



INDEPENDENT
MARKET
OPERATOR

Wholesale Electricity Market – Submission to Procedure Change Proposal

PC_2012_06: Changes to Reserve Capacity Procedure for Declaration of Bilateral Trades and Reserve Capacity Auction

Submitted by:

Name:	Jacinda Papps
Phone:	(08) 9424 1917
Fax:	(08) 9424 1818
Email:	Jacinda.papps@verveenergy.com.au
Organisation:	Verve Energy
Address:	GPO Box F366, Perth WA 6841
Date submitted:	15 October 2012

Submission

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

Verve Energy considers that the proposed amended Market Procedure for Declaration of Bilateral Trades and Reserve Capacity Auction (Market Procedure) is a vast improvement in terms of readability and usability.

In reviewing the Procedure Change Proposal, Verve Energy has identified the following minor issues for further consideration by the Independent Market Operator (IMO):

- The footer of the proposed amended Market Procedure refers to the “Market Procedure for Determining Loss Factors V2” and should be updated;
- Step 1.2.1 of the proposed amended Market Procedure refers to the procedure outlining the processes “Market Participants” must follow whereas step 1.3.1 notes that the procedure applies to “Rule Participants”. Verve Energy considers that the terminology should be consistent throughout the procedure;
- Step 1.4.2(a) of the proposed amended Market Procedure refers to the “New MPR” whereas steps 2.1.7, 3.2.5 and Appendix 1 all refer to “Registration system”. Verve Energy considers that the terminology should be consistent throughout the procedure;

- Table 1 of the proposed amended Market Procedure defines the “WEMS”. Step 1.4.2(a) refers to the “New MPR”, Verve Energy considers that there would be value in defining “MPR” in table 1;
 - Figure 1 of the proposed amended Market Procedure outlines the process for the Bilateral Trade Declaration and Reserve Capacity Auction. Verve Energy considers that this process diagram would benefit from the inclusion of Market Rule references for each step (where appropriate). Verve Energy notes that this approach (i.e. the inclusion of Market Rule references) is used in the Market Procedure for Reserve Capacity Performance Monitoring;
 - Steps 2.1.7 and 3.2.5 of the proposed amended Market Procedure note that the “process for applying for ‘Committed’ status is included within 0” [emphasis added]. Verve Energy considers that these steps should refer to Appendix 1; and
 - Step 3.1.3 of the proposed amended Market Procedure refers to step 3.1.12, Verve Energy considers that this cross reference should be 3.1.2.
-

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

Verve Energy agrees with the IMO that the Market Procedure for Declaration of Bilateral Trades and Reserve Capacity Auction, as a whole, is consistent with the Wholesale Market Objectives.

In noting this, Verve Energy considers that the Amended Market Procedure will also better achieve Wholesale Market Objective (b). Verve Energy’s assessment is presented below:

(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;

Verve Energy considers that improvements to the readability and usability contemplated by the Procedure Change Proposal may remove a potential barrier to entry and assist in the facilitation of efficient entry of new competitors.

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.

Verve Energy would not require any changes to its IT or business systems, nor incur any organisation costs as a consequence of adopting the changes (either as proposed by the IMO or amended as suggested by Verve Energy).

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

Verve Energy does not need to undertake any actions to implement this Procedure Change Proposal.
