
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2011_12 Extensions to Procedure Change Process Guidelines

Submitted by

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Date submitted:	15 November 2011

Submission

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

Synergy acknowledges that the IMO has adopted the position that the Market Rules should embody the rule principles while the detailed requirements to give effect to those principles are included in the Procedures. This may well result in the Procedures being required to deal with more complexity and therefore any amendments may well be similarly complex and so require extended consultation periods to ensure that all Market Participants have adequate opportunity to assess the issues, undertake their own consultations or modelling and formulate constructive and value adding responses to requests for submissions. Synergy also acknowledges that implementation of Competitive Balancing and LFAS rule change may result in System Management initiating a raft of detailed and intricate Procedure amendments or developments which could result in an intensive period of assessment for the IMO to manage.

Synergy therefore supports the general thrust of RC_2011_12 which Synergy considers to be to empower the IMO with flexibility to extend the Procedure processing timelines as appropriate within the construct of clause 2.10 to improve the administrative efficiency of the process (less chance of poorly developed or ineffective amendments being accepted) and more closely align the Procedure Change Process with the Rule Change Process.

In regard to aligning the former with the latter, Synergy notes that the Market Rules, in respect of Rule Change Proposals, impose a **processing** timeframe in respect of preparing

and publishing both draft Rule Change Reports and Final Rule Change Reports. Specifically, the IMO, in respect of Fast Track Rule Changes, must prepare and publish a Final Rule Change Report within 20 Business Days of publishing the notice referred to under clause 2.5.7; and in respect of both draft Rule Change Reports and Final Rule Change Reports required under clause 2.7 (Standard Rule Change Process), these must also be published within 20 Business Days of the close of submissions. In contrast, clause 2.10.10 imposes no timeframe on the preparation of a Procedure Change Report following the close of submissions on a Procedure Change Proposal. Similarly, clauses 2.10.11 and 2.10.12 do not specify a timeframe within which Procedure Change Reports must be published.

It is unclear to Synergy whether this lack of consistency between the Procedure Change and Rule Change processes is a matter of design, say to provide a degree of timing flexibility in managing the Procedure Change Process, or an oversight. Whatever the case, Synergy takes the view that there is merit, if one of the objectives of this Rule Change Proposal is to align the align the Procedure Change Process with the Rule Change Process, in adopting a similar report preparation and publishing timeframe in the Procedure Change Process to that already required of the Rule Change Process.

If Procedures are to become a more important and potentially more frequently amended instrument in operating the market, then Synergy submits that the Procedure Change Process would benefit by requiring the report preparation and publishing requirements be executed within the same timeframe require for rule changes. The timeframe would impose a discipline on this part of the Procedure Change Process, as is the case with the Rule Change Process, potentially improving the efficiency of the process (e.g. the Procedure Change Report and adoption decision cannot be unreasonably delayed) thus giving Market Participants, who have made submissions and the market more generally, the assurance that the process will be concluded in a timely and efficient fashion. We note with procedures that this has not always been the case.

Adopting a 20 Business Day timeframe would impose a new discipline in the Procedure Change Process. Synergy submits that adequate safeguards to manage complex procedural issues requiring extended consultation and analysis are included in this Rule Change Proposal and as such Synergy recommends the IMO consider adopting a reasonable report preparation and publishing timeframe to be included in the Procedure Change Process. In this regard, Synergy's view is that 20 Business Days, the limit in the Rule Change Process, would be reasonable.

Suggested revisions to the Market Rules are as follows:

- 2.10.10 Following the closing date for submissions, the IMO or System Management, as applicable, must prepare a Procedure Change Report on the Procedure Change Proposal in sufficient time to allow the IMO to meet its publishing obligations under clauses 2.10.11 and 2.10.12 as applicable.

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 20 Business Days of the closing date for submissions.

2.10.12 The IMO must publish Procedure Change Reports that the IMO prepares within 20 Business Days of the closing date for submissions.

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.

Synergy would not require any changes to IT or business systems, nor incur any organisational costs as a consequence of adopting the proposed change.

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

Synergy would be able to implement this rule change immediately.
