

Wholesale Electricity Market Rule Change Proposal Submission

RC_2014_06

Removal of Resource Plans and Dispatchable Loads

Submitted by

Name:	Patrick Peake
Phone:	(08) 9420 0308
Email:	p.peake@perthenergy.com.au
Organisation:	Perth Energy
Address:	Level 24, 221 St Georges Terrace, Perth WA
Date submitted:	13 February 2018

Submissions on Rule Change Proposals can be sent by:

Email to: rcp.secretariat@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

1. Please provide your views on the proposal, including any objections or suggested revisions.

Perth Energy considers the proposed amendments in the initial rule change proposal submitted by the Independent Market Operator (IMO) in January 2015, should be implemented as soon as practicable. The removal of inefficient and unnecessary processes, in particular to remove resource plans, has meant that Market Participants have continued to incur costs during the two-year delay in progressing the proposal.

Perth Energy also supports:

- the correction of a manifest error in the Wholesale Electricity Market (WEM) Rules which inadvertently removed the Australian Energy Market Operator's (AEMO) ability to delay the Short Term Energy Market (STEM); and
- the removal of the references to System Management where it does not reduce

clarity with respect to the AEMO's obligations¹.

We note the Rule Change Panel's additional proposal to align the STEM timeframes with those in the National Electricity Market (NEM).

While the previous Government intended to adopt the national energy framework and associated wholesale market rules and IT systems, Perth Energy notes that the new Government has signaled its intention to retain and amend the current WA-based arrangements.

Perth Energy requests that the Rule Change Panel seeks formal advice from the Public Utilities Office in relation to the direction of the electricity sector reforms, prior to the adoption of any amendments to align our systems and processes with those in the NEM.

Perth Energy notes its preference to amend the STEM to provide additional flexibility to Market Participants by way of greater product offerings and increased frequency. For example, introducing rolling STEM trading, or developing a truly financial market for forward products. However, we consider that these should be developed in parallel to and in the context of the broader electricity sector reforms to ensure that they are fit-for-purpose.

2. Please provide an assessment whether the change will better facilitate the achievement of the Wholesale Market Objectives.

Perth Energy considers that, subject to the comments above, the proposed amending WEM Rules would better achieve the Wholesale Market Objectives.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

Perth Energy will need to make minor changes to internal procedures and IT systems as a result of the proposed amending WEM Rules.

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

Perth Energy expects that the necessary changes can be made relatively quickly once the amending WEM Rules have been confirmed.

¹ Perth Energy notes that the transfer of system operations functions (i.e. System Management) from Western Power to the AEMO involved minimal changes to the WEM Rules. This was not ideal, as the WEM Rules documented the relationship between Western Power as the system operator and the IMO as the market operator. In doing so, the WEM Rules did not document the relationship between System Management as the ring-fenced part of Western Power responsible for system operations and Western Power as the transmission and distribution network operator. The WEM Rules therefore now effectively documents an internal relationship within the AEMO and provides limited transparency of the obligations and responsibilities of Western Power as the network operator, with respect to the WEM.