

The background of the lower section is a photograph of a wind farm and power lines, overlaid with a semi-transparent blue filter. On the left, several white wind turbines are visible, with their blades extending outwards. On the right, a tall, lattice-structured power transmission tower stands prominently. The overall scene is set against a clear sky and a hilly landscape.

Independent Market Operator

**Final Market Rule Change
Report**

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

Ref: RC_2009_16

Date: 5 June 2009

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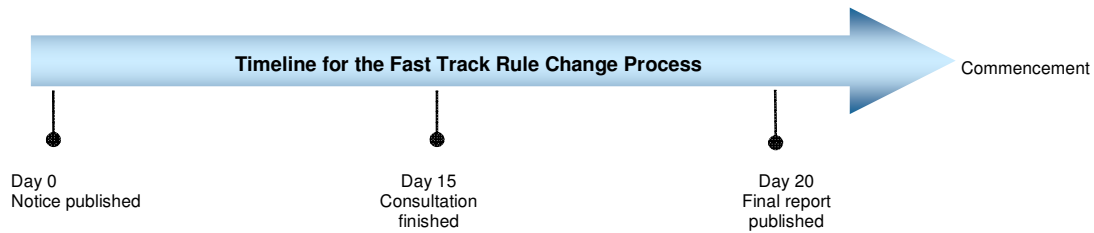


1. INTRODUCTION

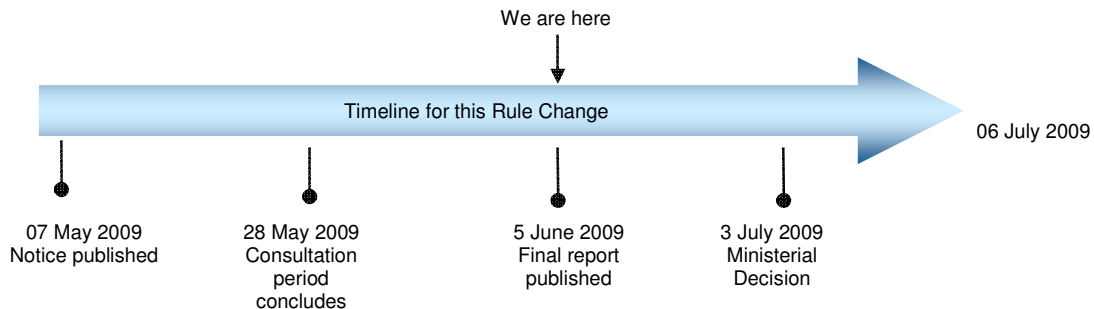
On 5 May 2009 the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding changes to Clauses 2.7.4, 2.7.5, 2.7.8.(c), 2.28.4, 2.31.1, 2.31.5.(b), 2.31.6(b), 2.31.6.(c), 2.31.12, 2.31.13.(k), 2.31.21.(a), 2.34.8, 2.37.8, 2.41.2, 2.41.3, 4.27.10, 5.2.1.(c), 5.2.1.(f), 5.2.5, 5.2.7, 5.4.2, 5.4.14.(a), 5.5.3.(f), 9.23.1, 9.23.1.(i), 9.23.1.(l), 9.23.5, 9.23.5.(b), 9.23.6.(b), 10.5.1.(e).(iii) and the Glossary 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 08.00 am on Monday 6 July 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:	5 May 2009
Urgency:	Low
Change Proposal title:	Correction of minor and typographical errors
Market Rules affected:	Clauses 2.7.4, 2.7.5 , 2.7.8.(c), 2.28.4, 2.31.1, 2.31.5.(b), 2.31.6(b), 2.31.6.(c), 2.31.12, 2.31.13.(k), 2.31.21.(a), 2.34.8, 2.37.8, 2.41.2, 2.41.3, 4.27.10, 5.2.1.(c), 5.2.1.(f), 5.2.5, 5.2.7, 5.4.2, 5.4.14.(a), 5.5.3.(f), 9.23.1, 9.23.1.(i), 9.23.1.(l), 9.23.5, 9.23.5.(b), 9.23.6.(b), 10.5.1.(e).(iii) and the Glossary

2.2 Details of the Proposal

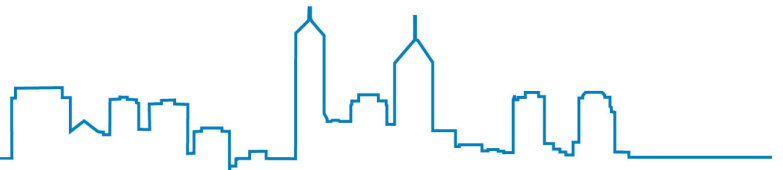
As part of its ongoing review of the Wholesale Electricity Market Rules, the IMO intends to carry out three rule changes per year to address any minor and typographical errors that are identified.

