



System Management

Procedure Change Report

Ref: PPCL0021

Title: Replaced PSOPs: Competitive Balancing
and Load Following Market (Package 1)- PART A

Date: 14 June 2012

System Management Contact Details
Phil Kelloway
GPO Box L921, Perth, WA 6842
Phil.kelloway@westernpower.com.au

CONTENTS

INTRODUCTION	1
THE MARKET ADVISORY COMMITTEE.....	2
SUBMISSIONS	2
IMPLEMENTATION	7

DOCUMENT DETAILS

DMS No.:	9434168v1
SM Notice No.:	PPCL0021
Report Title:	Replaced PSOPs - Competitive Balancing and Load Following market (Package 1) - PART A
Author:	Phil Kelloway
Release Status:	Public
Confidentiality Status:	Public domain

INTRODUCTION

This document is the Procedure Change Report for System Management proposed amendments to the Power System Operating Procedure: Communications and Control Systems (PPCL0021 Part A). System Management notes that the Procedure Change Report for the PSOP: Dispatch (PPCL0021 Part B) will be forthcoming:

- A Power System Operating Procedures Working Group Meeting was held on 12 December 2011
- This proposal was first published on the IMO website on 6 January 2012.
- A request for submissions to the proposal was published on 6 January 2012 with a deadline of 6 February 2012.
- Notice of a further consultation period was published on the IMO website on 19 March 2012 with a deadline of 29 March 2012.
- This Procedure Change Report relates to the PSOP: Communications and Control Systems (Part A) and is submitted to the IMO for publication on 13 June 2012.
- This proposed replacement procedure is to commence on the Balancing Market Commencement Day.
- Commencement is pending approval by the IMO. Market Rule 2.10.14 requires the IMO to make its decision within 10 Business days of this Report being published.

THE WORDING OF THE AMENDMENT TO THE POWER SYSTEM OPERATING PROCEDURE

The replacement PSOP: Communications and Control Systems is attached to this Report.

THE REASON FOR THE AMENDMENT TO THE POWER SYSTEM OPERATING PROCEDURE

Following feedback from Market Participants and the findings of the Verve Energy Review, a proposal to establish competition in the provision of both the balancing and load-following ancillary service markets has been developed. The resulting amendments to the Market Rules have been documented in the Rule Change Notice: Competitive Balancing and Load Following Market (RC_2011_10).

It has therefore been necessary for System Management to make related and relevant changes to the Power System Operating Procedures which are impacted by the proposed Rule changes in RC_2011_10.

System Management continuously seeks to improve the integrity and accuracy of the Power System Operation Procedures.

THE MARKET ADVISORY COMMITTEE

The Market Advisory Committee (MAC) did not meet regarding this procedure change proposal. However, these proposed amendments were considered in the Rules Development Implementation Working Group meeting held on 22 March 2012.

SUBMISSIONS

System Management received five submissions regarding the procedures for Dispatch and Communications and Control Systems, from Landfill Gas and Power, Alinta, Synergy and the Independent Market Operator. The Independent Market Operator's submission summarised the matters raised in the Rules Development Implementation Working Group meeting of 22 March 2012.

The details of the submissions summarised below and System Management's responses relate only to the PSOP: Communications and Control Systems.

LANDFILL GAS AND POWER

Landfill Gas and Power submitted two responses, one during the initial consultation and an updated response during the further consultation period.

Communications and Control Systems (Original)

A) Clause 3.2 states to the effect that all Balancing Facilities excluded from the Balancing Facility Requirements must either possess voice, SMS and e-mail communications or otherwise have an Operational Control Agreement with System Management. While the procedure is otherwise silent on the Operational Control Agreement, clause 4.1 refers to "Participants with Scheduled or Non-Scheduled Generators remotely operated by System Management under an agreement between the Market Participant and System Management [MR 7.8]." Similarly, clause 4.3 refers to "an operating agreement for remote operation and control".

