

The background of the lower half of the page is a photograph of a wind farm and power lines, overlaid with a semi-transparent blue filter. On the left, several white wind turbines are visible, with their blades extending outwards. On the right, a tall metal lattice tower for power lines stands prominently. The overall scene is set against a clear sky.

**Independent Market Operator**

**Rule Change Notice**  
**Title: Heads of Power for**  
**Market Procedures**

**Ref: RC\_2009\_26**

**Fast Track Rule Change Process**

**Date: 21 July 2009**

## CONTENTS

<b>1. THE RULE CHANGE PROPOSAL .....</b>	<b>3</b>
1.1. The Submission .....	3
1.2. Details of the Proposal .....	3
1.3. The Proposal and the Wholesale Market Objectives .....	5
<b>2. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER .....</b>	<b>5</b>
<b>3. CALL FOR SUBMISSIONS.....</b>	<b>6</b>
<b>4. PROPOSED AMENDING RULES .....</b>	<b>6</b>
<b>5. ABOUT RULE CHANGE PROPOSALS .....</b>	<b>6</b>

## DOCUMENT DETAILS

IMO Notice No.: RC\_2009\_26  
Report Title: Rule Change Notice: Heads of Power for Market Procedures  
Release Status: Public  
Confidentiality Status: Public domain  
Published in accordance with Market Rule 2.5.7  
[http://www.imowa.com.au/Attachments/RuleChange/RuleChange\\_2009\\_26.html](http://www.imowa.com.au/Attachments/RuleChange/RuleChange_2009_26.html)

Independent Market Operator  
Level 3, Governor Stirling Tower  
197 St George's Terrace, Perth WA 6000  
PO Box 7096, Cloisters Square, Perth WA 6850  
Tel. (08) 9254 4300  
Fax. (08) 9254 4399  
Email: [imo@imowa.com.au](mailto:imo@imowa.com.au)  
Website: [www.imowa.com.au](http://www.imowa.com.au)



## 1. THE RULE CHANGE PROPOSAL

### 1.1. The Submission

On the 20 July 2009 the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding the addition of new clauses 3.11.15, 4.14.11, 7.13.3 and 10.2.7 to the Wholesale Electricity Market Rules (Market Rules).

This Rule Change Notice is published according to Market Rule 2.5.7, which requires the IMO to publish a notice within 7 Business Days of receiving a Rule Change Proposal.

#### 1.1.1 Submission details

<b>Name:</b>	Troy Forward
<b>Phone:</b>	(08) 9254 4300
<b>Fax:</b>	(08) 9254 4399
<b>Email:</b>	<a href="mailto:imo@imowa.com.au">imo@imowa.com.au</a>
<b>Organisation:</b>	IMO
<b>Address:</b>	Level 3, Governor Stirling Tower, 197 St George's Terrace
<b>Date submitted:</b>	20 July 2009
<b>Urgency:</b>	Fast Track Rule Change Process
<b>Change Proposal title:</b>	Heads of Power For Market Procedures
<b>Market Rule(s) affected:</b>	New clause 3.11.15, 4.14.11, 7.13.3, 10.2.7

### 1.2. Details of the Proposal

#### Background

Market Procedures can be developed, amended and replaced by the IMO and System Management in accordance with clause 2.9 of the Market Rules<sup>1</sup>. Market Procedures support the Market Rules from an operational perspective.

The Market Rules enable Market Procedures to be both enforceable (refer to clauses 2.9.6 – 2.9.8) and maintainable (via the Procedure Change Process).

The Market Rules allow for the development of certain Market Procedures. For example clause 2.9.5 outlines the requirements for the IMO to develop an Administration Procedure setting out the Market Procedure for developing and amending Market Procedures.

---

<sup>1</sup> When a Power System Operation Procedure is required in the Market Rules, it is equivalent to a Market Procedure (as defined in the Market Rules Glossary).

## Issue

There are currently four procedures which have been developed under either a heads of power established in the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* or without a specific Market Rule requiring their development.

The IMO considers that it does not have jurisdiction to undertake its role in the Procedure Change Process for procedures established under the Regulations or procedures developed without a specific Market Rule requiring its development.

The procedures which fall into the above categories are:

- 1) Data Cleansing Power System Operation Procedure (PSOP);
- 2) Information Confidentiality Procedure;
- 3) System Restart PSOP; and
- 4) Declaration of Bilateral Trades and the Reserve Capacity Auction Procedure.

The Data Cleansing PSOP and Information Confidentiality Procedure were developed and approved by the Minister prior to market start. These Market Procedures are enforceable through the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*. However, the IMO is of the view that amendments to these procedures cannot be made unless enabled through the Market Rules.

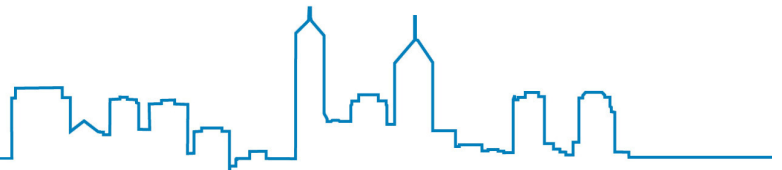
The System Restart PSOP and the Declaration of Bilateral Trades and the Reserve Capacity Auction Procedure have not been approved by the Minister. These were created after market start and have no specific requirement to be developed in the Market Rules. Hence, the IMO considers that these procedures are not enforceable and amendments made are not subject to the Procedure Change Procedure.