This Rule Change Proposal includes proposed amendments identified in this process to improve the language, punctuation, and remove unnecessary ambiguity to enhance the integrity of the Market Rules.

The minor and typographical corrections proposed are:

- Clauses 2.7.4, 2.7.5 and 2.7.8.(c): change “Rules Change Proposal” to “Rule Change Proposal” as Rule Change Proposal is the defined term;
- Clause 2.28.4: replace “of” to “in” for clarity and standardisation with other Market Rules (i.e. clauses 2.28.3 and 2.28.5);
- Clause 2.31.1: make the words “Registration Forms” lowercase as this is not a defined term;
- Clause 2.31.5.(b): replace the comma with the word “for” for clarity and grammatical sense;

- Clause 2.31.6.(b): add the word “paragraph” before “(a)” as per correct legal drafting and standardisation with other Market Rules;
- Clause 2.31.6.(c): add the word “paragraph” before “(b)” as per correct legal drafting and standardisation with other Market Rules;
- Clause 2.31.12: add the word “the” before “IMO” for grammatical sense;
- Clause 2.31.13.(k): replace the word “if” with a comma after the word “Facility” for grammatical sense;
- Clause 2.31.21.(a): add “; and” at the end of the clause as per correct legal drafting and standardisation with other Market Rules;
- Clause 2.34.8: change the word “practical” to “practicable” for clarity and grammatical sense;
- Clause 2.37.8: add commas after “Market Participant” and “Network Control Service Contract” for clarity and grammatical sense;
- Clauses 2.41.2 and 2.41.3: make the word “Submission” lowercase as this is not a defined term;
- Clause 4.27.10: replace the incorrect reference to clause “4.28.11C” with “4.27.11D”;
- Clause 5.2.1.(c): add the word “paragraph” before each of “(a)” and “(b)” as per correct legal drafting and standardisation with other Market Rules;
- Clause 5.2.1.(f): add the word “paragraph” before “(d)” as per correct legal drafting and standardisation with other Market Rules;
- Clause 5.2.7: replace the word “or” with “for” for grammatical sense;
- Clause 5.4.2: replace the reference from clause 5.4 to clause 5.3;
- Clause 5.4.14.(a): remove the colon following the word “and” as it is not required;
- Clause 5.5.3.(f): change the colon to a semicolon at the end of the clause;
- Clause 9.23.1: capitalise “suspension event” as this is a defined term;
- Clause 9.23.1.(i): capitalise “credit support” as this is a defined term;
- Clause 9.23.1.(l): add “or” at the end of the clause;
- Clause 9.23.5: capitalise “suspension event” as this is a defined term;
- Clauses 9.23.5.(b) and 9.23.6.(b): add full stops at the end of each clause;
- Clause 10.5.1.(e).(iii): add the word “and” at the end of the clause per correct legal drafting and standardisation with other Market Rules;
- Chapter 11:
 - ii. **Dispatch Instruction Payment:** The term Dispatch Instruction Payment is used in a number of glossary terms (for example Consumption Decrease Price) and a number of Market Rules.



However the term is not defined in Chapter 11. The IMO proposes to add a new definition referring to clause 6.17.6 (which set out how the Dispatch Instruction Payment is calculated);

- iii. **Resource Plan:** replace the reference to clause 6.5.2.(b) in the definition of Resource Plan with a reference to clause 6.5.2 to remove the incorrect reference;
- iv. **South West Interconnected System:** change “Interconnected System” to lowercase to match the definition in the Electricity Industry Act 2004;
- v. **SWIS:** change “Interconnected System” to lowercase to match the definition in the Electricity Industry Act.

2.3 The Proposal and the Wholesale Market Objectives

In the initial Rule Change Proposal the IMO considered that the proposed Amending Rules would improve the integrity of the Market Rules, and 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 7 May 2009, together with the Rule Change Notice.

The consultation period for this Rule Change Proposal was between 08 May 2009 and 28 May 2009 (interested stakeholders were requested to inform the IMO if they wished to be consulted on this Rule Change Proposal by 14 May 2009).

