



INDEPENDENT
MARKET
OPERATOR

Draft Rule Change Report

Title: Transparency of Outage Information

RC_2012_11

Standard Rule Change Process

Date: 9 October 2012

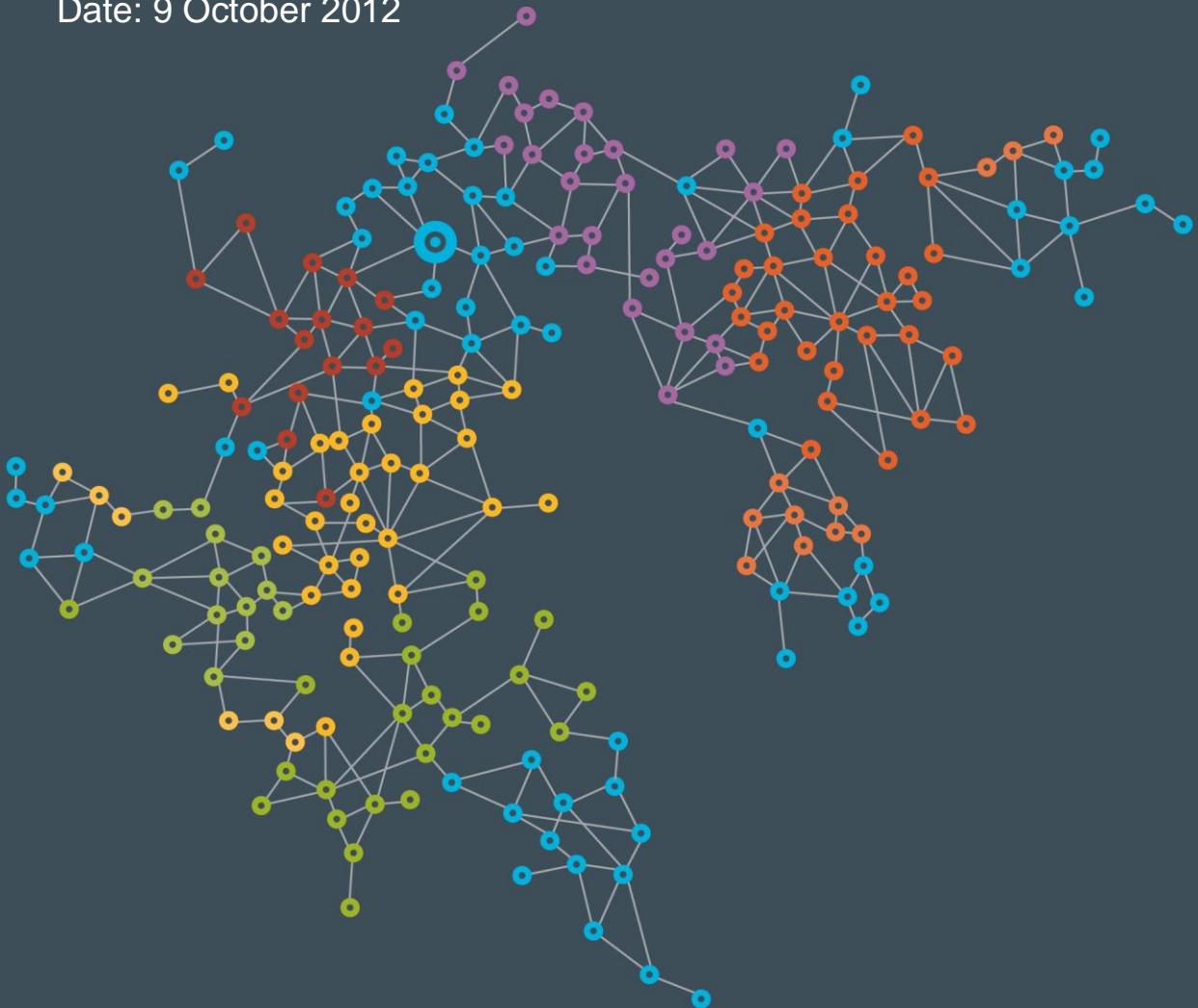


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Executive Summary

Proposed amendments

The Rule Change Proposal intends to introduce new standards for the disclosure of information relating to outages, aimed at improving transparency in the market. The proposed amendments reflect the first phase of implementation of PA Consulting's recommendations from its 5 Year Review of the Outage Planning Process.

Consultation

- A Concept Paper was discussed by the Market Advisory Committee (MAC) at its 13 June 2012 meeting and a Pre Rule Change Discussion Paper was discussed by the MAC at its 11 July 2012 meeting.
- The IMO formally submitted the Rule Change Proposal on 30 July 2012.
- The first submission period was between 31 July and 10 September 2012. Submissions were received from Community Electricity, Perth Energy, Synergy, System Management and Verve Energy and a late submission was received from Alinta Energy. While submissions were generally supportive of the proposed amendments a number of issues were raised for the IMO's consideration, particularly by System Management.

Assessment against Wholesale Market Objectives

The IMO considers that the proposed amendments will better achieve Wholesale Market Objectives (a) and (d). The IMO considers the proposal is consistent with the remaining objectives.

Practicality and cost of implementation

The IMO has considered a number of alternative publication options given the substantive costs associated with real time publication of outage information on the IMO's webpage. Based on this consideration the IMO identified that adopting the alternative option of publishing information on the MPI rather than the IMO's webpage provides a more cost effective solution that will continue to deliver the significant benefits associated with publishing outage information.

System Management identified in its submission that it would be unable to implement the necessary IT changes until after June 2014. The IMO has taken this advice into account in determining a provisional commencement date.

