
Wholesale Electricity Market Rule Change Proposal Form

Change Proposal No: RC_2009_02

Received date: 14 January 2009

Change requested by

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Date submitted:	14 January 2009
Urgency:	Medium
Change Proposal title:	Update to Protected Provisions
Market Rule(s) affected:	Clauses 2.8.13

Introduction

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

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

Independent Market Operator

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

Fax: (08) 9254 4399

Email: marketadmin@imowa.com.au

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

In order for the proposal to be progressed, all fields below must be completed and the rule 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:

The IMO has determined that an update to the protected provisions listed under clause 2.8.13 needs to be made to take into account the changes which resulted from the IMO's Rule Change Proposal: Reserve Capacity Security (RC_2008_30).

To improve the efficiency of the provisions regarding administering the return of Reserve Capacity Security, clauses 4.13.10 and 4.13.11 were restructured in the Amending Rules which resulted from RC_2008_30. Whilst these two clauses are protected provisions under clause 2.8.13 of the Market Rules, the restructuring of the Amending Rules has meant that some of the content which was previously protected under these provisions is now contained in 4.13.10A, 4.13.11A, and 4.13.11B which are not currently protected provisions. The IMO's view is that it is appropriate that the new Amending Rules are also protected by the Ministerial approval process required under clause 2.8.13.

2. Explain the reason for the degree of urgency:

The IMO submits that these rule changes proceed under the fast track rule change process on the basis that the requirements of clause 2.5.9(a) are met.

The change is procedural in nature, in that the protected provisions in the Market Rules need to be updated to reflect the changes to clauses 4.13.10 and 4.13.11 in the Amending 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)

2.8.13. The following clauses are Protected Provisions:

- (a) clauses 1.1 to 1.3 and 1.5 to 1.9 ;
- (b) clauses 2.1 to 2.24, 2.28, 2.31.1, 2.31.3, 2.31.5(a), 2.31.6, 2.34.1 and 2.36.1;
- (c) clauses 3.15, 3.18.18 and 3.18.19;
- (d) clauses 4.1.4 to 4.1.12, 4.1.15 to 4.1.19, 4.1.21, 4.1.22, 4.1.24, 4.1.27, 4.5.10, 4.5.11, 4.5.15 to 4.5.20, 4.13.10, 4.13.10A, 4.13.11, 4.13.11A, 4.13.11B, 4.16, 4.24.1, 4.24.2 and 4.24.12;
- (e) clauses 5.2.3, 5.2.7 and 5.5.1;
- (f) clauses 9.16.3, 9.16.4 and 9.20.2; and
- (g) clauses 10.1.1, 10.1.2, 10.2.1, 10.3 and 10.4.

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 the Wholesale Market Objectives.

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

No costs have been identified as part of this Rule Change Proposal.

The proposed rule change will correct the protected provisions in the Market Rules to reflect the restructuring of the content of clauses 4.13.10 and 4.13.11. Therefore any future changes to clauses 4.13.10A, 4.13.11A, and 4.13.11B will be subject to the Ministerial approval process.
