



Independent Market Operator

**Final Market Rule Change
Report**

**Title: Correction of minor and
typographical errors**

Ref: RC_2009_01

Date: 20 February 2009

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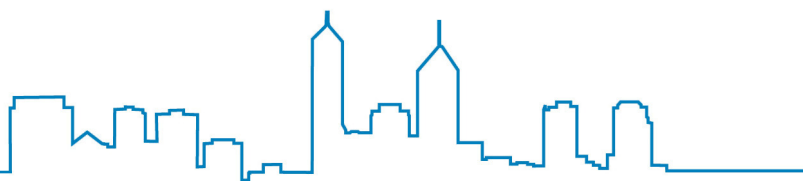
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DOCUMENT DETAILS

IMO Notice No.: RC_2009_01
Report Title: Correction of minor and typographical errors
Release Status: Public
Confidentiality Status: Public domain
Published in accordance with Market Rule 2.6.4

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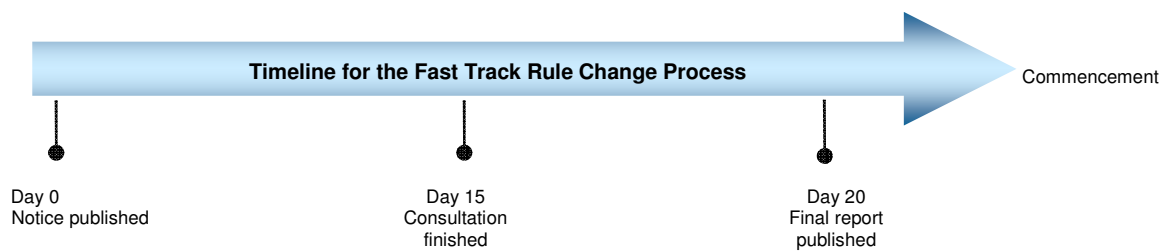


1. INTRODUCTION

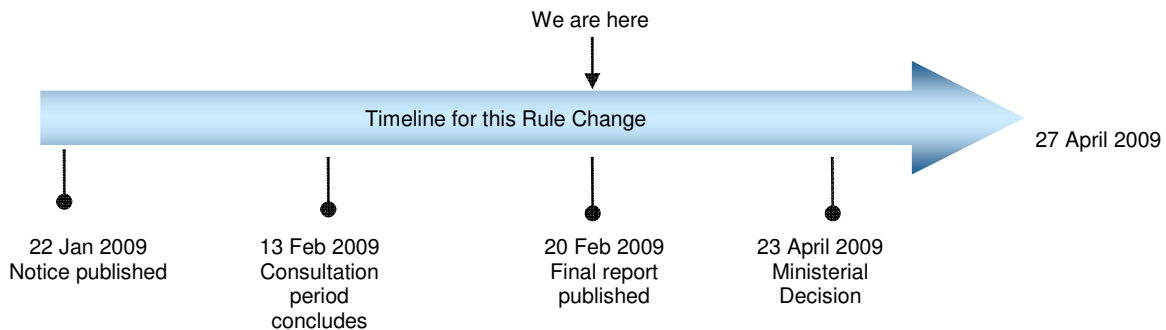
On 14 January 2009 the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding changes to sub-clauses 1.4.1(a), 2.5.7(f)(iii)(1) and clause 4.11.5 of the Wholesale Electricity Market Rules (Market Rules).

This Proposal was processed using the Fast Track Rule Change Process, described in section 2.6 of the Market Rules.

The fast track process adheres to the following timelines:



The key dates in processing this Rule Change Proposal are:



Based on the IMO assessment of the Rule Change Proposal against the Wholesale Market Objectives, the practicality and cost of implementing the proposal, the Market Advisory Committee's (MAC) recommendations, and the outcomes of the public consultation period, the IMO's final decision is to implement the Rule Change Proposal in the form outlined in section 6 of this Report.

The amendments to the Market Rules made as a result of this Rule Change Proposal will commence at 08.00am on 27 April 2009.

2. THE RULE CHANGE PROPOSAL

2.1 Submission Details

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Address:	Level 3, Governor Stirling Tower, 197 St George's Terrace
Date submitted:	14 January 2009
Urgency:	Low
Change Proposal title:	Correction of minor and typographical errors
Market Rule(s) affected:	Sub-clauses 1.4.1(a), 2.5.7(f)(iii)(1) and clause 4.11.5

2.2 Details of the Proposal

As part of its ongoing review of the Market Rules, the IMO has found a number of minor and typographical errors which this proposal aimed to correct.

The minor corrections proposed were:

- Sub-clause 1.4.1(a): remove the duplication of the words 'has the';
- Sub-clause 2.5.7(f)(iii)(1): replace the words 'six weeks' with '30 Business Days' for consistency with the other timelines related to rule changes, and remove the details surrounding what happens if the end of the six weeks is not a Business Day; and
- Clause 4.11.5: replace the word 'its' with 'their' for grammatical sense.

2.3 The Proposal and the Wholesale Market Objectives

In the initial Rule Change Proposal the IMO considered that the proposed Amending Rules do not impact on, and therefore are consistent with, the operation of the Wholesale Market Objectives.

2.4 The Amending Rules Proposed by the IMO

The amendments to the Market Rules originally proposed by the IMO are provided in section 6.2 of this final report.

2.5 The IMO's Initial Assessment of the Proposal

The IMO conducted a preliminary assessment of the Rule Change Proposal. This assessment indicated that the proposal was consistent with the Wholesale Market Objectives.