The IMO's proposed decision

The IMO's proposed decision is to accept the Rule Change Proposal as modified following the first submission period.

Next steps

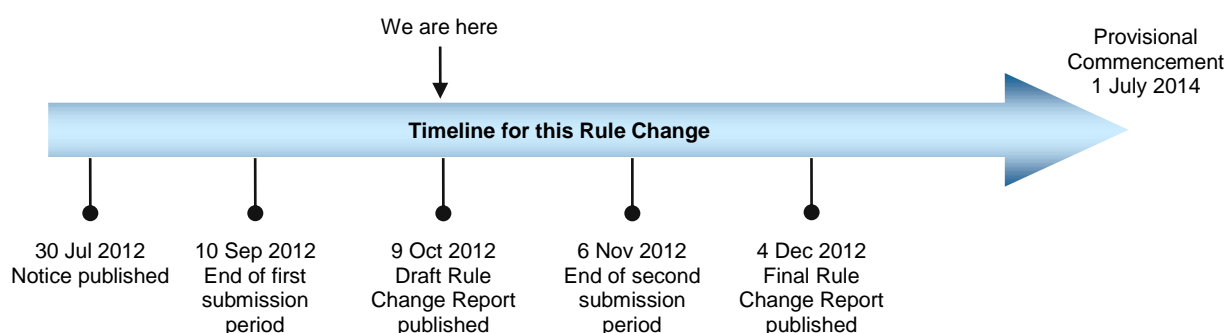
The IMO now invites interested stakeholders to make submissions on this Draft Rule Change Report by **5.00pm, Tuesday 6 November 2012**.

1. Rule Change Process and Timetable

On 30 July 2012 the IMO submitted a Rule Change Proposal regarding amendments to clauses 3.18.6, 7.13.1D (new), 7.13.1E (new), 7.13.1F (new), 7.13.1G (new), 10.5.1 and the Glossary of the Wholesale Electricity Market Rules (Market Rules).

This proposal is being processed using the Standard Rule Change Process, described in section 2.7 of the Market Rules.

The key dates in processing this Rule Change Proposal are:



2. Call for Second Round Submissions

The IMO invites interested stakeholders to make submissions on this Draft Rule Change Report. The submission period is 20 Business Days from the publication date of this report. Submissions must be delivered to the IMO by **5.00pm, Tuesday 6 November 2012**.

The IMO prefers to receive submissions by email (using the submission form available on the IMO website: <http://www.imowa.com.au/rule-changes>) to: market.development@imowa.com.au

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

Independent Market Operator

Attn: Group Manager, Market Development
PO Box 7096
Cloisters Square, PERTH, WA 6850

3. Proposed Amendments

3.1. The Rule Change Proposal

During the recent 5 year Review of the Outage Planning Process PA Consulting recommended the IMO, in conjunction with System Management, consider reforms to improve the disclosure of outage information. The IMO notes that System Management does already disclose certain information about Planned Outages, even in the absence of any requirement in the Market Rules or the Power System Operation Procedure (PSOP): Facility Outages in some circumstances. However, the IMO recognizes that, at times, a lack of transparency may have resulted in sub-optimal outcomes for Market Participants and energy consumers.

The IMO's Rule Change Proposal is intended to introduce new standards for the disclosure of information relating to outages, aimed at improving transparency in the market. Advancements to the level of information disclosure are expected to result in improved economic efficiency in electricity generation (Wholesale Market Objective (a)) and improved efficiency in price outcomes for consumers (Wholesale Market Objective (d)).

For full details of the Rule Change Proposal please refer to the Market Web Site: http://www.imowa.com.au/RC_2012_11.

3.2. The IMO's Initial Assessment of the Rule Change Proposal

The IMO decided to proceed with the proposal on the basis that stakeholders should be given an opportunity to provide submissions as part of the rule change process.

4. Consultation

4.1. The Market Advisory Committee

The MAC discussed the proposed changes as a Concept Paper during its 13 June 2012 meeting and as a Pre Rule Change Proposal during its 11 July 2012 meeting.

June 2012 MAC meeting

Ms Fiona Edmonds presented an overview of the Concept Paper to introduce greater transparency of information relating to the outage planning process.

The following points were noted during discussion.

- MAC members questioned if the outage information would be available to the public or if it would be limited to the Market Participant Interface (MPI). The Chair responded that summary data would be made available through the Market Web Site and detailed information would be provided on the MPI.
- Mr Corey Dykstra stated that this was a great marginal step forward but what would be of even more interest to industry are any refinements to the outage planning process. Mr Phil Kelloway noted that the intent was to publish the information to foster thinking around processes. He further added that System Management would like to address specific issues around Equipment Lists, Opportunistic Maintenance, timelines etc when considering refinements to the outage planning process. The Chair responded that process related issues would be addressed in phase two of the work, which would be presented to the MAC in August/September 2012.
- Ms Wana Yang observed that the ERA was also interested in improving the outage planning process to achieve better market outcomes. She added that the ERA had suggested a review with regard to the incentives for improving plant availability in the market. She observed that clause 4.27 of the Market Rules which relates to Reserve Capacity Performance Monitoring currently sets the criteria too high to trigger monitoring issues for the IMO. The Chair also noted that Planned Outages need to be more strongly connected with maintenance. The Chair noted that there are provisions in the Market Rules to reconsider future allocation of capacity credits where a Facility has not been available for a significant portion of the year.

- MAC members agreed that the Concept Paper should be converted into a Rule Change Proposal. Discussion also ensued around the IT system costs to System Management associated with implementing the proposed changes.

