

RULE CHANGE NOTICE

CORRECTION OF MINOR, TYPOGRAPHICAL AND MANIFEST ERRORS

(RC_2011_11)

This notice is given under clause 2.5.7 of the Market Rules.

Date Submitted: 3 January 2012

Submitter: Suzanne Frame, the Independent Market Operator (IMO)

THE PROPOSAL

The proposed amendments would correct a number of minor and manifest errors identified in the Market Rules.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

- the proposed amendments to the Market Rules;
- relevant references to clauses of the Market Rules and any proposed specific amendments to those clauses; and
- the submitter's description of how the proposed amendments would allow the Market Rules to better address the Wholesale Market Objectives.

DECISION TO PROGRESS THE RULE CHANGE

The IMO has decided to progress the Rule Change Proposal on the basis that Rule Participants should be given an opportunity to provide submissions as part of the rule change process.

RULE CHANGE PROCESS

The IMO has decided to subject the Rule Change Proposal to the Fast Track Rule Change Process described in section 2.6 of the Market Rules, on the grounds that it satisfies the criteria in clauses 2.5.9(a) and (b) of the Market Rules.

Clause 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 IMO considers that:

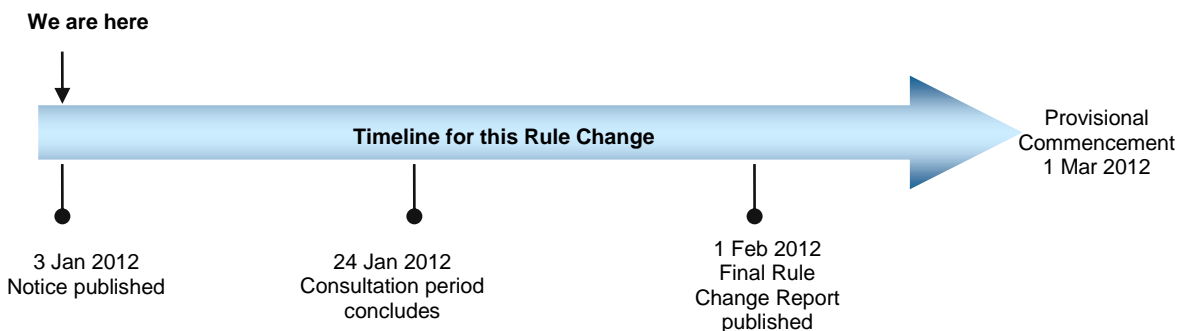
- the current incorrect clarification that the Shared Reserve Capacity Cost may be negative where there is no over-supply of capacity (clause 4.28.5);
- the exclusion of clause 7.6.1A from clause 7.6.2, which concerns the priority which System Management must schedule and dispatch Registered Facilities; and
- the restriction of data under clause 3.11.11(b) as being public when the data in the entire 3.11.11 clause is relevant (clause 10.5.1(g))

are manifest errors. As such, these amendments fulfil sub-clause 2.5.9(b).

The IMO considers that the remaining proposed changes consist of minor and typographical amendments which will improve the integrity of the Market Rules. The changes do not seek to amend the operation of the Market Rules. Accordingly the IMO considers that the remainder of the proposal fulfils sub-clause 2.5.9(a).

TIMELINE

The projected timelines for processing this proposal are:



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 (**10 January 2012**).

The consultation period is 15 Business Days from the publication date of this Rule Change Notice. Submissions must be delivered to the IMO by 5.00pm on **24 January 2012**.





Submissions should be made by email to market.development@imowa.com.au using the submission form available on the IMO website: <http://www.imowa.com.au/rule-changes>. Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator
Attn: Group Manager, Market Development
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4399



APPENDIX 1

Wholesale Electricity Market Rule Change Proposal Form

Change Proposal No: RC_2011_11
Received date: 3 January 2012

Change requested by:

Name:	Suzanne Frame
Phone:	(08) 9254 4300
Fax:	(08) 9254 4399
Email:	marketdevelopment@imowa.com.au
Organisation:	IMO
Address:	Level 3, Governor Stirling Tower, 197 St Georges Terrace
Date submitted:	3 January 2012
Urgency:	Fast Track
Change Proposal title:	Correction of minor, typographical and manifest errors
Market Rules affected:	Clauses 2.33.1, 2.33.2, 2.33.3, 2.33.4, 3.2.1, 3.11.8A, 3.11.8B, 3.13.1 (aA)ii, 3.13.3B, 3.13.3C, 3.14.3, 3.21B.7, , 4.25.2 (a)ii., 4.28.5, 6.5C.6 , 6.18.2, 7.2.3B, 7.6.2, 7.6A.5 , 10.5.1.,, the Glossary, and Appendix 1.