The IMO decided to progress this Rule Change Proposal using the Fast Track Rule Change Process, described in section 2.6 of the Market Rules, on the basis that it satisfied the criteria in section 2.5.9(a) of the Market Rules. All amendments included in this proposal are of a minor and typographical nature.

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.*

3. CONSULTATION

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 22 January 2009, together with the Rule Change Notice.

The consultation period for this Rule Change Proposal was between 23 January 2009 and 13 February 2009.

The IMO received requests to be consulted on this Rule Change from Landfill Gas & Power (LGP) and Synergy. The details of the submissions received during the public consultation period are summarised below. The full text of the submissions is also available on the IMO web site.

3.1 Submission from Landfill Gas and Power

LGP supported the rule changes on the grounds that they had no material impact on the substance of the rules but were necessary to maintain their integrity.

3.2 Submission from Synergy

Synergy supported the rule changes as they agreed with the IMO that the amendments act to correct existing minor errors within the Market Rules.

4. THE IMO'S ASSESSMENT

In preparing this Final Rule Change Report, the IMO must assess the Rule Change Proposal having regard to clauses 2.4.2 and 2.4.3 of the Market Rules. This is outlined in the following sections.

4.1 Wholesale Market Objectives

According to clause 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 considers that the proposed Amending Rules will have the following impact on how the Market Rules address the Wholesale Market Objectives:

Impact	Wholesale Market Objectives
Allow the Market Rules to better address objective	
Consistent with objective	a, b, c, d, and e
Inconsistent with objective	-

The IMO submits that the proposal is consistent with the operation of all Wholesale Market Objectives.

4.2 Practicality and cost of implementation

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 Amending Rules.

The proposed changes do not require any change to the Wholesale Electricity Market Systems operated by the IMO or any of the systems operated by System Management.

There have been no additional costs identified with the implementation of this Rule Change Proposal.

4.3 Views expressed from submissions

In accordance with Clause 2.4.3(c) of the Market Rules, in deciding whether or not to make Amending Rules, the IMO must have regard to the views expressed in submissions on the Rule Change Proposal.

The Amending Rules proposed by the IMO had the support of all parties who made a submission as part of the consultation process.

4.4 Views expressed by Market Advisory Committee

In accordance with Clause 2.4.3(d) of the Market Rules, in deciding whether or not to make Amending Rules, the IMO must have regard to the views expressed by the MAC, where the MAC met to consider the Rule Change Proposal.

The MAC was first advised of the proposed Rule Change at its meeting on 11 February 2009. At the meeting, the MAC was in general support of the proposal.

5. THE IMO'S FINAL DECISION

The IMO's final decision is to implement the amending to sub-clauses 1.4.1(a), 2.5.7(f)(iii)(1) and clause 4.11.5 of the Market Rules.

5.1 Reasons for the decision

The IMO has made its decision on the basis that the Amending Rules:

- Are consistent with the operation of the Wholesale Market Objectives.
- Have the support of both the MAC and all participants who signalled that they wished to be consulted on this rule change; and\
- Can be easily implemented at no additional cost to the market while maintaining the integrity of the Market Rules.

Additional detail outlining the analysis behind the IMO's reasons is outlined in section 4 of this Final Rule Change Report.

6. AMENDING RULES

6.1 Commencement

The amendments to the Market Rules resulting from this Rule Change Proposal will commence at **8:00am** on **27 April 2009**.

6.2 Amending Rules

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

- 1.4.1. In these Market Rules, unless the contrary intention appears:
- (a) **(Glossary)**: a word or phrase listed in the Glossary in Chapter 11 ~~has~~ the has the meaning given in the Glossary;

2.5.7. When it has developed a Rule Change Proposal, or within seven Business Days of receiving a Rule Change Proposal under clause 2.5.1, the IMO must publish notice of the Rule Change Proposal on the Market Website. The notice must include:

- (a) the date that the Rule Change Proposal was submitted, if applicable;
- (b) the name, and where relevant, the organisation, of the person who made the Rule Change Proposal;
- (c) details of the Rule Change Proposal, including relevant references to clauses of the Market Rules and any proposed specific changes to those clauses;
- (d) the description of how the rule change would allow the Market Rules to better address the Wholesale Market Objectives given by the person submitting the proposed rule change;
- (e) whether the Rule Change Proposal will be progressed and the reason why the Rule Change Proposal will or will not be progressed; and
- (f) if the Rule Change Proposal will be progressed further:
 - i. whether the Rule Change Proposal is to be subject to the Fast Track Rule Change Process in accordance with clause 2.5.9 and the reasons for this decision;
 - ii. if the Rule Change Proposal is subject to the Fast Track Rule Change process, and the Rule Change Proposal did not include proposed specific changes to clauses, the IMO's proposed Amending Rules to implement the Rule Change Proposal; and
 - iii. if the Rule Change is not subject to the Fast Track Rule Change process, a call for submissions in relation to the Rule Change Proposal. The due date for submissions must be:
 - 1. ~~six weeks~~ 30 Business Days after the notification ~~or, if that day is not a Business Day, then the next Business Day following that six week period;~~ or

4.11.5. In assigning Certified Reserve Capacity to a Facility, the IMO may:

- (a) require Network Operators to confirm that the data and information related to clause 4.10.1(c)(i) provided to the IMO by or on behalf of an applicant for Certified Reserve Capacity is complete, accurate and up to date; and

- (b) request that a Network Operator provide the IMO within a reasonable timeframe with any other information held by the Network Operator that the Network Operator reasonably considers is relevant to the application and Network Operators must use ~~its~~ their best endeavours to cooperate with such requests and provide the information requested within the timeframe specified by the IMO in the request.

7. GENERAL INFORMATION ABOUT RULE CHANGE PROPOSALS

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.