

Independent Market Operator



## **Final Rule Change Report**

### **Title: NTDL – New and Overnight Loads**

Ref: RC\_2008\_09

Fast Track Rule Change Process

Date: 2 April 2008

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## 1. INTRODUCTION

### 1.1. *General Information about Rule Changes*

Clause 2.5.1 of the Wholesale Electricity Market Rules (Market Rules) provides that any person (including the Independent Market Operator) may make a Rule Change Proposal by completing a Rule Change Proposal form and submitting this to the Independent Market Operator (IMO).

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
- (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. Under the shorter fast track process the IMO consults with Rule Participants who either advise the IMO that they wish to be consulted or the IMO considers have an interest in the change.

### 1.2. *About this Rule Change*

Griffin Energy submitted, on 20 February 2008, a Rule Change Proposal titled “NTDL-New and Overnight Loads”.

The proposal was processed using the Fast Track Rule Change Process, described in section 2.6 of the Market Rules. The fast track process was used as the proposal satisfied the requirements of clause 2.5.9 (b) of the Market Rules.

The fast track process adheres to the following timelines, outlined in section 2.6 of the Market Rules:

- Within 5 Business Days of a Rule Change Notice being published, the IMO must notify Rule Participants that the IMO intends to consult regarding the Rule Change.
- Within 5 Business Days of the Rule Change Notice being published, any Rule Participant wishing to be consulted may contact the IMO to request consultation on the Rule Change.

- Within 15 Business Days of the Rule Change Notice being published, all consultations must be concluded.
- Within 20 Business Days of the Rule Change Notice being published, the IMO must publish a Final Rule Change Report.

The key dates in processing this Rule Change Proposal were:

- The Rule Change Notice for this Proposal was published on the IMO website on 29 February 2008.
- On 29 February 2008, the IMO notified interested parties that it wished to consult regarding the Rule Change.
- Consultations on the Rule Change Proposal were completed on 26 March 2008.
- This Final Rule Change Report was published on 2 April 2008.

This Final Rule Change Report on the Rule Change Proposal has been prepared by the IMO in accordance with clause 2.6.4 of the Market Rules.

Based on its analysis against the market objectives and the responses received from interested parties, the IMO's decision is to implement the Rule Change Proposal in the form outlined in section 5 of this Final Rule Change Report.

## 2. THE RULE CHANGE PROPOSAL

### 2.1. The Submission

Griffin Energy submitted, on 20 February 2008, a Rule Change Proposal regarding changes to clause 4.28.9 and Appendix 5, and the addition of a new Appendix 5A in the Wholesale Electricity Market Rules (Market Rules).

#### 2.1.1. Submission details

Name:	Shane Cremin
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Organisation:	Griffin Energy
Address:	Level 15, 28 The Esplanade, Perth WA 6000
Date submitted:	20/02/2008
Urgency:	High
Change Proposal title:	NTDL – New and Overnight Loads

### 2.2. The Proposal

Griffin submitted that it had two concerns regarding the current provisions of the Market Rules with respect to Non Temperature Dependent Loads (NTDLs). These were:

- The treatment of overnight loads; and
- The treatment of new loads.

According to Griffin's proposal, under the current definition of NTDLs there are circumstances where loads are not qualified as being non-temperature dependant when this is clearly contrary to the intent of the rule.

One example is a business which structures its processes so that its load is higher overnight – taking advantage of the lower electricity prices in off-peak periods, lessening its contribution to system peak demand during the day, and more effectively using distribution and transmission assets. Under the current rules, if the load during the daytime is more than 10% lower than the maximum load during the hot season (which is likely to be its overnight load), the load cannot be classified as an NTDL. That is, it cannot be classified as an NTDL even though the reason for the deviation is not related to temperature and the load would have contributed a lesser amount to peak system load than if its processes were not optimised for overnight consumption.

Griffin submitted that the current method of using deviations from a load's peak consumption **over the hot season** appears to be an inadequate mechanism for measuring temperature dependence. Non-temperature dependent loads should not vary with seasons (or if they do, variation should not be due to variation in the seasonal temperature, rather some other factor). The current method of defining loads' peak consumption allows loads to be considered non-temperature dependent over a full year even if they have only proved non-temperature dependence over the hot season.

