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## Wholesale Electricity Market – Submission to Procedure Change Proposal PC\_2011\_07 Change to Market Procedure for Procedure Administration

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### Submitted by

<b>Contact Name:</b>	Adrian Theseira
<b>Phone:</b>	9427 4257
<b>Fax:</b>	9427 4228
<b>Email:</b>	adrian.theseira@westernpower.com.au
<b>Organisation:</b>	System Management
<b>Address:</b>	8 Joel Terrace East Perth WA 6004
<b>Date submitted:</b>	30 November 2011

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### Submission

Clause 2.10.7 of the Wholesale Electricity Market Amending Rules provides that any person may make a submission for a Procedure Change Proposal by filling in this Procedure Change Submission form.

Submissions for Procedure Changes that relate to the Power System Operation Procedures and IMO Market Procedures should be submitted to:

#### Independent Market Operator

Attn: Manager Market Development & System Capacity  
PO Box 7096  
Cloisters Square, Perth, WA 6850  
Fax: (08) 9254 4399  
Email: [market.development@imowa.com.au](mailto:market.development@imowa.com.au)

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

PC\_2011\_07 proposes amendments to the Market Procedure for Procedure Administration. In particular the proposal intends to allow the IMO and System Management to progress amendments to the Market Rules and Market Procedures in tandem.

System Management notes that the IMO's shift towards principles based drafting of the Market Rules, as reflected in RC\_2011\_10 Competitive Balancing and Load Following Markets, is the driver behind this proposal.

System Management is of the view that the concept put forward in the proposal is reasonable. However, it provides the following comments that it recommends be considered.

**Consultation time required for participants to consider the impacts of rule and procedure change proposals**

System Management has previously expressed its concerns with regard to the IMO's focus on achieving the earliest possible commencement date for the Balancing and Load Following Markets<sup>1</sup>. System Management is concerned that with the changes proposed by PC\_2011\_07, the rule change and procedure change process could be compromised by an urgency to implement changes not supported by rigorous analysis and without sufficient consideration by the Market and its participants.

The amendments proposed by PC\_2011\_07 carry the risk, where rule and procedure changes are progressed in tandem, of not allowing participants sufficient time to fully consider the impacts of proposals. This would particularly be the case for significant or extensive proposals, if the normal consultation process timeframes are applied.

This is an important consideration given the magnitude of the changes to both rules and procedures proposed by RC\_2011\_10 - Competitive Balancing and Load Following Markets.

System Management's view for rule and procedure change processes that may be progressed in tandem is that there should be extensions to the normal consultation times where this is necessary (i.e. for significant rule and procedure change proposals). It is noted that the recent Fast Track RC\_2011\_12 - Extensions to Procedure Change Process Timelines introduces amendments that will facilitate this for procedure change proposals (the IMO already has the authority to extend rule change process timelines).

Powers to extend process timeliness should be appropriately exercised to ensure that the Market, its participants and other relevant stakeholders have sufficient time to consider rule and procedure change proposals.

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<sup>1</sup> System Management submission to RC\_2011\_10 Competitive Balancing and Load Following Market at [http://www.imowa.com.au/RC\\_2011\\_10](http://www.imowa.com.au/RC_2011_10)

Under the framework amended by RC\_2011\_12 and PC\_2011\_07, System Management notes that the sole discretion to extend timeframes for the procedure change process lies with the IMO, irrespective of whether the proposal is for a change to a Market Procedure (IMO) or a Power System Operating Procedure (System Management).

System Management should have input on process timelines for proposals relating to its own Power System Operating Procedures but there remains no express provision for this under the proposed amendments. Notably where System Management may disagree with an IMO decision regarding process timelines for a Power System Operating Procedure change proposal, there is no ability for it to seek a review of this decision by an independent third party.

System Management therefore reiterates its previously expressed recommendation<sup>2</sup> that consideration should be given to providing a review mechanism for timeframe extension decisions for procedure change proposals.

#### Drafting Issue

In addition to the comments above, System Management submits the following drafting suggestion to the amendments as currently proposed:

PC\_2011\_07 amends clause 2.1.2(b) of the Market Procedure for Procedure Administration as follows:

*The IMO or System Management, as applicable, developing new Market Procedures, or amending or replacing existing Market Procedures following an amendment to the Market Rules [MR2.10.3]. This must be done as soon as practicable ~~after the Amending Rules commence; or~~*

For consistency the last sentence 'This must be done as soon as practicable' should be deleted from clause 2.1.2(b) and integrated with the final version of the proposed clause 2.1.5 which deals with timeframes.

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

Taking into consideration System Management's comments above, the proposed changes will better achieve the Market Objectives.

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<sup>2</sup> System Management submission to RC\_2011\_12 Extensions to Procedure Change Process Timelines at [http://www.imowa.com.au/RC\\_2011\\_12](http://www.imowa.com.au/RC_2011_12)

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- 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.**

The procedure should not have any business or cost implications.

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

System Management would not require any time to implement the proposed change.