LGP submits that these provisions need to be clarified and integrated with the New Procedure for Balancing Facility Requirements. In particular, it is unclear whether these provisions refer to a Generator-Control service offered by System Management to Market Generators in general, or whether it is the subject of the reference in clause 2.1.1 of the new Balancing Facilities Requirements procedure. We regret that the ambiguity and lack of detail in this respect renders the proposal incapable of unqualified support.

B) Clause 5.1 provides for the situation in which communication is lost, including Automatic Generator Control. While we support this, we seek clarification that this is in compliance with the Technical Rules, which we understand to require that a Generator is tripped in the event of SCADA being lost for more than 7 seconds.

C) We suggest that the document would benefit from an editorial read-through. For example:

- i) Each material part of the document should have a consistent unique clause number or other identifier; (for example, the nomenclature of page 4 seems to be stand-alone);
- ii) AGC is defined three times;
- iii) Clause 2 of page 5 should be integrated with “Related Documents” of page 4, and the duplication should be removed.

Communications and Control Systems (Additional)

LGP welcomes the revision of the original document. However, we regret to advise that we do not support the revised document because clause 2.2 (Balancing Facilities with Special Conditions Imposed) is confusing and ambiguous.

We note that section 2.2.1 references clauses 2.1 and 2.2 of the Market Procedure: Balancing Facility Requirements, which clauses pertain to Balancing Facilities in general. We do not understand the intent of this reference in the section dealing with ‘Balancing Facilities subject to Special Conditions’. Further, the clause appears to specify MR 7A.1.8 as the source of the Special Conditions.

Section 2.2.2 then goes on to state that clause 2.2.1 does not apply to any Balancing Facility that is subject to Special Conditions under clause 3.1.1 of the Market Procedure: Balancing Facility Requirements. Clause 3.1.1 also references MR 7A.1.8 as being the source of the Special Conditions.

To add to the confusion, we suggest that the reference MR 7A.1.8 in both Procedures should actually reference MR 7A.1.11.

We suggest that this issue be remedied by succinctly stated the obligations placed on a Balancing Facility upon which Special Conditions have been imposed.

System Management’s response to the submission by Landfill Gas and Power:

Communications and Control Systems:

‘System Management accepts Landfill Gas & Powers’ views on the Procedure. System Management made changes to the document ahead of the further consultation period.

The remaining issue regarding the requirements for Balancing Facilities with Special Conditions has been addressed in the final version of the procedure. The procedure now states the requirements for communication of such facilities.

ALINTA

Alinta submitted a response during the further consultation period covering issues relating to PPCL0021, PPCL0022 and PPCL0023. The issues relevant to PPCL0021 are set out below:

...Given the short time frame until market start, SM's intention to rely on existing information/communication systems, specifically its web portal SMITS, for issuing and confirming dispatch instructions appears necessary.

However, and while providing a dispatch instruction alert via email and sms will be beneficial, the requirement to manually confirm dispatch instructions via the web portal will effectively require generation facilities to revert to manual control....

...The reliance on a manual confirmation process via SM's web portal to receive and confirm dispatch instructions close to real time (as little as 120 seconds prior to plant movement), combined with an increase in the frequency of dispatch instructions, creates a significant compliance risk for Market Generators.

It would appear that the only real way these risks can be adequately managed is through a return to a fully automated system for issuing and confirming dispatch instructions. It is understood that this is intended to be available for 5 December 2012, although no specifications are available as yet for the proposed SMARTS business-to-business (B2B) System

Without any certainty around the timing of when the detailed SMARTS B2B specification will be available, it is difficult for Market Generators to make an informed assessment of the scope of work for automating the receipt and confirmation of dispatch instructions. As a result, it is unreasonable to assume that Market Generators will be able to scope, procure, implement and test the necessary systems and/or system and process changes prior to 5 December 2012.

Thus the ability of Market Generators to participate in the Balancing Market would be uncertain from 5 December 2012 if the PSOP was to preclude them from continuing to use the manual dispatch confirmation process via SM's web portal from that time.