To capture the appropriate level of variation when assessing the status of a load with regard to temperature dependency, Griffin proposed to use the load's median

consumption during the four peak SWIS intervals in each month as the value from which any allowable deviation is determined.

According to Griffin's submission, the proposed change would resolve the issue of loads that do not vary (increase) with temperature, but are currently classed as temperature dependent because their demand increases overnight relative to their daytime load.

Griffin also proposed to resolve the issue of determining the temperature dependence of new loads entering the market that do not have historical data. It proposed to determine the status of new loads on a month by month basis until they meet some threshold that qualifies them as existing loads.

The application of the proposed new method to existing and new loads is outlined below.

#### *Existing NTDLs*

Existing NTDLs, that have been NTDLs for at least 9 months including the previous hot season, should apply for re-qualification as a NTDL each year as is intended by the current rules. This re-qualification would be in the form of a test, as follows:

- Market Customers are required to reapply in August of each year;
- The assessment will be conducted by the IMO annually in September;
- At least 9 months of data will be used for the test, i.e. the load had to become an NTDL in November the year before at the latest;
- The test will be based on the median of the 4 system peak intervals for each month of the test (i.e. the median of the 36 peak intervals will be calculated over the 9 months of the test);
- The load must have had consumption (the median consumption over the 4 system peak intervals for each month of the test) in excess of a prescribed MWh threshold; and
- The load will be considered as an NTDL from 1 October if the load meets the assessment criteria.

#### *New NTDL loads*

All new loads applying to become NTDLs (i.e. new meters) or existing loads that have implemented new measures during a Capacity Year will be treated as Temperature Dependent Loads until they apply to be NTDLs and pass the NTDL test at any point during the year. These will include loads that do not have at least 9 months of data as NTDLs in August or loads that apply to become NTDL during the Capacity Year.

The NTDL test will be conducted by the IMO as follows:

- The test will be conducted each month until there are at least 9 months of data in August including the hot season;
- Should the application be made at a date such that by the next August there is not 9 months of data accumulated, then the load will continue to go through the month by month test until August the following year;
- The test will be based on all data from the first month for which consumption data was used to conduct the first test; and
- The test will be based on the median value of the load during the 4 system peak intervals for each month of the test.

## 2.3. Amending Rules Proposed by Griffin Energy

Griffin proposed the following amendments to the Market Rules (~~deleted words~~, added words):

### Clause 4.28.9

- 4.28.9. The IMO must only accept the load measured by an interval meter in the list provided in accordance with clause 4.28.8(a) as a Non-Temperature Dependent Load if that load satisfies the requirements of Appendix 5A.
- ~~(a) had a peak consumption during the previous Hot Season in excess of 1 MWh; and~~
  - ~~(b) did not deviate downwards from the peak consumption in paragraph (a) by more than 10% for more than 10% of the time during the Hot Season except during Trading Intervals where:~~
    - ~~i. the consumption was 0 MWh; or~~
    - ~~ii. consumption was reduced at the request of System Management; or~~
    - ~~iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.~~

## Appendix 5

### APPENDIX 5: INDIVIDUAL RESERVE CAPACITY REQUIREMENTS

STEP 5: When determining the Individual Reserve Capacity Requirements for Trading Month n identify meters that were not registered with the IMO during one or more of the 12 peak Trading Intervals in the preceding Hot Season but which were registered by the end of Trading Month n-3.

Identify the 4 Peak SWIS Trading Intervals of Trading Month n-3, being the 4 highest demand Trading Intervals, where demand refers to total demand, net of embedded generation, in the SWIS.

For a new meter u that measures Non-Temperature Dependent Load set NMNTCR(u) to be 1.1 times the MW figure formed by doubling the median value of the metered consumption for that meter during the 4 Peak SWIS Trading Intervals of maximum Trading Interval demand for that meter during Trading Month n-3.