July 2012 MAC meeting

Ms Edmonds noted that a Concept Paper on this issue had been presented at the June 2012 MAC meeting. The Pre Rule Change Proposal would clarify the process for publishing outage information in a timely manner and clarify what that information would comprise.

Ms Edmonds explained that a lot of outage related information is already classified as public in either the Market Rules or the Confidentiality List published on the Market Web Site. For example, Planned Outage schedules are currently public under clause 10.5.1 of the Market Rules. Ms Edmonds explained that the proposed changes clarify the requirement for System Management to provide all types of outage related information to the IMO for dissemination to the market as soon as practicable after receiving either a request or an update for a Planned Outage. The proposed changes also clarify what kind of information would be published by the IMO. Ms Edmonds added that the IMO will work with System Management to determine the current structure of the information required under clause 3.18.6 and whether this would be an appropriate format for publication.

The following points were noted during discussion.

- Mr Kelloway considered that it could take System Management up to 18 months to implement the necessary changes. The Chair replied that he had previously had discussions with Mr Cameron Parrotte about undertaking this work at the end of the work for the Market Evolution Program (MEP). As this work was currently scheduled to finish by 5 December 2012 the Chair considered 18 months would seem a long time for this to be undertaken. Mr Kelloway advised that System Management would take this into consideration and that it would not want to delay this piece of work.
- Mr John Rhodes requested clarification of the definition of “public” information and “published” information. Mr Shane Cremin queried how the public can gain access to “public” information. The Chair responded that “published” information is published on the IMO Web Site and “public” information is available to the public on request.
- All members supported the Rule Change Proposal and agreed for it to be formally submitted into the rule change process.

Further details are available in the MAC meeting minutes available on the Market Web Site: <http://www.imowa.com.au/MAC>

4.2. Submissions received during the first submission period

The first submission period for this Rule Change Proposal was between 31 July 2012 and 10 September 2012. Submissions were received from Community Electricity, Perth Energy, Synergy, System Management and Verve Energy. An out of session submission was also received from Alinta Energy.

A high level summary of the views expressed in submissions received during the first submission period is provided in the following table.

Submitter	Comments
Alinta Energy (out of session)	Generally supportive of the proposed changes but notes that RC_2012_11 is only the first phase in addressing current issues surrounding outages. Alinta is particularly interested in technical changes that will be aimed at bringing greater flexibility to Market Participants in outage planning. Alinta is likely to view all upcoming market rule changes related to outages as interlinked, and looks forward to seeing the next Rule Change Proposal relating to the general process (and specifically rectifying the current shortcomings) around logging outages.
Community Electricity	Supports the Rule Change Proposal on the grounds that it improves the transparency of generation outages and thereby increases Balancing pricing efficiency and risk management.
Perth Energy	Generally supports initiatives to increase transparency of information in the Wholesale Electricity Market (WEM) and is also supportive of this particular Rule Change Proposal. Having outage information available as close as possible to real time could make the market more dynamic in its response to short term capacity constraints flowing from outages and this more dynamic response would potentially result in cost savings.
Synergy	Supports the proposed amendments and concurs with PA Consulting's recommendation that all information related to outages and outage planning should be published by the IMO and System Management. Further Synergy notes support for the IMO's decision to stage the reforms, electing first to introduce the new disclosure standards for outages and then follow up with considering technical changes to facilitate greater flexibility in the outage planning process.
System Management	Can see no reason for outage planning information to be restricted provided it does not compromise SWIS security or reliability. Notes some issues relating to confidential information provision, the timelines for the implementation of the proposed changes and timelines for transfer of information to the IMO for publication.
Verve Energy	Is supportive of the proposed changes to facilitate greater transparency with regards to outage information, provided that: <ul style="list-style-type: none"> commercially sensitive information is not disclosed; or the increased transparency of information does not reduce the quality of information that participants provide to System Management. If this were to be the case, it may lead to inefficiencies for System Management in undertaking its role in the outage planning process.

A copy of all submissions in full received during the first submission period is available on the following IMO Web Page: http://www.imowa.com.au/RC_2012_11

The assessment by submitting parties as to whether the proposal would better achieve the Wholesale Market Objectives is summarized below:

Submitter	Wholesale Market Objective Assessment
Alinta Energy (out of session)	Better meet Wholesale Market Objectives (a) and (b).
Community Electricity	Improve achievement of Wholesale Market Objectives (a) and (d). Consistent with remainder.

Submitter	Wholesale Market Objective Assessment
Perth Energy	Better achieve Wholesale Market Objectives (a), (b) and (d).
Synergy	Better achieve Wholesale Market Objectives (a) and (d).
System Management	Better address Wholesale Market Objectives (a) and (d).
Verve Energy	Consistent with the Wholesale Market Objectives.

4.3. The IMO's response to submissions received during the first submission period

The IMO's response to each of the issues identified during the first submission period is presented in the following table.

