

The background of the lower half of the page 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.

Independent Market Operator

Rule Change Notice
Title: Market Procedure
Change Process
Timelines

Ref: RC_2009_24

Fast Track Rule Change Process

Date: 21 July 2009

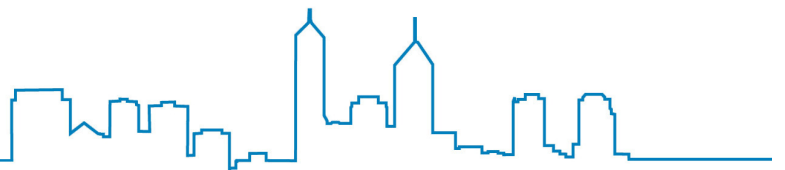
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1. THE RULE CHANGE PROPOSAL

1.1. The Submission

On the 20 July 2009 the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding the amendment of clauses 2.10.4 and 2.10.11 of the Wholesale Electricity Market Rules (Market Rules).

This Rule Change Notice is published according to clause 2.5.7 of the Market Rules, which requires the IMO to publish a notice within 7 Business Days of receiving a Rule Change Proposal.

1.1.1 Submission details

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Date submitted:	20/07/2009
Urgency:	Fast Track Rule Change Process
Change Proposal title:	Market Procedure Change Process Timelines
Market Rules affected:	2.10.4 and 2.10.11

1.2. Details of the Proposal

Background

Clauses 2.10 and 2.11 of the Market Rules outline the process for amending Market Procedures.

Either the IMO or System Management may initiate the Procedure Change Process by developing a Procedure Change Proposal.

In the case that System Management develops a Procedure Change Proposal they must provide the proposal to the IMO for publication (clause 2.10.4). If the IMO develops a Procedure Change Proposal it must also publish it on the IMO's webpage (clause 2.10.5).

Likewise, following the conclusion of the public consultation process for a Procedure Change Proposal, the IMO or System Management, as applicable, must prepare a Procedure Change Report on the proposal (clause 2.10.10). If System Management prepares the Procedure Change Report then they must provide it to the IMO and the IMO must publish it (clause 2.10.11). The IMO must also publish Procedure Change Reports which it prepares (clause 2.10.12).



Issue

There is currently an inconsistency between detail provided in the Market Rules regarding the timeframes for publication associated with the Rule Change Process and the Procedure Change Process.

For example, clause 2.5.7 of the Market Rules states that:

“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...”

This provides a transparent timeframe around the publication of Rule Change Proposals received from other parties and results in a consistent approach being taken during the Rule Change Process.

The current Procedure Change Process is open ended with regards to the timeframes for the IMO publishing System Management’s Procedure Change Proposals and associated Procedure Change Reports. Recent experience and discussions held between the IMO and System Management has indicated that the current open ended timeframes lack transparency and potentially reduce the integrity of the Procedure Change Process.

Proposal

To address this issue, the IMO proposes that clauses 2.10.4 and 2.10.11 of the Market Rules be amended to incorporate a timeframe of five Business Days for publishing both Procedure Change Proposals and Procedure Change Reports on the IMO’s webpage.

These timeframes have been based on the provisions outlined in section 2.5 and section 2.7 of the Market Rules for the Standard Rule Change Process and in discussion with System Management. The IMO considers that these timeframes will allow sufficient time for the publication of Procedure Change Proposals and Procedure Change Reports.

The IMO considers that these changes will allow for similar levels of rigour to be applied to the Procedure Change Process as the Rule Change Process. Additionally, this Rule Change Proposal will allow for a greater level of transparency and consistency when publishing these documents.

1.3. The Proposal and the Wholesale Market Objectives

The IMO considers that the proposed Amending Rules will improve the integrity of the Market Rules, and are consistent with the Wholesale Market Objectives.



2. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER

The IMO has decided to proceed with this proposal on the basis that its preliminary assessment indicated that the proposal is consistent with the Wholesale Market Objectives.

The IMO has decided to process 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 satisfies the criteria in clause 2.5.9(a) of the Market Rules.

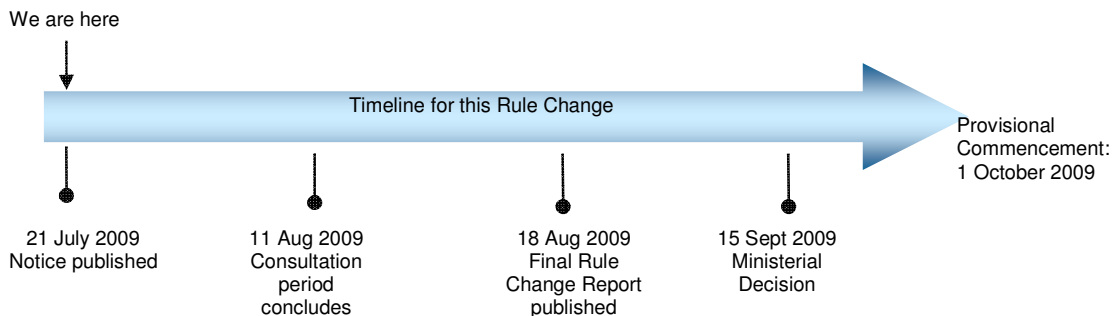
The proposed amendments do not seek to amend the operation of the Market Rules and are therefore considered to be of a procedural nature. At its meeting on 14 July 2009, the Market Advisory Committee agreed with the IMO's assessment, and endorsed the fast tracking of this proposal.

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 projected timelines for processing this proposal are:



Please note that the commencement date is provisional and may be subject to change in the Final Rule Change Report

3. CALL FOR SUBMISSIONS

Any Rule Participant wishing to be consulted regarding this Rule Change Proposal is invited to notify the IMO within 5 Business Days of this notice being published (**5:00pm Tuesday 28 July 2009**).

The IMO prefers to receive submissions by email to market.development@imowa.com.au using the submission form available on the IMO website:
http://www.imowa.com.au/10_5_1_MarketRulesChangeSummary.html

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator
Attn: Manager Market Development and System Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

4. PROPOSED AMENDING RULES

The IMO proposes the following amendments to the Market Rules (~~deleted words~~, added words):

- 2.10.4. Where the Procedure Change Proposal is developed by System Management, System Management must provide the Procedure Change Proposal to the IMO, and the IMO must publish it within five Business Days.
- 2.10.11. Where the Procedure Change Report is prepared by System Management, System Management must provide the Procedure Change Report to the IMO, and the IMO must publish it within five Business Days.

5. ABOUT RULE CHANGE PROPOSALS

Clause 2.5.1 of the Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form and submit this to the IMO.

The IMO will assess the proposal and, within 5 Business Days of receiving the proposal form, will notify the proponent whether the proposal will be progressed further.

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; and
- (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, while the fast track process involves the IMO consulting with Rule Participants who either advise the IMO that they wish to be consulted or the IMO considers have an interest in the change.