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: Group Manager, Market Development
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4339
Email: market.development@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 you 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:

The amendments outlined in this Rule Change Proposal are to improve the language and punctuation used, correct clause references, remove unnecessary ambiguity in identified clauses and correct a number of identified manifest errors in the Wholesale Electricity Market Rules (Market Rules). The Independent Market Operator (IMO) considers that these amendments will enhance the integrity of the Market Rules.

As part of its ongoing review and aim for continuous improvement of the Market Rules, the IMO has prepared this minor, typographical and manifest error proposal, the first of its type for 2012.

The following table outlines the proposed amendments and provides an assessment of the amendments against clause 2.5.9 (the criteria that a Rule Change Proposal must meet in order to be processed using the Fast Track Rule Change Process).

Clause(s)	Explanation of Proposed Amendments	Type of Fast Track amendment (refer clause 2.5.9)
2.33.1, 2.33.2, 2.33.3 and 2.33.4	<p>To amend the wording at the beginning of each of the clauses to more clearly articulate the responsibility of the IMO in prescribing the required registration forms.</p> <p>Clause 2.33.1: “The Rule Participant registration form must require an applicant for registration as a Rule Participant to provide the following information, and the applicant must provide the information required:...” to “The IMO must prescribe a Rule Participant registration form that requires an applicant for registration as a Rule Participant to provide the following:...”.</p> <p>Clause 2.33.2: “The Rule Participant de-registration form prescribed by IMO must require that a Rule Participant provide the following:...” to “The IMO must prescribe a Rule Participant de-registration form that requires an applicant for de-registration as a Rule Participant to provide the following:...”.</p> <p>Clause 2.33.3: “The Facility Registration form prescribed by IMO must require that an applicant for facility registration provide the following:...” to ‘The IMO must prescribe a Facility registration form that requires an applicant for Facility registration to provide the following:...’.</p> <p>Clause 2.33.4: “The Facility de-registration form prescribed by the IMO must require that the applicant provide the following:...” to “The IMO must prescribe a Facility de-registration form that requires an applicant for Facility de-registration to provide the following:...”.</p>	Minor or Procedural - Clause 2.5.9(a)
3.2.1	To capitalize "Equipment Limit" to reflect that this is a term defined in the Glossary.	Minor or Procedural - Clause 2.5.9(a)
3.11.8A,3.11.8B, 3.13.3B	To capitalize and insert the word “Service” after each of the Ancillary Services listed in this clause to reflect that each of the services listed in the clauses are themselves defined terms in the Glossary and to delete the phrase “Ancillary Services” at the end of the sentence as this is now redundant. The IMO also proposes to insert “.” after the rule numbering in order to align these clauses	

Clause(s)	Explanation of Proposed Amendments	Type of Fast Track amendment (refer clause 2.5.9)
	with the punctuation style used throughout the Market Rules.	
3.13.1 (aA)ii	To correctly spell "Availiability_Cost_LF(m)" as "Availability_Cost_LF(m)"	Minor or Procedural - Clause 2.5.9(a)
3.13.3C	To capitalize and insert the word "Service" after each of the Ancillary Services listed in this clause to reflect that each of the services listed in the clauses are themselves defined terms in the Glossary and to delete the phrase "Ancillary Services" at the end of the sentence as this is now redundant. To capitalise the words 'Financial Year' to reflect that this is a defined term in the Glossary. The IMO also proposes to insert "." after the rule numbering in order to align these clauses with the punctuation style used throughout the Market Rules.	Minor or Procedural - Clause 2.5.9(a)
3.14.3	To capitalize and insert the word "Service" after each of the services listed in this clause, as these are defined terms in the Market Rules Glossary.	Minor or Procedural - Clause 2.5.9(a)
3.21B.7	To remove "between the times between those stated" and replace with "within the time period set out" in the sentence in order to improve the clarity and integrity of the clause.	Minor or Procedural - Clause 2.5.9(a)
4.25.2 (a)ii.	To replace "60 minutes" with "two Trading Intervals" so as to align the language with the terminology used throughout this clause.	Minor or Procedural - Clause 2.5.9(a)
4.28.5	To remove "if there is no over-supply of capacity" from the end of the clause. The IMO notes that the Shared Reserve Capacity Cost could be negative even with an over-supply of capacity as a result of Capacity Cost Refunds, Intermittent Load refunds or the IMO drawing down on a Reserve Capacity Security, which could all result in a negative Shared Reserve Capacity Cost in that Trading Month.	Manifest Error – Clause 2.5.9(b)
6.5C.6 (b)	To change the references in this clause to consistently refer to "consumption or supply". This will improve the integrity of the Market Rules.	Minor or Procedural - Clause 2.5.9(a)
6.18.2	To correct the spelling of "pecified" to refer to "specified".	Minor or Procedural - Clause 2.5.9(a)
7.2.3B	To correct the reference to "clause" rather than "clauses"	Minor or Procedural - Clause 2.5.9(a)
7.6.2	To include a reference to 7.6.1A as this clause is relevant to clause 7.6.2, which concerns the priority which System Management must schedule and dispatch Registered Facilities. The amended clause will now read "Subject to clauses 7.6.1, 7.6.1A, 7.6.2A, 7.6.3, 7.6.4, 7.6.6, System Management must schedule and dispatch...".	Manifest Error – Clause 2.5.9(b)