	Submitter	Comment/Change requested	IMO Response
1	Verve Energy	<p>Questions whether new clauses 7.13.1D – 7.13.1G are contained in the most appropriate section of the Market Rules. The reason for this is that section 7.13 covers settlement and monitoring data transfer from System Management to the IMO in regards to dispatch. Verve Energy notes that schedules of Planned Outages, Forced Outages and Consequential Outage are needed for settlement, however, this is already taken into account in the current drafting of clause 7.13.1A(a). Verve Energy considers that the publication of the more detailed outage information as suggested in this Rule Change Proposal is not used for dispatch settlement or dispatch monitoring, as such Verve Energy suggests that the IMO review the drafting to ascertain whether there is a more appropriate section of the Market Rules.</p>	<p>The IMO agrees with Verve Energy that there might be alternative areas of the Market Rules to locate the information to be provided through to the IMO for publication, i.e. within Chapter 3 given that the obligations relating to the outage planning process are generally contained in this section. However the IMO considers it is more appropriate to keep all the obligations relating to System Management’s provision of information to the IMO together in the Market Rules where possible.</p> <p>The information provided under clauses 7.13.1E and 7.13.1G will potentially be used by the IMO when assessing compliance with the outage planning processes. Settlement will continue to use the data provided under clause 7.13.1A(b)¹. The IMO also notes that some of the other information currently listed in clause 7.13 of the Market Rules is simply provided for informational purposes only, for example clause 7.13.4 requires System Management to provide the IMO with SCADA information amongst other things. The IMO does not propose any change to where the obligations are reflected in the Market Rules.</p>
2	System Management	<p>Is concerned where any Rule Change Proposal has the potential to impact on its communications with Generators. For example, WEM rule requirements which mandate the provision by Generators of commercially sensitive information to the IMO through System Management for the purposes of publication on the Market Web Site could incentivise</p>	<p>The IMO notes that no issues were raised during the formal consultation with industry on the outcomes of PA Consulting 5 Year Outage Planning Review, which included the recommendation for greater transparency of outage information. Likewise, no issues were raised with regards to the specific changes to increase the transparency of outage</p>

¹ The IMO notes that schedules of all Planned Outages, Consequential Outages and Forced Outages are provided under clause 7.13.1A(b) of the Market Rules not clause 7.13.1A(a).

	Submitter	Comment/Change requested	IMO Response
		<p>generators to defer disclosure, or not fully disclose, information that is pertinent to System Management's performance of its system operator functions.</p> <p>As outlined in the Outage Planning Review, a limited dataset regarding Planned Outages is published to generators through System Management's MPI. RC_2012_11 substantially increases the scope of that disclosure and this may be an issue for that group.</p>	<p>planning outcomes during the discussions held at the June and July 2012 MAC meetings (prior to the IMO formally submitting RC_2012_11) or during the first submission period for RC_2012_11. The IMO notes that Verve Energy in its submission raised a similar point to System Management around ensuring commercially sensitive information is not published.</p> <p>Whilst the IMO's preliminary view is that the information proposed to be published is not commercially sensitive, it wishes to seek the views of interested parties of whether they consider any of the proposed pieces of information (as outlined in new clauses 7.13.1E and 7.13.1G) contain commercial information. In making its final decision on whether to publish each piece of outage related information the IMO will consider whether the benefits of disclosure to the market outweigh the commercial implications for individual Rule Participants.</p> <p>The IMO notes that the list of Confidential Information published on the public web site will be updated to reflect the status of each piece of information, as set in the Final Rule Change Report.</p>
3	System Management	<p>System Management acts to maintain confidentiality of all information that it acquires and has not formed a view on the commerciality or otherwise of any particular piece of information included in this Rule Change Proposal.</p> <p>However, if an independent determination on the issue is required. System Management considers that the IMO is best (but not perfectly) placed to make such a determination by virtue of its view of the potential settlement implications, and the strategies implemented by generators to manage these.</p>	Refer to the IMO's response to Issue 2.
4	System Management	Requests that the IMO should formally request that generators advise it regarding any concerns or limitations on	Refer to the IMO's response to Issue 2.

	Submitter	Comment/Change requested	IMO Response
		<p>the acceptable use of the information that they are required to provide to System Management for the purposes of outage planning.</p> <p>Ideally, the final Rule Change Proposal should exclude items of data that would, or might, be commercially sensitive. Uncertainty on this matter will clearly lead to upward pressure on costs through increased requirements for investigation and manual oversight.</p>	
5	System Management	<p>To expand the Equipment List so that it includes distribution assets it will be necessary to bring parts of the Access Code funded business inside the WEM market ringfence, a process that will have a range of regulatory and operational implications that have not been fully considered at this point.</p> <p>System Management is of the view that successfully addressing this series of challenges will require automation, consolidation and integration of a range of data and elements of the disparate systems currently owned by both sections.</p> <p>Its approach to defining the implementation project for this proposal reflects that approach.</p>	<p>The IMO notes that this Rule Change Proposal simply relates to publication of a number of streams of outage related information currently captured by System Management. The IMO has worked directly with System Management to ensure that a significant burden with regard to the information required to be provided to the IMO for publication is not created (i.e. large new data streams are not created).</p> <p>The IMO considers that the issues highlighted by System Management with respect to the need for NOCC (Distribution system) to work more closely with the other teams in System Management responsible for Transmission Outages and outage planning are purely a System Management internal operation issue and have no bearing on the proposed rule changes. The IMO considers it would be inappropriate to consider these “out of scope” issues when making its decision regarding whether to approve the proposed changes under RC_2012_11, including the timing of implementation of any Amending Rules. Further it would be inappropriate to consider these costs as part of its consideration of RC_2012_11 as they are not directly related to the proposed changes.</p> <p>The issues highlighted by System Management with respect to the inclusion of distribution assets on the Equipment List will be considered as part of the second phase of work being undertaken by the IMO and System Management.</p>

