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## Wholesale Electricity Market Rule Change Proposal

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### Submitted by

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<b>Organisation:</b>	System Management
<b>Address:</b>	
<b>Date submitted:</b>	7 January 2008
<b>Urgency:</b>	Normal rule change process
<b>Change Proposal title:</b>	Standing Data Compliance Monitoring
<b>Market Rule(s) affected:</b>	Clause 2.13.9(a), 2.34.12

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### Introduction

This Rule Change Proposal can be posted, faxed or emailed to:

**Independent Market Operator**

Attn: Dora Guzeleva, Manager Market Administration

PO Box 7096

Cloisters Square, Perth, WA 6850

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Email: [marketadmin@imowa.com.au](mailto: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.

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## Details of the proposed Market Rule Change

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

Clause 2.13.9 (a) from the Market Rules states:

System Management must monitor Rule Participants for breaches of the following clauses:

- (a) clauses 2.34.2, 2.34.2A and 2.34.3

This provision imposes an obligation upon System Management to monitor market participants' compliance with the requirement to:

- provide to the IMO, and maintain, accurate standing data (clause 2.34.2);
- revise standing data once the participant becomes aware it is inaccurate, or will be inaccurate (clause 2.34.2A); and
- notify the IMO of certain aspects of revisions to standing data (clause 2.34.3).

Whilst System Management can observe outcomes related to some items of standing data (for example, those related to dispatch), a number of aspects of standing data are not visible to it (for example, those related to price), making the obligation to monitor the accuracy of standing data impossible to fulfil. In addition, System Management is not in a position to monitor market participant's notification to the IMO of standing data revisions, or even whether the market participant has revised inaccurate standing data.

It is submitted that removal of System Management's obligation to monitor does not similarly affect the obligations of market participants under clauses 2.34.2, 2.34.2A and 2.34.3. The obligation for market participants to submit and maintain accurate standing data, and to submit this in a specified format, will be unaffected. Indeed, a breach of these clauses would continue to expose market participants to civil penalties under the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*.

Further, clause 2.34.12 of the Market Rules states that the IMO must consult with System Management before making a decision to require a market participant to provide updated standing data. This provision applies to all standing data, even that related to pricing. System Management considers that it is inappropriate that the provision continue in its current broad form, and suggests it be constrained to only non-pricing related data.

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### 2) Explain the reason for the degree of urgency:

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

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

2.13.9 System Management must monitor Rule Participants for breaches of the following clauses:

- (a) ~~clauses 2.34.2, 2.34.2A, and 2.34.3;~~  
 (b) ...

2.34.12 The IMO must consult with System Management before making a decision requiring a Rule Participant to provide updated Standing Data under clause 2.34.11, other than Standing Data which concerns prices.

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**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 changes 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 an obligation which can not be satisfied.

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

Benefits:

- The changes would remove an obligation which is impossible to perform, removing a source of non-compliance for System Management.
- The changes would delete an inappropriate provision, which is System Management being consulted about price related standing data.

Costs:

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