Clause(s)	Explanation of Proposed Amendments	Type of Fast Track amendment (refer clause 2.5.9)
7.6A.5 (c) & (d)	To change "is" to "its" to improve the grammar. The amended sub-clauses will now read "...failed to meet its obligations under this clause 7.6A".	Minor or Procedural - Clause 2.5.9(a)
10.5.1	To remove the hyphen in "Market Web-Site" to align it with the correct spelling used throughout the Market Rules and the term defined in the Glossary.	Minor or Procedural - Clause 2.5.9(a)
10.5.1(g)	To amend the clause reference from '3.11.11(b)' to '3.11.11', to correctly reflect the report containing all the information required under clause 3.11.11 is to be made public. This is the data that is published on the IMO website in the Annual Ancillary Services Report.	Manifest Error – Clause 2.5.9(b)
10.5.1(o)	To remove the unnecessary duplication of the word 'term' after 'short-term term PASA'.	Minor or Procedural - Clause 2.5.9(a)
10.5.1(o)	To delete the dash and capitalise the reference to 'short-term PASA' to make it 'Short Term PASA'. This will ensure that the definition provided for this term in the Glossary is to be applied.	Minor or Procedural - Clause 2.5.9(a)
10.5.1(r)v.	Incorrect punctuation currently being used. The IMO proposed to change "." to ";".	Minor or Procedural - Clause 2.5.9(a)
10.5.1(w)	To remove the unnecessary extra word "and" from the end of the clause.	Minor or Procedural - Clause 2.5.9(a)
10.5.1(x)ii	To capitalize "Load Forecast". This will ensure that the definition provided for this term in the Glossary is to be applied.	Minor or Procedural - Clause 2.5.9(a)
Appendix 1 (h)	To amend the punctuation as follows: "...of its Capacity Credits;" to be replaced with"...of its Capacity Credits."	Minor or Procedural - Clause 2.5.9(a)
Glossary	To define "Maximum Participant Generation Refund" in the Glossary. The definition to be inserted will be "Maximum Participant Generation Refund: Has the meaning given in clause 4.26.1."	Minor or Procedural - Clause 2.5.9(a)

2. Explain the reason for the degree of urgency:

The IMO submits that this Rule Change Proposal should be fast-tracked, on the basis that it satisfies the criteria in clauses 2.5.9(a) and 2.5.9(b) of the Market Rules.

Clause 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;*
- (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 IMO submits that:

- the current incorrect clarification that the Shared Reserve Capacity Cost may be negative where there is no over-supply of capacity (clause 4.28.5);
- the exclusion of clause 7.6.1A from clause 7.6.2, which concerns the priority which System Management must schedule and dispatch Registered Facilities; and
- the restriction of data under clause 3.11.11(b) as being public when the data in the entire 3.11.11 clause is relevant (clause 10.5.1(g))

are manifest errors. As such, these amendments fulfil sub-clause 2.5.9(b), in that they are required to correct a manifest error, and therefore may be fast-tracked.

