
Wholesale Electricity Market – Procedure Change Proposal

Change requested by

Name:	Adrian Theseira
Phone:	9427 4257
Fax:	
Email:	adrian.theseira@westernpower.com.au
Organisation:	System Management
Address:	8 Joel Terrace, East Perth
Date submitted:	10 December 2013
Urgency:	
Procedure change title:	Exemptions from commitment and de-commitment notification requirements for distribution connected Scheduled Generators
Market Procedure(s) affected:	PSOP: Dispatch

Introduction

The 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 of, amendment of or replacement for, 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 these 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 objectives of the market 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.

Submissions on the Procedure Change Proposal can be posted, faxed or emailed to:

Independent Market Operator

Attn: Manager Market Administration

PO Box 7096

Cloisters Square, Perth, WA 6850

Email: marketadmin@imowa.com.au

However, the IMO prefers to receive submissions by email using the submission form available on the IMO website:

<http://www.imowa.com.au/procedure-changes>

Details of Procedure Change Requested

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

System Management submitted the Rule Change Proposal: Commitment and De-commitment notification requirements (RC_2012_22) to address an issue in the Wholesale Electricity Market Rules (Market Rules). RC_2012_22 sought to provide an exemption from the obligation on a Market Participant intending to synchronise or de-synchronise a Scheduled Generator connected to a distribution network to notify System Management of the expected time of synchronisation or de-synchronisation (clauses 7.9.1 and 7.9.5).

Rule Change	Key amendments	Commencement Date
RC_2012_22	<ul style="list-style-type: none"> Commitment and De-commitment Notification Requirements 	1 September 2013

As set out in RC_2012_22, System Management observed that distribution connected Scheduled Generators are provided an electrical signal by Western Power Networks that only allows connection to the power system if it is safe to do so. System Management considered that such generators should be able to apply for an exemption from the requirements in clauses 7.9.1 and 7.9.5 of the Market Rules and System Management should be able to grant or revoke an exemption.

In its Final Rule Change Report approving RC_2012_22, the IMO identified the need to update the Power System Operation Procedure (PSOP): Dispatch to reflect the new Market Rule clauses that enable a distribution connected Scheduled Generator to apply for an exemption and allow System Management to approve or revoke an exemption. In particular, the IMO requested amendments to the PSOP: Dispatch to reflect the processes that:

- Market Participants should follow to apply for an exemption;*
- System Management should follow to grant/revoke an exemption;*
- Market Participants should follow to inform System Management if any faults occur in operating equipment and procedures; and*
- System Management should follow to conduct ongoing monitoring of the exempt generator to ensure validity of the exemption.*

In response to the IMO's request, System Management has updated the PSOP: Dispatch to reflect items 1 to 4 above. In addition to the IMO's requested changes, opportunity has also been taken to make an additional change to address a related issue identified during a previous Market Audit.

The proposed amendments to the PSOP: Dispatch have been subject to consultation with the System Management Procedure Change and Development Working Group (SM Working Group) on two occasions, with the most recent out of session consultation

concluding on 4 December 2013. Feedback received from SM Working Group members has been incorporated to the proposed amendments.

The table below lists all the proposed changes to the PSOP: Dispatch:

PSOP Section	Change	Rationale
6. COMMITMENT AND DE-COMMITMENT OF GENERATING FACILITIES	<ol style="list-style-type: none"> 1) Added the exemption clause for distribution connected Scheduled Generators for new Market Rule 7.9.14. 2) Added new paragraphs 6.2.3, 6.2.4, 6.2.5 and 6.2.6 to clarify the process under clause 3.21B of the Market Rules where, by exception, a Market Participant must request permission from System Management to take a Scheduled Generator to a state where it will take more than four hours to re-synchronise. 	<ul style="list-style-type: none"> • Align with new exemption clauses added under RC_2012_22 • Address a 2012 Market Audit finding that the procedures required by clause 3.21B of the Market Rules had not been documented in the PSOP.
10. COMMITMENT AND DE-COMMITMENT NOTIFICATION REQUIREMENTS	<ol style="list-style-type: none"> 1) Added section 10.1 which outlines the process for a Scheduled Generator connected to a distribution network to apply to System Management for an exemption to the synchronisation/de-synchronisation notification requirements (Market Rules 7.9.1 and 7.9.5). 2) Added section 10.2 which outlines how System Management will assess an application for exemption. 3) Added section 10.3 which outlines the process System Management will follow to notify a Market Participant of its decision to either grant or reject an exemption application, including applicable timeframes. 4) Added section 10.4 which sets out the process for Market Participants to notify System Management where they no longer satisfy the exemption criteria (Market Rule 7.9.16) and System Management's process for revoking an exemption (Market Rule 7.9.17). 5) Added section 10.5 which outlines the process to publish and maintain a list of Scheduled Generators exempt from the synchronisation/de-synchronisation requirements (Market Rule 7.9.18). 	<p>These new sections set out the process that System Management and Market Participants follow in relation to the new requirements introduced under RC_2012_22.</p>
Various	Minor revisions have also been made throughout the PSOP.	To correct typographical errors and improve consistency.

2. Provide the wording of the new or amended Procedure (as applicable)

The amended Procedure, Power System Operation Procedure: Dispatch is attached with changes marked up.

Procedure Change No.: PPCL0027

Received date: 10 December 2013