For a new meter v that measures Temperature Dependent Load set NMTDCR(v) equal to be 1.3 times the MW figure formed by doubling the median value of the metered consumption for that meter during the 4 Peak SWIS Trading Intervals of Trading Month n-3.

## Appendix 5A

### **APPENDIX 5A: NON-TEMPERATURE DEPENDENT LOAD REQUIREMENTS**

This Appendix presents the method and requirements for accepting, in accordance with clause 4.28.9, a load measured by an interval meter in the list provided in accordance with clause 4.28.8(a) as a Non-Temperature Dependent Load.

For the purpose of this Appendix the meter data to be used in any calculations is to be the most current set of meter data as at the time of commencing the calculations.

The IMO must perform the following steps in deciding whether to accept, in accordance with clause 4.28.9, a load measured by an interval meter in the list provided in accordance with clause 4.28.8(a) as a Non-Temperature Dependent Load:

#### Step 1:

- If, in accordance with clause 4.28.8(a), the IMO is provided by a Market Customer in month (n-2) with a list that includes an interval meter associated with that Market Customer that it wants the IMO to treat as a Non-Temperature Dependent Load from month (n); and
- If the list including the interval meter is provided by the date and time specified in clause 4.1.23; and
- If the load was treated as a Non-Temperature Dependent Load in month (n-8).

then the IMO must accept the load as a Non-Temperature Dependent Load if:

- (a) the median value of the metered consumption for that load was in excess of 1.0MWh, calculated over the set of Trading Intervals defined as the four peak SWIS intervals in each of the months starting from the start of month n-11 to the end of month n-3; and
- (b) the load did not deviate downwards from the median consumption in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of month (n-11) to the end of month (n-3) except during Trading Intervals where:
  - i. the consumption was 0 MWh; or
  - ii. consumption was reduced at the request of System Management; or
  - iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

#### Step 2:

- If, in accordance with clause 4.28.8(a), the IMO is provided by a Market Customer in month (n-2) with a list that includes an interval meter



associated with that Market Customer that it wants the IMO to treat as a Non-Temperature Dependent Load for month (n); and

- If the load is not treated as a Non-Temperature Dependent Load in month (n-1); and
- If the load was not treated as a Non-Temperature Dependent Load for any of the months in the Capacity Year in which month (n) falls,

then the IMO must accept the load as a Non-Temperature Dependent Load for month (n) if:

- (a) the median value of the metered consumption values for that load during the 4 Peak SWIS Trading Intervals in month (n-3) was in excess of 1.0MWh; and
- (b) the load did not deviate downwards from the median consumption in paragraph (a) by more than 10% for more than 10% of the time during month (n-3) except during Trading Intervals where:
  - i. the consumption was 0 MWh; or
  - ii. consumption was reduced at the request of System Management; or
  - iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

Step 3:

- If a load was not accepted under Step 1 as a Non-Temperature Dependent Load for month (n); and
- If the load was accepted under Step 2, or previously under this Step 3, as a Non-Temperature Dependent Load for month (n-1),

then the IMO must accept the load as a Non-Temperature Dependent Load for month (n) if:

- (a) the median value of the metered consumption values for that load during the 4 Peak SWIS Trading Intervals in all months from the month for which metered consumption values were used by the IMO to accept the load as a Non-Temperature Dependent Load under Step 2 to month (n-3) was in excess of 1 MWh; and
- (b) the load did not deviate downwards from the median consumption in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of the month for which metered consumption values were used by the IMO to accept the load as a Non-Temperature Dependent Load under Step 2 to the end of month (n-3) except during Trading Intervals where:
  - i. the consumption was 0 MWh; or

- ii. consumption was reduced at the request of System Management;  
or
- iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

Step 4:

Otherwise, the IMO must treat a load as a Temperature Dependent Load.

## **2.4. The IMO's Initial Assessment of the Proposal**

The IMO decided to proceed with the Rule Change Proposal on the basis of its preliminary assessment, which indicated that the proposal was consistent with the Market Objectives.