The IMO further submits that the remaining proposed changes consist of minor and typographical amendments which will improve the integrity of the Market Rules. The changes do not seek to amend the operation of the Market Rules. As such, the remaining proposals fulfil sub-clause 2.5.9(a), in that they are of a minor or procedural nature and therefore may be fast-tracked.

3. Provide any proposed specific changes to particular Rules: (for clarity, please use the current wording of the Rules and place a ~~strikethrough~~ where words are deleted and underline words added)

- 2.33.1. ~~The Rule Participant registration form must require an applicant for registration as a Rule Participant to provide the following information, and the applicant must provide the information required:~~

The IMO must prescribe a Rule Participant registration form that requires an applicant for registration as a Rule Participant to provide the following:

- (a) the relevant non-refundable Application Fee;

...

- 2.33.2. ~~The Rule Participant de-registration form prescribed by IMO must require that a Rule Participant provide the following:~~

The IMO must prescribe a Rule Participant de-registration form that requires an applicant for de-registration as a Rule Participant to provide the following:

- (a) the relevant non-refundable Application Fee;

...

- 2.33.3. ~~The Facility Registration form prescribed by IMO must require that an applicant for facility registration provide the following:~~

The IMO must prescribe a Facility registration form that requires an applicant for Facility registration to provide the following:

- (a) the relevant non-refundable Application Fee where this Application Fee may differ for different facility classes;

...

- 2.33.4. ~~The Facility de-registration form prescribed by the IMO must require that the applicant provide the following:~~

The IMO must prescribe a Facility de-registration form that requires an applicant for Facility de-registration to provide the following:

- (a) the relevant non-refundable Application Fee;

...

- 3.2.1. An ~~equipment limit~~ Equipment Limit means any limit on the operation of a Facility's equipment that is provided as Standing Data for the Facility to System Management by the IMO in accordance with clause 2.34.1(b).

- 3.11.8A. System Management may enter into an Ancillary Service Contract with a Rule Participant for Load Rejection Reserve Service, System Restart Service and or Dispatch Support Service ~~Ancillary Services~~.

- 3.11.8B. System Management must obtain the approval of the Economic Regulation Authority before entering into an Ancillary Service Contract for Dispatch Support Service ~~Ancillary Services~~

- 3.13.1. The total payments by the IMO on behalf of System Management for Ancillary Services in accordance with Chapter 9 comprise:

- (a) [Blank]

- (aA) for Load Following Service for each Trading Month:

- i. a capacity payment Capacity_LF calculated as;
 - 1. the Monthly Reserve Capacity Price in that Trading Month;
 - 2. multiplied by LFR, the capacity necessary to meet the Ancillary Service Requirement for Load Following in that month;
 - ii. an availability payment ~~Availability_Cost_LF(m)~~
Availability_Cost_LF(m) calculated in accordance with clause 9.9.2(d) for that Trading Month;
- 3.13.3B. For each Review Period, by 31 March of the year in which the Review Period commences, the Economic Regulation Authority must determine values for Cost_LR, taking into account the Wholesale Market Objectives and in accordance with the following:
- (a) by 30 November of the year prior to the start of the Review Period, System Management must submit a proposal for the Cost_LR parameter for the Review Period to the Economic Regulation Authority. Cost_LR must cover the costs for providing the Load Rejection Reserve Service and the System Restart ~~Ancillary Services~~ and Dispatch Support ~~Ancillary Services~~ except those provided through clause 3.11.8B;
- ...
- 3.13.3C. For any year within the Review Period if System Management determines Cost_LR for the following ~~financial year~~ Financial Year to be materially different than the costs provided under clause 3.13.3B, then the Economic Regulation Authority must determine the revised values for Cost_LR, taking into account the Wholesale Market Objectives and in accordance with the following:
- (a) by 30 November of the year prior to the start of the relevant ~~financial year~~ Financial Year, System Management must submit an updated proposal for the Cost_LR parameter to the Economic Regulation Authority. Cost_LR must cover the costs for providing the Load Rejection Reserve Service and System Restart ~~Ancillary Services~~ and Dispatch Support ~~Ancillary Services~~ except those provided through clause 3.11.8B;
- 3.14.3. Market Participant p's share of the Load Rejection Reserve Service, System Restart Service and Dispatch Support Services payment costs in each Trading Month m is Consumption_Share(p,m) determined in accordance with clause 9.3.7.
- 3.21B.7. If System Management grants permission, then ~~between the times between those stated~~ within the time period set out in clause 3.21B.2(b) and 3.21B.2(c), or such alternative times as are mutually agreed in accordance with clause 3.21B.6,

System Management must not require that Scheduled Generator to perform in accordance with its Reserve Capacity Obligations.