To ensure operational compliance, these procedures need to be enforced. To reflect changing operational requirements in the Wholesale Electricity Market, all four procedures need to be maintained.

## Proposal

The IMO proposes to provide the IMO and System Management with the ability to enforce and maintain the following procedures:

- 1) Data Cleansing PSOP;
- 2) Information Confidentiality Procedure;
- 3) System Restart PSOP; and
- 4) Declaration of Bilateral Trades and the Reserve Capacity Auction Procedure.



### 1.3. The Proposal and the Wholesale Market Objectives

This Rule Change Proposal provides the IMO and System Management with the ability to enforce and maintain the stated Market Procedures. This rule change supports the Market Rules from an operational perspective.

The IMO contends that this is consistent with the Wholesale Market Objectives.

## 2. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER

The IMO has decided to proceed with this proposal on the basis that its preliminary assessment indicated that the proposal is consistent with the Wholesale Market Objectives.

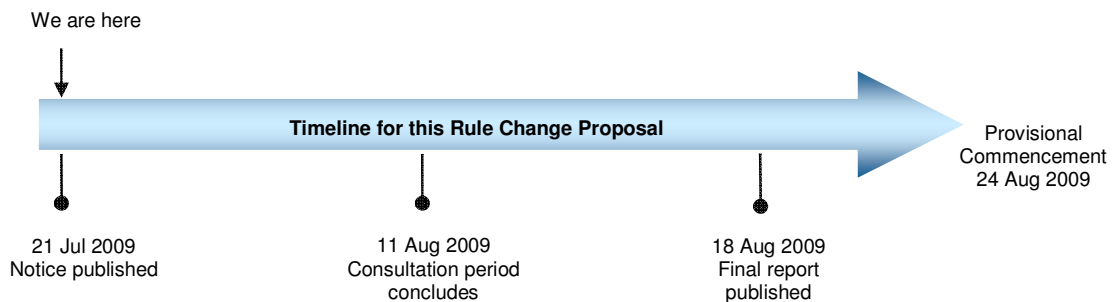
The IMO has decided to process this Rule Change Proposal using the Fast Track Rule Change Process, described in section 2.6 of the Market Rules. This is on the basis that it satisfies the criteria in clause 2.5.9(b) of the Market Rules.

Clause 2.5.9 states:

*The IMO may subject a Rule Change Proposal to the Fast Track Rule Change Process if, in its opinion, the Rule Change Proposal:*

- (a) *is of a minor or procedural nature;*
- (b) *is required to correct a manifest error; or*
- (c) *is urgently required and is essential for the safe, effective, and reliable operation of the market or the SWIS.*

The projected timelines for processing this proposal are:



### 3. CALL FOR SUBMISSIONS

Any Rule Participant wishing to be consulted regarding this Rule Change Proposal is invited to notify the IMO within 5 Business Days of this notice being published (**5:00pm Tuesday 28 July 2009**).

The IMO prefers to receive submissions by email to [market.development@imowa.com.au](mailto:market.development@imowa.com.au) using the submission form available on the IMO website:  
[http://www.imowa.com.au/10\\_5\\_1\\_MarketRulesChangeSummary.html](http://www.imowa.com.au/10_5_1_MarketRulesChangeSummary.html)

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

Independent Market Operator  
Attn: Manager Market Development and System Capacity  
PO Box 7096  
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

### 4. PROPOSED AMENDING RULES

The IMO proposes the following amendments to the Market Rules (~~deleted words~~, added words):

3.11.15 System Management must document in the Power System Operation Procedure the procedure to be followed where the Market Rules require Ancillary Services to be provided. System Management and Rule Participants must comply with that documented Market Procedure.

4.14.11 The IMO must develop a Market Procedure documenting the process the IMO and Rule Participants must follow for the Bilateral Trade Declaration and Reserve Capacity Auction. The IMO and Rule Participants must comply with that documented Market Procedure.

7.13.3 System Management must document in the Power System Operation Procedure the procedure to be followed in providing settlement and monitoring data to the IMO. System Management and Rule Participants must comply with that documented Market Procedure.

10.2.7 The IMO must document the Market Procedure it follows in setting and publishing the confidentiality status of information in clause 10.2. The IMO must comply with that documented Market Procedure.

### 5. ABOUT RULE CHANGE PROPOSALS

Market Rule 2.5.1 of the Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form and submit this to the IMO.



The IMO will assess the proposal and, within 5 Business Days of receiving the proposal form, will notify the proponent whether the proposal will be progressed further.

In order for the proposal to be progressed the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the Wholesale Market Objectives. The 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.

A Rule Change Proposal can be processed using a Standard Rule Change Process or a Fast Track Rule Change Process. The standard process involves a combined 10 weeks public submission period, while the fast track process involves the IMO consulting with Rule Participants who either advise the IMO that they wish to be consulted or the IMO considers have an interest in the change.