The IMO received a request to be consulted on this Rule Change from Landfill Gas & Power (LGP). The details of the submission received during the public consultation period is summarised below. The full text of the submission 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 the changes have no material impact on the Market Rules but are necessary for tidy administration.

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 29 April 2009. The MAC unanimously agreed to progress this Rule Change Proposal.

5. THE IMO'S FINAL DECISION

The IMO's final decision is to implement the amendments to 2.7.4, 2.7.5, 2.7.8.(c), 2.28.4, 2.31.1, 2.31.5.(b), 2.31.6(b), 2.31.6.(c), 2.31.12, 2.31.13.(k), 2.31.21.(a), 2.34.8, 2.37.8, 2.41.2, 2.41.3, 4.27.10, 5.2.1.(c), 5.2.1.(f), 5.2.5, 5.2.7, 5.4.2, 5.4.14.(a), 5.5.3.(f), 9.23.1, 9.23.1.(i), 9.23.1.(l), 9.23.5, 9.23.5.(b), 9.23.6.(b), 10.5.1.(e).(iii) and the Glossary 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 **6 July 2009**.

6.2 Amending Rules

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

- 2.7.4. Within one Business Day after the publication of a notice of a Rule Change Proposal in accordance with clause 2.5.7, the IMO must notify the members of the Market Advisory Committee as to whether the IMO considers the ~~Rules~~ Rule Change Proposal to be significant enough to require convening a meeting of the Market Advisory Committee.
- 2.7.5. The IMO must convene a meeting of the Market Advisory Committee concerning a ~~Rules~~ Rule Change Proposal before the due date for submissions in relation to the Rule Change Proposal if:
- 2.7.8. Within 20 Business Days of the deadline specified under clause 2.7.6(b), the IMO must prepare and publish a Final Rule Change Report containing:
- ...
- (c) any further analysis or modification to the ~~Rules~~ Rule Change Proposal;
- ...
- 2.28.4. A person who intends to own, control or operate a transmission system or distribution system which will form part of the South West Interconnected System, or will be electrically connected to that system, may register as a Rule Participant ~~of~~ in the Network Operator class.
- 2.31.1. The IMO must maintain the following ~~Registration Forms~~ registration forms on the Market Web Site:
- (a) the Rule Participant registration form;

- (b) the Rule Participant de-registration form;
- (c) the Facility registration form;
- (d) the Facility de-registration form; and
- (e) the Facility transfer form.

2.31.5. The IMO:

- (a) must consult with System Management with respect to applications for Facility registration, de-registration or transfer; and
- (b) may consult with relevant Network Operators with respect to applications, for registration, de-registration or transfer of generating works or Loads.

2.31.6. In the case of an application for Facility registration, the IMO must notify an applicant within 15 Business Days from the date of notification of receipt of:

- (a) the dates on which any tests required by these Market Rules that must be conducted prior to a facility registration may be held;
- (b) the date by when results of tests referred to in paragraph (a) must be made available to the IMO; and
- (c) the date by when the IMO plans to accept or reject the application, being no later than 10 Business Days after the date in paragraph (b).

2.31.12 Where the IMO has rejected the application the notification must include the reason for its rejection of the application.

2.31.13. The IMO may only reject an application if:

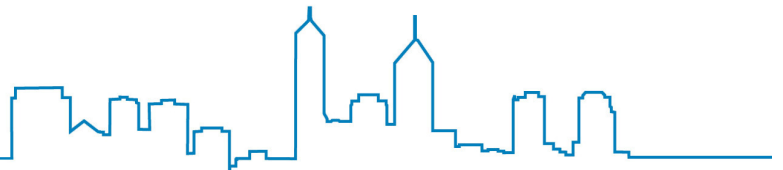
...

- (k) in the case of an application to de-register a Facility, if the Market Participant holds Capacity Credits for the Facility.

2.31.21. The IMO must maintain a register of:

- (a) Rule Participants; and
- (b) Registered Facilities.