Alinta suggests that given the web portal is to be retained in any event, and that it does not change a Market Generator's compliance obligations, no participant should be precluded from relying on it to participate in the Balancing Market.

Further specific comments are provided below:

Duplicated 24x7 monitored voice communications (clause 2.1 of the Communications and Control Systems PSOP) - could SM consider clarifying the wording and/or intent of this clause? It is understood that this simply refers to having two contact numbers that will be answered 24x7? (i.e. as opposed to simply an office number that would ordinarily only be answered during business hours?).

. As noted above, given the absence of any detailed specifications on SM's proposed B2B system architecture, it does not appear reasonable at this time to preclude Market Generators from continuing to rely on manual confirmation process via the web portal after 5 December 2012. There is simply not sufficient time to scope, procure, implement and test the necessary systems and/or system and process changes.

System Management's response to the submission by the Alinta:

Communication and Control Systems:

System Management accepts Alinta's view that the PSOP may impose an unreasonable restriction on participation in Balancing by forcing a 5 December deadline for connection to System Management B2B or SCADA interfaces. System Management has change the procedure to allow at least a six month period once the B2B Gateway has been defined and published on the Market Website.

System Management has clarified that duplicated monitored voice does mean telephone contact availability.

SYNERGY

Synergy submitted a response during the further consultation period covering issues relating to the Communications and Control PSOP.

Communications and Control Systems

2.5 Demand-side Programs

While we recognise System Management must feel comfortable with communication arrangements, that they are both efficient and effective, in this case we believe the new communication requirement for Market Customers with DSPs to maintain duplicated 24 x 7 monitored telephone contacts imposes a level of costs which is difficult to justify given the obligations of DSPs under the Market Rules

In particular we draw your attention to the fact that the DSP dispatch window is from 12PM to 8PM on business days, with a maximum lead time of 4 hours.

System Management's response to the submission by Synergy:

Communication and Control Systems:

System Management accepts Synergy's view that 24 x 7 monitored telephone contacts are warranted. System Management has altered the PSOP to limit the requirement from 7 a.m. to 7 p.m. business days.

THE INDEPENDENT MARKET OPERATOR

The Independent Market Operator submitted a log of issues relating to PPCL0021, PPCL0022 and PPCL0023. The issues relevant to PPCL0021 are set out below:

Communications and Control Systems

Details of where the AGC interface signal protocol can be found should be included

System Management's response to the submission by the Independent Market Operator:

Communication and Control Systems: process detail

System Management accepts the IMO's view and has amended the PSOP to include the publication of the interface as part of the Operating Protocol Template to be published on the Market Web Site.

ISSUES RAISED BY THE RULES DEVELOPMENT IMPLEMENTATION WORKING GROUP

Communication and Control Systems

Consistency: Use of MPI, portal, market system

Concern over requirement for B2B/SCADA (was previously preferential) and particularly timeframe to implement is December 5 2012 with very limited information presently available.

Wording is confusing.

Requirement for dedicated 24x7 monitored (ie someone will answer) telephone contacts seems excessive when the demand side programs only have to operate during business hours.

What is an Operating Agreement. Template and/or definition needed.

System Management's response to the issues raised by the Rules Development Implementation Working Group:

Communication and Control Systems

System Management accepts the comments made by the RDIWG. System Management has amended the PSOP accordingly.

AMENDMENT TO THE POWER SYSTEM OPERATION PROCEDURE FOLLOWING PUBLIC CONSULTATION

System Management has made numerous amendments to the PSOP: Communications and Control Systems covered by PPCL0021 in response to the feedback received during public consultation. The changes are identified in the attached documents. Deleted wording is shown in “strike through” and new wording has been underlined.

IMPLEMENTATION

System Management recommends this replacement procedure commence on the Balancing Market Commencement Day.

Given that System Management and Market Participants are using existing production systems to implement the transitional arrangements the above date, in System Management's opinion, allows sufficient time after the date of publication of the IMO's approval of the Procedure Change Proposal under clause 2.10.14, for Rule Participants to implement changes required by this Proposal.