
Wholesale Electricity Market Rule Change Proposal

Rule Change ID: RC_2008_19

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Submitted by

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Date submitted:	21/05/2008
Urgency:	Low
Change Proposal title:	Correction of References and Minor Drafting Errors
Market Rule(s) affected:	2.13.8 (b), 4.16.4 (e), 4.26.2, 6.14.4 (b), 7.7.5A (b), 9.10.1 and Appendix 5

Introduction

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the Independent Market Operator.

This 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

Fax: (08) 9254 4399

Email: dora.guzeleva@imowa.com.au

The Independent Market Operator will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal form, will notify whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the change proposal must 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) Describe the concern with the existing Market Rules that is to be addressed by the proposed Market Rule change:

As part of its ongoing review of the Market Rules, the IMO has found a number of incorrect cross references and other minor errors that this Proposal aims to correct.

The cross references that need to be corrected are:

- In clause 2.13.8 (b) the reference to clause 2.13.4 should be to 2.13.6.
- In clause 4.26.2 the clause reference at end of the RTFO(p,d,t) definition should be changed from 7.13.1(e) to 7.13.1A(b).

The following minor wording corrections are proposed:

- In clause 7.7.5A (b), “clauses 7.7.5B” should be replaced with “clause 7.7.5B”.
- In clause 4.16.4 (e), “duel fuel” should be replaced with “dual fuel”

Other minor corrections are:

- Clause 6.14.4 (b) refers to a “Resource Plan Load”. The Resource Plan Load is not used in any calculation and clause 6.14.4 (b) is therefore proposed to be removed, as is the definition of Resource Plan Load in the Glossary.
- In clause 9.10.1 there are too many brackets in the formula for Commitment and Outage Compensation. It is proposed to correct the formula to remove the redundant brackets.
- Appendix 5, step 6, refers to “Non Temperature Sensitive Load”. This term doesn’t exist in the Market Rules and the reference should instead be to “Non Temperature Dependent Loads”.

The IMO plans to conduct similar reviews on a regular basis and collate any incorrect references and other minor wording errors in future similar Rule Change Proposals.

2) Explain the reason for the degree of urgency:

All amendments included in this proposal are of a minor nature, and intended to correct manifest errors in the Rules.

Therefore the IMO proposes that these changes be corrected using the Fast Track Rule Change Process, described in section 2.6 of the Market Rules

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)

Clause 2.13.8 (b)

2.13.8. If System Management becomes aware of an alleged breach of the Market Rules or Market Procedures as a result of its monitoring activities, then it must:

- (a) record the alleged breach of the Market Rules or Market Procedures; and
- (b) notify the IMO of the alleged breach in accordance with clause ~~2.13.4~~ 2.13.6 or, in the case of an alleged breach by the IMO, notify the person referred to in clause 2.13.1 in accordance with clause 2.13.5.

Clause 4.16.4 (e)

4.16.4. In conducting the review required by clause 4.16.3, the IMO must assess the appropriateness of the following values specified in Appendix 4 for calculating the Maximum Reserve Capacity Price:

[Balance of clause not changed]

- (e) the capital cost of a pipeline lateral of reasonable length to connect to a main gas pipeline (so as to allow for ~~duel~~ dual fuel capability);
- (f) the estimate of the fixed operating and maintenance costs for a typical open cycle gas turbine power station and the transmission facilities described in (c);
- (g) a margin allowed for legal, approval and financing costs; and

Clause 4.26.2

- 4.26.2. The IMO must determine the capacity shortfall (“**Capacity Shortfall**”) in Reserve Capacity supplied by each Market Participant p holding Capacity Credits in each Trading Interval t of Trading Day d and Trading Month m relative to its Reserve Capacity Obligation Quantity as:

[Balance of clause not changed]

RTFO(p,d,t) is the total MW quantity of Forced Outage associated with Market Participant p in real-time for Trading Interval t of Trading Day d, where this is the sum over all the Market Participant’s Registered Facilities of the lesser of the Reserve Capacity Obligation Quantity of the Facility for Trading Interval t and the MW Forced Outage of the Facility for Trading Interval t as provided to the IMO by System Management in accordance with clause ~~7.13.1(e)~~ 7.13.1A (b);

[Balance of clause not changed]

Clause 6.14.4 (b)

- 6.14.4. For the purposes of clause 6.14.3:

- (a) the “Operational System Load Estimate” for a Trading Interval is the estimate that the IMO receives from System Management of the total Loss Factor adjusted MWh consumption supplied via the SWIS during that Trading Interval. This estimate equals the total loss adjusted generator sent out energy as estimated from generator operational meter data and the use of state estimator systems;
- (b) ~~[Blank] the “Resource Plan Load” for a Trading Interval is total consumption as specified in applicable Resource Plans relating to that Trading Interval, including for Interruptible Loads, Curtailable Loads, Dispatchable Loads and Non-Dispatchable Loads; and~~

[Balance of clause not changed]

Clause 7.7.5A (b)

- 7.7.5A. For the purpose of determining the quantity described in clause 6.17.6(c)(i) for each Trading Interval the quantity is:

- (a) where System Management has been provided with information in accordance with clause 7.7.5B, System Management's estimate of the MWh reduction in output, by Trading Interval, of the Non-Scheduled Generator as a result of System Management's Dispatch Instruction; or
- (b) in the case of a Non-Scheduled Generator included in a Resource Plan, for which System Management has not been provided with information in accordance with clauses 7.7.5B, the greater of zero and the MWh difference between the Resource Plan MWh quantity of the Non-Scheduled Generator less the MWh output of the Non-Scheduled generator over the Trading Interval implied by its Dispatch Instruction.

Clause 9.10.1

9.10.1. The Commitment and Outage Compensation settlement amount for Market Participant p for Trading Month m is:

$$\begin{aligned} \text{COCSA}(p,m) = & (\text{Com_Compensation}(p,m) + \text{Out_Compensation}(p,m)) \\ & - \{ \text{Consumption_Share}(p,m) \times \text{Sum}(q, \text{Com_Compensation}(q,m)) \} \\ & + \text{Out_Compensation}(q,m) \} \end{aligned}$$

Where

[Balance of clause not changed]

Appendix 5, Step 6

STEP 6: Calculate the values of $d(u,i)$ for Non-Temperature-Sensitive Dependent Loads, $d(v,i)$ for Temperature Dependent Loads and $d(w,i)$ for Intermittent Loads such that:

- $d(u,i)$ has a value of zero if meter u measures Intermittent Load or was not registered to Market Customer i during Trading Month n-3, otherwise it has a value equal to the number of full Trading Days the meter was registered to Market Customer i in Trading Month n-3 divided by the number of days in Trading Month n-3.

[Balance of clause not changed]

Appendix 11, Glossary

~~**Resource Plan Load:** Has the meaning given in clause 6.14.4(b).~~

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

The IMO considers that the proposed Amending Rules do not impact on, and therefore are consistent with, the operation of all the Wholesale Market Objectives.

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

No costs have been identified in regard to this proposal.

The proposed changes will remove incorrect cross references and other minor errors in the Market Rules, improving clarity and reducing the risk for misinterpretations.