- 4.25.2. The verification referred to in clause 4.25.1 can be achieved by the IMO:
- (a) in the case of a generation system:
 - i. observing the Facility operate at a level equivalent to its Required Level, adjusted to the level of Capacity Credits currently held, at least once as part of normal market operations as determined from Meter Data Submissions; or
 - ii. requiring System Management, in accordance with clause 4.25.7, to test the Facility's ability to operate at a level equivalent to its Required Level, adjusted to the level of Capacity Credits currently held, for not less than ~~60 minutes~~ two Trading Intervals and the Facility successfully passing that test; or
- ...
- 4.28.5. The Shared Reserve Capacity Cost may have a negative value ~~if there is no over-supply of capacity.~~
- 6.5C.6. If a Market Participant's ability to consume or supply energy in any Trading Interval of a Trading Day is less than the maximum level of its ~~supply or consumption or~~ supply as indicated by its Standing Resource Plan Submission then that Market Participant must either:
- (a) submit to the IMO Standing Resource Plan Submission data so as to revise its Standing Resource Plan Submission to comply with this clause 6.5C.6; or
 - (b) for each Trading Interval for which the Standing Resource Plan Submission over-states the Market Participant's ~~supply or consumption~~ consumption or supply capabilities, submit valid Resource Plan Submission data to the IMO on the Scheduling Day immediately prior to that Trading Day.
- 6.18.2. Subject to clause 6.18.3, the Commitment Compensation equals the sum of for each additional start up required of a Scheduled Generator during a Peak Trading Interval or Off-Peak Trading Interval the dollar amount for a commitment of the Facility specified in Standing Data, as defined in Appendix 1(c)(i).
- 7.2.3B. System Management must provide:
- (a) the information determined in clauses 7.2.1(a) to the IMO by 7.30 AM on the Scheduling Day; and

- (b) the information determined in clauses 7.2.3A to the IMO by 8.30AM on the Scheduling Day.
- 7.6.2. Subject to clauses 7.6.1, 7.6.1A, 7.6.2A, 7.6.3, 7.6.4, 7.6.6, System Management must schedule and dispatch the Registered Facilities of the Electricity Generation Corporation and Registered Facilities covered by any Balancing Support Contract or Ancillary Service Contract in such a way as to allow the implementation of the Resource Plans that it has received from the IMO for Market Participants other than the Electricity Generation Corporation.
- 7.6A.5. With respect to administration and reporting:
- ...
- (c) System Management must report to the IMO any instance where it believes that the Electricity Generation Corporation has failed to meet ~~is~~ its obligations under this clause 7.6A;
 - (d) The Electricity Generation Corporation may report to the IMO any instance where it believes that System Management has failed to meet ~~is~~ its obligations under this clause 7.6A;
- 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~~ Web Site after that item of information becomes available to the IMO:
- ...
- (g) the Ancillary Service report referred to in clause 3.11.11~~(b)~~;
- ...
- (o) the ~~short-term term~~ Short Term PASA report described in clause 3.17.2;
- ...
- (r) Public Reports pertaining to the Wholesale Electricity Market issued by:
 - i. the IMO;
 - ii. System Management;
 - iii. the Electricity Review Board;
 - iv. the Economic Regulation Authority; or
 - v. the Minister;
- ...

- (w) the STEM Price for each Trading Interval of the current Trading Month for which STEM auction results have been released to Market Participants;
and
- (x) for each Trading Interval of the current Trading Month for which balancing price results have been released to Market Participants;
 - i. the values of MCAP, UDAP and DDAP; and
 - ii. the ~~load forecast~~ Load Forecast prepared by System Management in accordance with clause 7.2.1(b).

Appendix 1

...

- (h) for a Demand Side Programme:
 - i. ...
 - ...
 - xiii. the maximum number of times that the Demand Side Programme can be curtailed during the term of its Capacity Credits;

...

Glossary

Maximum Participant Generation Refund: Has the meaning given in clause 4.26.1.

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 changes, which will improve the integrity of the Market Rules, are consistent with the Wholesale Market Objectives.

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

Costs:

No costs associated with implementing these proposed changes have been identified.

Benefits:

The proposed changes will improve the clarity of the Market Rules by removing minor, typographical and manifest errors.