The proposal was processed using the Fast Track Rule Change Process described in section 2.6 of the Wholesale Electricity Market Rules. The fast track process was used as the proposal satisfied the requirements of clause 2.5.9 (b) of the Market Rules. Section 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; or*
- (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 IMO considered that the intent of the Market Rules is that loads which do not have their maximum consumption during system peak intervals, and thus by their nature are non temperature dependant, should be treated as NTDLs in the spirit of the Market Rules. The unintended outcome that loads which, for example, have their peak consumption during the night are treated as temperature dependant is a manifest error in the Market Rules and therefore it was appropriate to progress the proposal using the Fast Track Rule Change Process.

### 3. RULE PARTICIPANTS CONSULTED

For this Rule Change, the IMO notified the following interested parties of its intention to consult:

- Alcoa World Alumina Australia
- Alinta Sales Pty Ltd
- Barrick (Kanowna) Limited
- Bioenergy Limited
- Economic Regulation Authority
- Eneabba Gas Pty Ltd
- Griffin Energy
- Karara Energy
- Landfill Gas and Power Pty Ltd
- Mount Herron Engineering
- NewGen Neerabup Pty Ltd
- NewGen Power Kwinana Pty Ltd
- Newmont Asia Pacific
- Office of Energy
- Perth Energy Pty Ltd
- Premier Power Sales Pty Ltd
- Skyfarming Pty Ltd
- Synergy
- System Management
- TransAlta Energy
- Verve Energy
- Wambo Power Ventures
- Waste Gas Resources Pty Ltd
- Water Corporation
- Western Australia Biomass Pty Ltd (Babcock and Brown)
- Western Power Corporation

The IMO indicated that it would hold a workshop on 11 March 2008 and invited interested parties to attend the workshop. The IMO also requested interested parties to provide their views on the Rule Change Proposal in writing.

In addition, an invitation for all Rule Participants to contact the IMO, should they wish to be consulted on this Rule Change, was published on the IMO website on 29 February 2008, together with the Rule Change Notice.

The BGM Management Company, the ERA, Griffin Energy, Newmont Australia, Perth Energy, Premier Power and Synergy attended the workshop.

The IMO also received written submissions from the BGM Management Company, Landfill Gas and Power, Newmont Australia and Synergy.

Following is a summary of the workshop deliberations and feedback received through submissions.

### **3.1. Workshop**

A workshop on the Rule Change Proposal was held by the IMO on 11 March 2008. The workshop was attended by the BGM Management Company, the ERA, Griffin Energy, Newmont, Perth Energy, Premier Power, Synergy and the IMO. Griffin Energy and the IMO presented the proposed rule changes.

The participants in the Workshop expressed their general support for the proposal and the Amending Rules as proposed by Griffin Energy.

Participants questioned how Step 1, (b)(iii) in the new Appendix 5A should be interpreted, in regard to having intervals excluded in the NTDL assessment for a Trading Month. This step states:

- (b) the load did not deviate downwards from the median consumption in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of the month for which metered consumption values were used by the IMO to accept the load as a Non-Temperature Dependent Load under Step 2 to the end of month (n-3) except during Trading Intervals where:*
  - i. the consumption was 0 MWh; or*
  - ii. consumption was reduced at the request of System Management; or*
  - iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.*

The IMO explained that if a participant wishes to have a specific interval excluded from the assessment of a load as NTDL on the grounds that a downward deviation from its median was due to any of the factors in Step 1 (b)(iii), it needs to inform the IMO of the intervals it wants excluded and provide evidence to support its claim.

The IMO will also accept an application from a participant to exclude all Saturdays, Sundays and/or public holidays from an NTDL assessment.

If the IMO does not receive a relevant request from the participant, all trading intervals will be included in the determination.

### **3.2. Market Advisory Committee**

The Market Advisory Committee (MAC) was invited to have preliminary discussions on the Proposal at its meeting on 12 February 2008, before it was formally submitted by Griffin Energy.

MAC expressed general support for the Rule Change Proposal and also agreed that it should be processed using the Fast Track Rule Change Process, on the grounds that the change was intended to correct a manifest error.