	Submitter	Comment/Change requested	IMO Response
			<p>RC_2012_11 simply requires the transfer of information created under the existing frameworks in the Market Rules.</p> <p>Given the identified implications for System Management associated with the inclusion of distribution assets on the Equipment List the IMO has determined to not progress the publication of distribution equipment outages at this stage. The majority of benefits associated with transparency of outage information will accrue from knowledge of generation outages rather than transmission/distribution equipment outages. Likewise the IMO agrees with System Management that given the small number of distribution network connected generators there are likely to be marginal benefits associated with publication of this information. The IMO will consider progressing changes to enhance the transparency of distribution equipment outages as part of phase 2 once the definition of what should be included on the Equipment List has been clarified. The IMO therefore has removed these aspects of the originally proposed changes.</p>
6	System Management	<p>Understands the desire to create as detailed, and complete, a picture of the SWIS as possible. However it must also be recognised that the “law of diminishing returns” is likely to operate in this context and that, at some point, the costs associated with including the marginal distribution connected facility into the formal outage planning process is going to outweigh the benefit gained in doing so.</p> <p>As an example, the exclusion of individual Registered Facilities and generation systems with a capacity of less than 10MW from the requirement to provide outage information could result in substantial savings.</p> <p>The concept of materiality could also be applied to clauses 7.13.1D(b) and 7.13.1F(b) to replace the term “any event” with “significant event” defined to have a direct or indirect</p>	Refer to the IMO’s response to Issue 5 above.

	Submitter	Comment/Change requested	IMO Response
		material impact.	
7	System Management	<p>Proposed clauses 7.13.1D and 7.13.1F require System Management to provide outage information to the IMO “as soon as practicable” after it receives that information.</p> <p>System Management considers that these provisions should be amended to clarify that performance against this obligation can only occur after the participant has made a change to the outage data it has recorded in the System Management MPI.</p>	<p>The requirement for System Management to provide the information through to the IMO “as soon as practicable” will create a constant stream of information flowing between the IMO and System Management as information is received by System Management. Under step 2.3.1 of the PSOP: Facility Outages, Market Participants are required to log outage information in SMMITS unless there is an issue with using this system. Where SMMITS is not available outage information can be provided via an alternative means as agreed with System Management. The IMO however notes that the obligation for System Management to provide the outage information is regardless of whether it is logged in the SMMITS or not.</p> <p>The IMO has further amended the drafting in clauses 7.13.1E and 7.13.1G to clarify that System Management must provide details of a request for an outage as soon as practicable after its receipt of the request and must provide any updated information as soon as practicable after it becomes aware of the change. The IMO considers it would be inappropriate to link the requirement for System Management to provide the information to it having been recorded in a computer system. This is because there could be significant delays between notification having been provided to System Management and the information being recorded in the system. Provided that the information is in the format agreed between System Management and the IMO then it is irrelevant whether the information is logged into the SMMITS for the purposes of providing the information through to the IMO.</p> <p>The IMO recommends that System Management clarify in its procedure the process for updating the SMMITS with Planned Outage information when the system has been unavailable. The IMO considers it good governance to clarify in the PSOP</p>

	Submitter	Comment/Change requested	IMO Response
			<p>whether the responsibility lies on System Management or a Market Participant to provide updated details relating to a Scheduled Outage (Planned Outages and Opportunistic Maintenance) into the SMMITS where the system has been unavailable for a period of time. The IMO notes that under step 13.1 of the PSOP, the obligation to update the system with Forced Outage and Consequential Outage information lies directly on System Management.</p> <p>Refer also to the IMO's response to Issue 10.</p>
8	System Management	<p>The use of the term "as soon as practicable" in the context of the provision of Forced and Consequential Outage data (7.13.1F) also implies that participants will input data concerning these types of outages as close to real time as possible.</p> <p>In practice, full and final provision of the information only occurs when it is entered into System Management's MPI which can occur up to 15 days after the event.</p> <p>This raises issues with the value of the data being provided to the Market sometime after the event. As a minimum System Management suggests that the "as soon as practicable" requirement referred to in clause 7.13.1F be amended to "as soon as practicable after receipt of the full and final details of the outage".</p>	<p>The IMO disagrees with System Management's proposed clarification as the intent of the Rule Change Proposal is to provide outage information to industry in a timely fashion so as to allow the market to react to the restrictions in availability of capacity as appropriate.</p> <p>The IMO notes that there is an obligation for a Market Participant to inform System Management of a Forced or Consequential Outage as soon as practicable under clause 3.21.4. It is at this time that outage details should be entered into the SMMITS and provided to the IMO for publication (though noting that under the PSOP System Management may direct the Market Participant to provide details through another mechanism if the SMMITS is unavailable). Regardless of the mechanism for recording the outage's occurrence System Management must provide the information to the IMO, in a format consistent with the Market Procedure: IMS Interface, as soon as practicable after it receives the request or is aware of a change.</p> <p>The IMO notes that the market should be aware the information submitted for Forced and Consequential Outages will be subject to change up until finalisation of the outage details (within the 15 Business Day requirement provided under clause 3.21.7).</p>

