

Agenda Item 6a (ii):

Wholesale Electricity Market Pre Rule Change Proposal Discussion Paper

Submitted by

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Organisation:	System Management
Address:	
Date submitted:	27 January 2009
Urgency:	Normal rule change process
Change Proposal title:	Provision of Intermittent Generator Forecast Information
Market Rule(s) affected:	Clause 7.2.5

Introduction

This Market Pre Rule Change Proposal Discussion Paper can be posted, faxed or emailed to:

Independent Market Operator

Attn: Troy Forward, Manager Market Administration & System Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

Email: marketadmin@imowa.com.au

The discussion paper should explain how it will enable the Market Rules to better contribute to the achievement of the wholesale electricity market objectives. 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.

Details of the proposed Market Rule Change

1) Outline the issue concerning the existing Market Rules that is to be addressed by the proposed Market Rule change:

Clause 7.2.5 details the timeframe and requirement that Market Generators operating intermittent facilities must submit forecast information to System Management.

The information required by this clause is required by 10am on the Scheduling Day and represents aggregated energy output.

Currently System Management does not rely on aggregated forecast information submitted under clause 7.2.5, and, in any case, shall instead make use of specified information from intermittent generation operators under separate agreements.

System Management seeks to modify this clause, as it imposes an obligation which is not at this time necessary to successfully administer dispatch processes. However, at some point in the future, the provision of this aggregated information may be required, and therefore System Management considers that the clause be retained, but should be amended to import an element of discretion. System Management proposes to add the words “Unless otherwise directed by System Management...” to the beginning of this clause. This inclusion will remove a strict compliance obligation, and instead allow System Management to utilise the powers under clause 7.2.5 only where it is necessary to do so.

System Management intends to direct that the information specified under clause 7.2.5 is not required until further notice.

2) Explain the reason for the degree of urgency:

System Management submits that the above rule change proceeds under the normal rule change process.

3) Provide any proposed specific changes to particular Rules (for clarity, please use the current wording of the Rules and place a ~~striketrough~~ where words are deleted and underline words added)

7.2.5 Unless otherwise directed by System Management, each Market Generator must by 10 AM each day provide to System Management for each of its Intermittent Generators with capacity exceeding 10 MW its most current forecast of the MWh energy output of the Intermittent Generator for each Trading Interval between noon of the current Scheduling Day and the end of the corresponding Trading day in a format and by a method specified in the Power System Operation Procedure.

4) Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:

This proposed Rule Change would better address objective (a) of the Market Objectives. The change as submitted would promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system.

The rule change would increase the certainty of the application of the rules, and aid economically efficient outcomes through the removal of the requirement to strictly comply with obligations that are currently unnecessary for the operation of the dispatch process.

5) Provide any identifiable costs and benefits of the change:

Benefits:

- The changes would remove obligations that are currently unnecessary for the operation of the dispatch process.
- The changes would remove doubt for Participants regarding their compliance with this clause.

Costs:

- No costs are anticipated to arise due to the changes.
 - No changes to WEMS are required.
 - No changes to Participant process related costs are required.
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