- 2.34.8. Other than Standing Data changed in accordance with the processes set out in clauses 6.2A, 6.3C or 6.5C, the IMO must notify the Rule Participant of its acceptance or rejection of the change in Standing Data as soon as ~~practical~~ practicable, and no later than three Business Days after the later of:
- ...
- 2.37.8. The IMO must notify each Market Participant ~~and each Network Operator~~ required to fund a Network Control Service Contract ~~of their Credit Limit~~, and provide details of the basis for the determination of the Credit Limit.
- 2.41.2. A Market Participant must not make any ~~Submission~~ submission to the IMO where the transaction contemplated by the ~~Submission~~ submission could result in the Trading Margin of the Market Participant being exceeded, were the transaction to be valued according to the expected value guidelines referred to in clause 2.37.9.
- 2.41.3. The IMO may reject any ~~Submission~~ submission from a Market Participant where in the IMO's opinion the transaction contemplated by the ~~Submission~~ submission could result in the Trading Margin of the Market Participant being exceeded, were the transaction to be valued according to the expected value guidelines referred to in clause 2.37.9.
- 4.27.10. Subject to clauses ~~4.28.11C~~ 4.27.11C and 4.27.10A, Market Participants holding Capacity Credits for Facilities that are yet to commence operation must file a report on progress with the IMO at least once every three months from the date the Capacity Credit is confirmed under clause 4.20.
- 5.2.1. Where required by the Access Code to submit a major augmentation, as defined in the Access Code, to the tender process set out in the Market Rules, a Network Operator must notify the IMO of the opportunity for network support generation or Demand Side Management to compete with a transmission or distribution upgrade. The notification must include:
- ...
- (c) the Network Operator's estimate of the costs involved in connecting a generation facility that could provide the services specified in paragraph (a) from the location specified in paragraph (b);
- ...



(f) the minimum period over which the services would be required, from the date specified in paragraph (d).

5.2.7. Where the IMO identifies that a person other than the Network Operator described in clause 5.2.1 could provide the required Network Control Service, ~~or for~~ for a cost that is less than 50% above the Network Operator's estimate referred to in clause 5.2.1(e), then the IMO must:

...

5.4.2. By the date specified in clause 5.4.1(a), Market Participants wishing to submit a tender must have secured Network Control Service Certification for the relevant Facility in accordance with clause ~~5.4~~ 5.3.

5.4.14. The IMO must document the procedure it follows in carrying out Network Control Service tender processes in the Network Control Service Procedure, and:

(a) the IMO must follow that documented Market Procedure when carrying out tender processes under this clause 5.4; and:

(b) Market Participants and Network Operators must follow that documented Market Procedure when participating in a tender process under this clause 5.4.

5.5.3. A standard form Network Control Service Contract must contain the following:

...

(f) the technical standards which the relevant Facility must comply with: ;

9.23.1. For the purposes of these Market Rules, a ~~"suspension event"~~ **Suspension Event** occurs in relation to a Market Participant if:

...

(i) the provider of ~~credit support~~ Credit Support in relation to the Market Participant ceases or threatens to cease to carry on its business of providing ~~credit support~~ Credit Support;

...

- (l) a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Market Participant or a provider of Credit Support in relation to that Market Participant; or

...

9.23.5. Where the IMO has given a Cure Notice to a Market Participant in respect of a ~~suspension event~~ Suspension Event described in clause 9.23.1(a) or (b), the IMO may extend the deadline for remedying the ~~suspension event~~ Suspension Event by up to five Business Days from the date on which the ~~suspension event~~ Suspension Event occurred if the IMO considers that:

...

- (b) the Market Participant is not capable of doing so within the 24 hours following the issuance of the Cure Notice.

9.23.6. Where the IMO has given a Cure Notice to a Market Participant in respect of a suspension event described in any of clauses 9.23.1(c) to (m), the IMO may extend the deadline for remedying the suspension event for such period as the IMO considers appropriate if the IMO considers that:

...

- (b) the Market Participant is not capable of doing so within the 24 hours following the issuance of the Cure Notice.

10.5.1. The IMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and the IMO must make each item of information available from the Market Web-Site after that item of information becomes available to the IMO:

...

- (e) details of bid, offer and clearing price limits as approved by the Economic Regulation Authority including:

...

iii. the Alternative Maximum STEM Price; and

...

Chapter 11 – Glossary

Dispatch Instruction Payment (DIP): Has the meaning given in clause 6.17.6

Resource Plan: A detailed schedule for all Trading Intervals in a relevant Trading Day, based on a Resource Plan Submission containing the information in clause



6.11 accepted by the IMO under clause 6.5.2~~(b)~~ (as part of an accepted Resource Plan Submission) or set in accordance with clause 6.5.4 (in the case of a default Resource Plan).

South West Interconnected System interconnected system (SWIS): Has the meaning given in the Electricity Industry Act.

SWIS: See the South West ~~Interconnected System~~ interconnected system.

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.