	Submitter	Comment/Change requested	IMO Response
9	System Management	<p>The proposal would result in a significant increase in the volume transferred to the IMO for publication. System Management will be limited in its ability to confirm the accuracy of the information received and will be merely acting as an interface to acquire and to provide outage information to the IMO.</p> <p>The responsibility to ensure accuracy of the information should rest with the participants and the requirement to monitor the accuracy of the information and investigate potential compliance concerns should be with the IMO.</p> <p>System Management believes that these issues were agreed with the IMO in the joint meetings held to discuss the Rule Change Proposal. If that is correct, they should be reflected in the revised drafting that is released when the IMO releases the Draft Rule Change Report.</p> <p>System Management is happy to discuss the issue with the IMO if this understanding is incorrect.</p>	<p>The IMO considers that the requirements for:</p> <ul style="list-style-type: none"> • a Market Participant to provide accurate information, as contained in: <ul style="list-style-type: none"> ○ the requirements to provide System Management with details of changes to Outage Plans as soon as practicable under clauses 3.18.8 and 3.18.9; and ○ the obligations relating to Forced and Consequential Outages in clause 3.21.4; and • the IMO to monitor the compliance of Market Participants with the Market Rules, as prescribed in section 2.13, <p>is already sufficiently detailed in the Market Rules.</p> <p>The IMO does not consider any further amendments are required to clarify these obligations. Additionally, the IMO does not propose any changes to System Management’s monitoring obligations contained in clause 2.13.9 of the Market Rules (which include the monitoring of clause 3.18.2(f)) and in the PSOPs.</p>
10	Alinta	<p>As drafted there is a lack of clarity around obligations on both System Management and the IMO in terms of the proposed timeframes for publication of data received from Market Participants. While the rule change states that System Management must notify the IMO as soon as practicable after receiving a notification from a Market Participant, and that the IMO will work with System Management to determine the structure of the information provided, it is not clear to Alinta that this is going to translate to immediate publication, or 24 hour publication, or an alternative timeframe where other Market Participants can have certainty as to when outage</p>	<p>Refer to the IMO’s response to Issue 7.</p> <p>The IMO agrees with Alinta that greater clarity over the timelines for the IMO to publish the information it receives from System Management is necessary and has amended the obligations previously contained in section 10.2 of the Market Rules. In particular, the IMO has created new clause 10.2.3 to clarify that the information provided to it under clauses 7.13.1E and 7.13.1G will be published to Market Participants as soon as practicable after it is provided to the IMO. The IMO notes</p>

	Submitter	Comment/Change requested	IMO Response
		information will be published. Alinta would like to see further information as to the frequency that outage information will be updated and published for the wider market to consider.	that other interested members of the public will be able to request the IMO to provide outage information directly to them as the status of the information will be Public.

4.4. Public Forums and Workshops

No public forums or workshops were held with respect to this Rule Change Proposal during the first submission period

5. The IMO's Assessment

In preparing its Draft Rule Change Report, the IMO must assess the Rule Change Proposal in light of clauses 2.4.2 and 2.4.3 of the Market Rules.

Clause 2.4.2 outlines that 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”*.

Additionally, clause 2.4.3 states, when deciding whether to make Amending Rules, the IMO must have regard to the following:

- any applicable policy direction from the Minister regarding the development of the market;
- the practicality and cost of implementing the proposal;
- the views expressed in submissions and by the MAC; and
- any technical studies that the IMO considers necessary to assist in assessing the Rule Change Proposal.

The IMO notes that there has not been any applicable policy direction from the Minister or any technical studies commissioned in respect of this Rule Change Proposal. A summary of the views expressed in submissions and by the MAC is available in section 4 of this report.

The IMO's assessment is outlined in the following sub-sections.

5.1. Additional Amendments to the proposed Amending Rules

Following the first public submission period the IMO has made some additional changes to the proposed Amending Rules to:

- Remove the obligation for System Management to provide the IMO with details of distribution equipment outages;
- Clarify that System Management must provide the IMO with updated information relating to outages as soon as practicable after it becomes aware of the change; and
- Clarify that the IMO must publish information relating to outages provided to it under clauses 7.13.1E and 7.13.1G as soon as practicable to Market Participants via the Market Web Site.

The changes the IMO made to the Amending Rules presented in the Rule Change Proposal are outlined in detail in Appendix 1 of this Draft Rule Change Report.

5.2. Wholesale Market Objectives

The IMO considers that information transparency is an integral part of achieving all the Wholesale Market Objectives. In particular, the IMO considers improved transparency around outage planning (as presented in section 7 of this report) will result in improved economic efficiency in electricity generation (Wholesale Market Objective (a)), and improved efficiency in price outcomes for consumers (Wholesale Market Objective (d)).

By improving outage planning information transparency, Market Participants will be able to build a more complete picture of the market with respect to generation availability. This should lead to a more efficient allocation of resources and improved generation operations, resulting in improved efficiency in price outcomes. In particular, by providing for transparency of outages in real time Market Generators will be able to appropriately react to market signals. For example advanced transparency of a Planned Outage of a large base load generator during the shoulder periods will provide signals to other base load and mid-merit generators to re-organise planned maintenance for over the same time period and bid into the STEM and Balancing Market during the impacted Trading Intervals. Greater transparency of outages will allow the market to self-sort and determine the appropriate mix of generation providing energy thereby promoting efficient pricing outcomes whilst ensuring system reliability is maintained.

Additionally the proposed reforms to improve the transparency of outage planning information will continue to add to part of a larger and ongoing work program by the IMO to increase the transparency and availability of market related information in the WEM.

5.3. Practicality and cost of implementation

The IMO notes that IT costs will be incurred by both System Management and the IMO in implementing the proposed changes. To publish all outage information on the IMO webpage as close to real time as possible (as originally proposed) the implementation costs to the IMO's IT system to support the changes have been estimated to be in excess of \$250,000, plus \$70,000 P.A. ongoing costs. In its submission System Management notes that it does not consider it appropriate to disclose the current estimates for the proposed changes as there is potential for substantial variance before the estimates are finalised. System Management however anticipates that significant IT capital costs will be incurred to progress the IMO's proposal and notes that a finalised estimate will be determined in advance of System Management's submission on this proposal. System Management notes its intention to hold further discussions with the IMO prior to finalisation of the estimates.