### **3.3. The BGM Management Company (BGMMCo)**

BGMMCo is the manager of the Boddington Gold Mine. BGMMCo expressed its support for the Rule Change Proposal. BGMMCo submitted that the Boddington Gold Mine is expected to become a “new” NTDL load in the near future and has designed its operations to optimise the use of lower cost off peak electricity.

BGMMCo considered that one of the key market objectives is to encourage a reduction in peak demand. In particular, the NTDL IRCR mechanism was intended to encourage users who had steady loads and did not contribute to seasonal or temperature peaks. By allowing more of these loads to be classified as NTDLs and also making it easier for new loads to qualify, BGMMCo considered that the proposal will allow the Market Rules to better address market objectives a), d) and e).

### **3.4. Landfill Gas and Power (LGP)**

LGP supported the proposal. LGP considered that a load that is designed to be overnight-peaking in order to benefit from cheaper overnight prices should not be excluded from being classed as Non Temperature Dependent. LGP also supported the proposal that new loads should be permitted to qualify as Non Temperature Dependent as soon as practicable.

LGP submitted that the proposal will allow the Market Rules to better address the market objectives by encouraging economically efficient behavior of loads by enabling all genuine NTDLs to be treated as such.

### **3.5. Newmont Australia**

Newmont supported the implementation of the proposal. Newmont submitted that it has participated in the 2007 MAC Working Group which reviewed the broader issues of the NTDL calculation, and believes that the proposed change represents the minimum necessary to allow the NTDL IRCR calculation to function in the manner intended at the time of formulation of the Market Rules.

Newmont considered that the proposal will remove the current discrimination in the Market Rules against loads that are inverse temperature dependent and the proposal will also encourage an increase in the use of off peak electricity. Newmont submitted that the proposal will allow the Market Rules to better address market objectives a), d) and e).

### **3.6. Synergy**

Synergy expressed its support of the proposal. Synergy considered that the proposed changes are consistent with the market objectives by encouraging off peak use of energy and also by providing equity for new loads to be determined as NTDLs in cases when they do not have historical meter readings from which to make the NTDL determination.

## 4. THE IMO'S ASSESSMENT AND DECISION

### 4.1. Assessment

#### 4.1.1. Consultations

All parties responding to IMO's request for consultation expressed support for Griffin Energy's proposal.

#### 4.1.2. Additional Amendments

The IMO has modified the wording of the proposed new Appendix 5A to refer to Trading Months, rather than, as in the original proposal, to months. This clarification will make the Amending Rules consistent with the existing Appendix 5 and the defined term Trading Month in the Market Rules.

The IMO has also found that the proposed wording of Appendix 5A, Step 3 (a):

- (a) *the median value of the metered consumption values for that load during the 4 Peak SWIS Trading Intervals in all months from the month for which metered consumption values were used by the IMO to accept the load as a Non-Temperature Dependent Load under Step 2 to month (n-3) was in excess of 1 MWh; and*

is unclear as to whether the four peak intervals it refers to are the four peak intervals over all the Trading Months or, as intended in the proposal, the four peak intervals in each Trading Month. The IMO has therefore reworded the clause to clarify the intent, as follows:

- (a) *the median value of the metered consumption for that load was in excess of 1.0MWh, calculated over the set of Trading Intervals defined as the four peak SWIS intervals in each of the Trading Months commencing at the start of the Trading Month for which metered consumption values were used by the IMO to accept the load as a Non-Temperature Dependent Load under Step 2 to the end of Trading Month (n-3); and*

#### 4.1.3. The IMO's Assessment

According to clauses 2.4.2 of the Market Rules *"the IMO must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives"*.

The IMO' assessment against each of the Market Objectives is as follows:

- (a) *to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system.*

The IMO considers that the proposal supports market objective (a) by encouraging users to modify their behaviour to use electricity during off peak periods. This will result in higher utilisation of base-load generation units and a reduced need for additional peaking generation. The proposal will therefore contribute to a more economically

efficient production of electricity in the SWIS. BGMMCo and Newmont supported this assessment in their submissions.

