

Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2011_12 Extensions to Procedure Change Process Timelines

Submitted by

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Submission

- Please provide your views on the proposal, including any objections or suggested revisions.**

Background

Section 2.10 of the Market Rules sets out the process that the Independent Market Operator (IMO) and Market Participants must follow when considering changes to a Market Procedure. Clause 2.10.7 stipulates a 20 business days consultation period on Procedure Change Proposals. Clause 2.10.14 stipulates that the IMO must make a decision on a proposed Procedure Change within 10 business days of publication of the Procedure Change Report.

The Market Rules currently do not allow for any extensions to the timelines of the consultation or decision making processes in relation to Procedure Changes.

Recently, the inability to extend timeframes impacted on the consultation process of PC 2011 03 "Transitional arrangements for the Registration of Demand Side Programmes and the association of Non-Dispatchable Loads". It is likely that future procedure changes may require extensions to timeframes to allow for proper consultation and consideration of more complex procedure changes such as those expected in relation to the proposed changes for the balancing and load following markets.

The Market Rules currently allows for extensions to the timelines for both consultation and decision making in relation to Rule Changes (clause 2.5.10).

Change Proposal

The IMO submitted Rule Change Proposal RC_2011_12 “Extensions to Procedure Change Process Timelines” on 24 October 2011.

The IMO has proposed to amend the Market Rules to explicitly allow the IMO to extend the timeframes for consultation and decision making in relation to Procedure Changes by inserting new clauses 2.10.17 – 2.10.19. The proposed amendments of the Market Rules require the IMO to publish reasons for any extensions to the timelines of the process.

The IMO decided to progress the Change Proposal according to the Fast Track process considering it to be of a procedural nature.

Perth Energy’s Views

Perth Energy supports the IMO’s Rule Change Proposal.

Firstly, the proposed changes will remove the current inflexibility in the Market Rules in relation to consultation and decision timelines for Procedure Changes. Perth Energy considers the current inability to extend consultation and decision timelines for procedure changes could lead to inadequate consultation and consideration for complex procedure changes.

Secondly, the proposed changes would bring the process for Procedure Change Proposals in line with the process for Rule Change Proposals.

2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.

Perth Energy considers the Rule Change Proposal would remove a current inefficiency in the procedure change process and therefore have the potential to positively impact on the achievement of Market Objective¹ (a). Perth Energy has not identified any detrimental impacts on the remaining Market Objectives.

¹ 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.

- 3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.**

Perth Energy will not be impacted by the proposed changes.

- 4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.**

Perth Energy will not require any lead time to implement the proposed changes.