The IMO notes that System Management has indicated in its submission that it would be unable to implement the proposed changes until after June 2014. System Management notes that the reason for such a delayed implementation is that the system changes required will take a period of 18 months in total, given that substantial IT development resources are currently engaged full time in completing Release B of its SMARTS systems (required to support the new Balancing and Load Following Markets). System Management notes that it is currently undertaking work to further develop and refine the project schedule, which may result in changes to the recommended timeframes for implementation of RC_2012_11 beyond the 18 months currently envisaged. The IMO has taken this advice into account in determining a provisional commencement date for the proposed Amending Rules.

Other submitting parties also noted the following points with respect to the associated costs and implementation of the changes in first period submissions:

- Synergy considers that the rule change will result in minimal system or business costs to

the market as a whole as generators are already required to provide System Management and the IMO with the outage information. Minor costs may arise for the IMO in making that information available through the market interface and in Synergy accessing that information in an efficient manner; however such costs, in Synergy's view, will likely not outweigh the benefits of information transparency. Synergy may need to change its market interface capability to access the information, in an efficient manner however this is not expected to take a significant amount of time.

- Alinta Energy, in its out of session submission, notes that the changes to the Market Rules contemplated by RC_2012_11 would require some minor updates to its systems in order to comply with the updated disclosure obligations. The changes would require updates to its IT and business system, which Alinta envisages would need a few months to ensure that Alinta is able to comply with the updated outage requirements.
- Community Electricity, Perth Energy and Verve Energy do not note any associated costs or issues with implementation of the proposed changes.

Assessment of implementation options

Given the associated costs of implementing the proposed changes the IMO considered it appropriate to assess whether any lower cost alternative options for making the information available publically could be identified. The identified alternative options along with the associated IT costs that would be incurred by the IMO² are as follows:

- Publication in the MPI with a basic user interface: approximately \$20,000
- Publication in the MPI with an advanced user interface (as signaled in original interface specification that was presented to the MAC): approximately \$75,000

Under both of these alternative publication options the IMO notes that comprehensive outage information would be made available weekly on the IMO's public website via a csv file to ensure that information is available to all interested parties. The IMO notes that the MPI platform provides additional stability and reliability to Market Participants.

The IMO considers that the significant benefits associated with the proposed changes are to existing Market Participants who will be potentially able to respond to up to date (close to real time) information on outages, i.e. by being able to respond directly to the known unavailability of facilities. While there will be benefits to new investors of being able to see outage patterns of existing facilities etc they would be unable to respond immediately to changes in conditions in the market (i.e. the unavailability of large base load facilities). As such the IMO considers that on balance it is appropriate to make the outage information available as soon as practicable to Market Participants via the MPI and provide consolidated outage files to all interested parties via the IMO's existing webpage weekly.

² The IMO notes that it has not obtained details of the costs to System Management in adopting these alternative options and notes System Management's view that it is not appropriate to provide details of costs where there is a potential for a substantial variance prior to finalization. The IMO has therefore assumed that the costs to be incurred by System Management associated with the adoption of these alternative options remain significant.

The additional benefits to Market Participants associated with implementing a more advanced user interface which allows users to view all known outages for all facilities and transmission equipment at varying timescales and drill down to access all known details of the outage will provide valuable information to Market Participants. Given the frequency that this information will be refreshed the IMO considers that being able to access outage information in a fast and easy to understand format will optimise the opportunities for Market Participants to respond to changes in conditions.

The IMO therefore considers that on balance it is most appropriate to publish close to real time outage information via the MPI with an advanced user interface. Outage information will be made available weekly to other interested parties on the IMO's webpage via a csv file.

Impacts on other market documents

The IMO notes that the proposed changes will also require the following potential updates to market documents:

- System Management will need to consider updates to the PSOP: Facility Outages to better reflect the required process for updating the SMMITS system with information on Scheduled Outages following a period where it has been unavailable (as noted in section 4.3).
- The IMO and System Management will need to review the Market Procedure: IMS Interface to ensure that the format of outage data, including the statuses of outages, to be provided to the IMO (as to be agreed between both parties during the second consultation period for this rule change) is correctly reflected.
- The IMO will need to complete its assessment of the status of each piece of information proposed to be made Public in light of any further comments on this matter received during the second submission period. Note that the IMO's preliminary view is that all information should be made Public given the significant associated benefits. Following the completion of its assessment the IMO will need to review the confidentiality list to ensure that the status of each piece of information to be published is correctly reflected.

6. The IMO's Proposed Decision

After taking into account the costs associated with the proposed publication of all outage information on the IMO's webpage the IMO considers that on balance while there are likely to be substantive benefits associated with the publication of outage information it is most appropriate to publish real time outage information on the MPI. Outage files will be made more widely available to interested parties via csv files to be published weekly on the IMO's webpage.

The IMO's proposed decision is therefore to accept the Rule Change Proposal as modified by the amendments outlined in section 5.1 and specified in Appendix 1 of this report.

6.1. Reasons for the decision

The IMO proposes to accept the Amending Rules, as updated following the first submission period to reflect, on the basis that the Amending Rules:

- Better achieve Wholesale Market Objective (a) and (d) and are consistent with the remaining Wholesale Market Objectives.

- Have the general support of the MAC;
- Have the general support of the majority of submissions received during the first submission period; and
- Consideration of the costs of alternative publication options undertaken by the IMO has identified that adopting the alternative option of publishing information on the MPI rather than the IMO's webpage provides a more cost effective solution that will continue to deliver the significant benefits associated with publishing outage information.

6.2. Proposed Commencement details

The Amending Rules are proposed to commence at 8:00 AM on 1 July 2014.