- (b) *to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors.*

The IMO considers that the proposal supports market objective (b) by allowing loads that are not temperature dependant to be classified as Non Temperature Dependant Loads. NTDL loads are attractive for retailers to churn and this change will encourage retailers to compete for these loads.

- (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.*

The IMO considers that the proposed changes do not impact on, and therefore are consistent with, the operation of market objective (c).

- (d) *to minimise the long-term cost of electricity supplied to customers from the South West interconnected system*

The IMO considers that the proposal supports market objective (d). The change will reduce the overall cost of supply by shifting demand from peak to off-peak periods, thus increasing generation from lower energy cost base-load generation units while reducing the need for additional peaking generation, and the use of more expensive fuels such as liquid fuels. In their submissions, BGMMCo and Newmont supported this assessment.

- (e) *to encourage the taking of measures to manage the amount of electricity used and when it is used.*

The IMO considers that the proposal supports market objective (e) by allowing a load to be classified as Non Temperature Dependant when its operating pattern is adjusted to reduce the amount of electricity used during peak intervals. This will encourage users to take measures to manage when electricity is used. In their submissions, BGMMCo, Newmont and Synergy supported this assessment.

In accordance with Clause 2.4.3(b) of the Market Rules, in deciding whether or not to make Amending Rules, the IMO must also have regard to the practicality and cost of implementing the amendments.

This Rule Change Proposal will require changes to the Wholesale Electricity Market System operated by the IMO. These changes have been estimated to cost around \$17,000 to implement and certify.

The IMO has found this cost to be acceptable as it considers that the benefits the change will bring to Market Participants and electricity customers will likely outweigh this cost.

No other costs have been identified in regard to this Rule Change Proposal.

#### **4.2. The IMO's Decision**

The IMO's decision is to:

- Accept the amendments to clauses 4.28.9 and Appendix 5 of the Wholesale Electricity Market Rules as proposed by Griffin Energy in its Rule Change Proposal.
- Accept the new Appendix 5A with the modifications made by the IMO and outlined in section 4.1.2 of this Report.

The IMO has made its decision on the basis that the resulting Amending Rules are consistent with the Wholesale Market Objectives.

The wording of the relevant Amending Rules is presented in Section 5 of this Report.

#### **4.3. Amending Rules Commencement**

The amendments to the Wholesale Electricity Market Rules will commence at 08.00am on 1 May 2008.



## 5. AMENDING RULES

The following clauses are amended as follows (~~deleted wording~~, new wording):

### **Clause 4.28.9**

- 4.28.9. The IMO must only accept the load measured by an interval meter in the list provided in accordance with clause 4.28.8(a) as a Non-Temperature Dependent Load if that load satisfies the requirements of Appendix 5A.
- ~~(a) had a peak consumption during the previous Hot Season in excess of 1 MWh; and~~
  - ~~(b) did not deviate downwards from the peak consumption in paragraph (a) by more than 10% for more than 10% of the time during the Hot Season except during Trading Intervals where:~~
    - ~~i. the consumption was 0 MWh; or~~
    - ~~ii. consumption was reduced at the request of System Management; or~~
    - ~~iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.~~

### **Appendix 5**

#### **APPENDIX 5: INDIVIDUAL RESERVE CAPACITY REQUIREMENTS**

STEP 5: When determining the Individual Reserve Capacity Requirements for Trading Month n identify meters that were not registered with the IMO during one or more of the 12 peak Trading Intervals in the preceding Hot Season but which were registered by the end of Trading Month n-3.

Identify the 4 Peak SWIS Trading Intervals of Trading Month n-3, being the 4 highest demand Trading Intervals, where demand refers to total demand, net of embedded generation, in the SWIS.

For a new meter u that measures Non-Temperature Dependent Load set NMNTCR(u) to be 1.1 times the MW figure formed by doubling the median value of the metered consumption for that meter during the 4 Peak SWIS Trading Intervals of maximum Trading Interval demand for that meter during Trading Month n-3.

For a new meter v that measures Temperature Dependent Load set NMTDCR(v) equal to be 1.3 times the MW figure formed by doubling the median value of the metered consumption for that meter during the 4 Peak SWIS Trading Intervals of Trading Month n-3.

