Following Ancillary Services (RC_2011_10)¹ establishes the new Balancing and Load Following Ancillary Services (LFAS) markets. These new markets will enable competition in the provision of both services and thereby improve the efficiency of the Wholesale Electricity Market (WEM). To support the functioning of the new markets, amendments to the existing Market Procedures are required along with the creation of a number of new Market Procedures to outline details of new processes being proposed under RC_2011_10.

Due to the system changes resulting from the commencement of the new Balancing and Load Following markets; a number of amendments to the Market Procedure for Data and IT Interface are required.

In particular the proposed updates will implement the following changes:

- Update the System Overview (step 2) to include facilitating the Balancing and Load Following Ancillary Services markets as additional functions provided by the Wholesale Electricity Market Systems (WEMS).
- Update the details of the Market Applications function (step 3.2) to:
 - include computational models for the Balancing & LFAS Markets;

¹ For further details refer to the following webpage: www.imowa.com.au/RC_2011_10

- remove modules related to the previous markets structure (i.e. MCAP, UDAP and DDAP); and
- remove incorrect references to the functions calculating the Maximum Reserve Capacity Price and Energy Price Limits.
- Update the Software Requirements (step 4.3)
- Reflect the new WEMS Security Policy (step 4.6)

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

Consultation to date

The proposed amended Market Procedure was provided to the IMO Procedure Change and Development Working Group members for out of session comment on 23 May 2012. No comments were received by the IMO.

Request for public consultation

The IMO is seeking submissions regarding this proposal. The submission period is 20 Business Days from the publication of this Procedure Change Proposal. Submissions must be delivered to the IMO by **5:00pm on Monday 9 July 2012**.

The IMO prefers to receive submissions by email to market.development@imowa.com.au using the submission form available on the IMO website: <http://www.imowa.com.au/procedure-changes>

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator
Attn: Group Manager, Market Development
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4399

2. Provide the wording of the Procedure

The proposed amended Market Procedure for Data and IT Interface Requirements is provided as an attachment to this proposal.

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 Data and IT Interface Requirements has been preliminarily reviewed, as a whole, by the IMO to ensure compliance of the Market Procedure with the relevant provisions in the:

- Market Rules (as proposed to be amended by RC_2011_10);

- 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 Data and IT Interface Requirements specify 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 of objectives of the Market Rules, but rather supplements the Market Rules by outlining the necessary processes to be followed by the IMO and Market Participants. As a result the IMO considers that the amended Market Procedure, as a whole, is consistent with the Wholesale Market Objectives.