7. Proposed Amending Rules

The IMO proposes to implement the following Amending Rules (added text, ~~deleted text~~):

3.18.6. The information submitted in an Outage Plan must include:

- the identity of the Facility or item of equipment that will be unavailable;
- the quantity of any de-rating for each Trading Interval where, if the Facility is a generating system, this quantity is in accordance with clause 3.21.5;
- the reason for the outage;
- the proposed start and end times of the outage;
- an assessment of risks that might extend the outage;
- details of the time it would take the Facility or item of equipment to return to service, if required; and
- contingency plans for the early return to service of the Facility or item of equipment ("**Outage Contingency Plans**").

7.13.1D. System Management must as soon as practicable after:

- System Management receives a request for a Planned Outage of a Facility or item of transmission equipment; or
- System Management becomes aware of any event having occurred which results in a change to the information described in clause 7.13.1E,
provide to the IMO any relevant new or amended information outlined in clause 7.13.1E.

The IMO notes that it will continue to work with System Management during the second submission period to determine the structure of the information to be provided under clause 3.18.6 and whether this will be in an appropriate format for publication. The IMO notes that changes to the Market Rules to reflect the outcomes of these discussions may be required.

7.13.1E The information required to be provided by System Management to the IMO under clause 7.13.1D must include:

- (a) whether the request is for a Scheduled Outage or Opportunistic Maintenance;
- (b) the information provided under clause 3.18.6;
- (c) the time and date when:
 - i. the Outage Plan was received by System Management;
 - ii. the Outage Status was amended by System Management; and
 - iii. the Planned Outage was approved or rejected by System Management;
and
- (d) the actual start and end times of the outage as reflected in System Management's outage schedule, if these vary from the proposed start and end date and time provided under clause 3.18.6(d).

7.13.1F. System Management must as soon as practicable after:

- (a) System Management receives a notification of a Forced Outage or Consequential Outage of a Facility or item of transmission equipment; or
- (b) System Management becomes aware of any event having occurred which results in a change to the information described in clause 7.13.1G,
provide to the IMO any relevant new or amended information outlined in clause 7.13.1G.

7.13.1G. The information required to be provided by System Management to the IMO under clause 7.13.1F must include:

- (a) whether the outage is considered to be a Forced Outage or Consequential Outage;
- (b) the information provided under clause 3.21.4 and updated under clause 3.21.7;
- (c) the time and date when:
 - i. the Forced Outage or Consequential Outage was first notified to System Management;
 - ii. the Outage Status was amended by System Management; and
 - iii. System Management determined whether a Consequential Outage occurred under clause 3.21.2; and
- (d) the actual end time of the outage, if this varies from the estimated end time for the outage provided under clause 3.21.4(b).

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:

...

- (zC) summary information on Disputes in progress that may impact other Rule Participants;
- (zD) ~~schedules of Planned Outages~~; [Blank];
- (zE) the current Non-Balancing Dispatch Merit Order;
- (zF) audit reports;
- (zG) documentation of the functionality of:
 - i. any software used to run the Reserve Capacity Auction;
 - ii. the STEM Auction software; and
 - iii. the Settlement System software; and
- (zH) information relating to Commissioning Tests which is supplied under clause 3.21A.16 by System Management.

10.5.3. The IMO must under clause 10.2.1 set the class of confidentiality status for the information outlined in clauses 7.13.1E and 7.13.1G as Public and the IMO must make each item of information available to Market Participants from the Market Web Site as soon as practicable after that information becomes available to the IMO.

System Management assigns a number of additional statuses for outage information under the MPI that are not directly referred to in the Market Rules. The IMO does not consider it either necessary or appropriate to reflect these explicitly in the proposed definition of Outage Status. The IMO will however work directly with System Management to determine which outage statuses would be appropriate to publish – noting that they will need to clearly reflect the stage of the process that the Outage Plan is currently at.

Chapter 9

Outage Status: The status of any outage received or notified to System Management which may include requested, acceptable, unacceptable, acceptable under certain circumstances, approved, rejected and cancelled.

Appendix 1. Further Amendments to the Proposed Amending Rules

The IMO has made some amendments to the Amending Rules following the second submission period. These changes are as follows (~~deleted text~~, added text):

7.13.1D. System Management must as soon as practicable after:

- (a) System Management receives a request for a Planned Outage of a Facility or item of transmission equipment; or
- (b) System Management becomes aware of any event ~~occurs~~ having occurred which results in a change to the information described in clause 7.13.1E,

provide to the IMO any relevant new or amended information outlined in clause 7.13.1E.

7.13.1F. System Management must as soon as practicable after:

- (a) System Management receives a notification of a Forced Outage or Consequential Outage of a Facility or item of transmission equipment; or
- (b) System Management becomes aware of any event ~~occurs~~ having occurred which results in a change to the information described in clause 7.13.1G,

provide to the IMO any relevant new or amended information outlined in clause 7.13.1G.

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:

...

(zC) summary information on Disputes in progress that may impact other Rule Participants;

(zD) ~~the information outlined in clauses 7.13.1E and 7.13.1G~~ [Blank];

(zE) the current Non-Balancing Dispatch Merit Order;

(zF) audit reports;

(zG) documentation of the functionality of:

- i. any software used to run the Reserve Capacity Auction;
- ii. the STEM Auction software; and
- iii. the Settlement System software; and

(zH) information relating to Commissioning Tests which is supplied under clause 3.21A.16 by System Management.

10.5.3. The IMO must under clause 10.2.1 set the class of confidentiality status for the information outlined in clauses 7.13.1E and 7.13.1G as Public and the IMO must make each item of information available to Market Participants from the Market Web Site as soon as practicable after that information becomes available to the IMO.