## Appendix 5A

### **APPENDIX 5A: NON-TEMPERATURE DEPENDENT LOAD REQUIREMENTS**

This Appendix presents the method and requirements for accepting, in accordance with clause 4.28.9, a load measured by an interval meter in the list provided in accordance with clause 4.28.8(a) as a Non-Temperature Dependent Load.

For the purpose of this Appendix the meter data to be used in any calculations is to be the most current set of meter data as at the time of commencing the calculations.

The IMO must perform the following steps in deciding whether to accept, in accordance with clause 4.28.9, a load measured by an interval meter in the list provided in accordance with clause 4.28.8(a) as a Non-Temperature Dependent Load:

#### Step 1:

- If, in accordance with clause 4.28.8(a), the IMO is provided by a Market Customer in Trading Month (n-2) with a list that includes an interval meter associated with that Market Customer that it wants the IMO to treat as a Non-Temperature Dependent Load from Trading Month (n); and
- If the list including the interval meter is provided by the date and time specified in clause 4.1.23; and
- If the load was treated as a Non-Temperature Dependent Load in Trading Month (n-8),

then the IMO must accept the load as a Non-Temperature Dependent Load if:

- (a) the median value of the metered consumption for that load was in excess of 1.0MWh, calculated over the set of Trading Intervals defined as the four peak SWIS intervals in each of the Trading Months starting from the start of Trading Month n-11 to the end of Trading Month n-3; and
- (b) the load did not deviate downwards from the median consumption in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of Trading Month (n-11) to the end of Trading Month (n-3) except during Trading Intervals where:
  - i. the consumption was 0 MWh; or
  - ii consumption was reduced at the request of System Management;  
or
  - iii evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

#### Step 2:

- If, in accordance with clause 4.28.8(a), the IMO is provided by a Market Customer in Trading Month (n-2) with a list that includes an interval meter associated with that Market Customer that it wants the IMO to treat as a Non-Temperature Dependent Load from Trading Month (n); and

- If the load is not treated as a Non-Temperature Dependent Load in Trading Month (n-1); and
- If the load was not treated as a Non-Temperature Dependent Load for any of the Trading Months in the Capacity Year in which Trading Month (n) falls.

then the IMO must accept the load as a Non-Temperature Dependent Load for Trading Month (n) if:

- (a) the median value of the metered consumption values for that load during the 4 Peak SWIS Trading Intervals in Trading Month (n-3) was in excess of 1.0MWh; and
- (b) the load did not deviate downwards from the median consumption in paragraph (a) by more than 10% for more than 10% of the time during Trading Month (n-3) except during Trading Intervals where:
  - i. the consumption was 0 MWh; or
  - ii. consumption was reduced at the request of System Management; or
  - iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

Step 3:

- If a load was not accepted under Step 1 as a Non-Temperature Dependent Load for Trading Month (n); and
- If the load was accepted under Step 2, or previously under this Step 3, as a Non-Temperature Dependent Load for Trading Month (n-1).

then the IMO must accept the load as a Non-Temperature Dependent Load for Trading Month (n) if:

- (a) the median value of the metered consumption for that load was in excess of 1.0MWh, calculated over the set of Trading Intervals defined as the four peak SWIS intervals in each of the Trading Months commencing at the start of the Trading Month for which metered consumption values were used by the IMO to accept the load as a Non-Temperature Dependent Load under Step 2 to the end of Trading Month (n-3); and
- (b) the load did not deviate downwards from the median consumption in paragraph (a) by more than 10% for more than 10% of the time during the period from the start of the Trading Month for which metered consumption values were used by the IMO to accept the load as a Non-Temperature Dependent Load under Step 2 to the end of Trading Month (n-3) except during Trading Intervals where:
  - i. the consumption was 0 MWh; or

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ii. consumption was reduced at the request of System Management;  
or

iii. evidence is provided by the Market Customer that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

Step 4:

Otherwise, the IMO must treat a load as a Temperature Dependent Load.