



INDEPENDENT
MARKET
OPERATOR

Final Rule Change Report

Title: RC_2012_11: Transparency of Outage Information

RC_2012_11

Standard Rule Change Process

Date: 16 April 2013

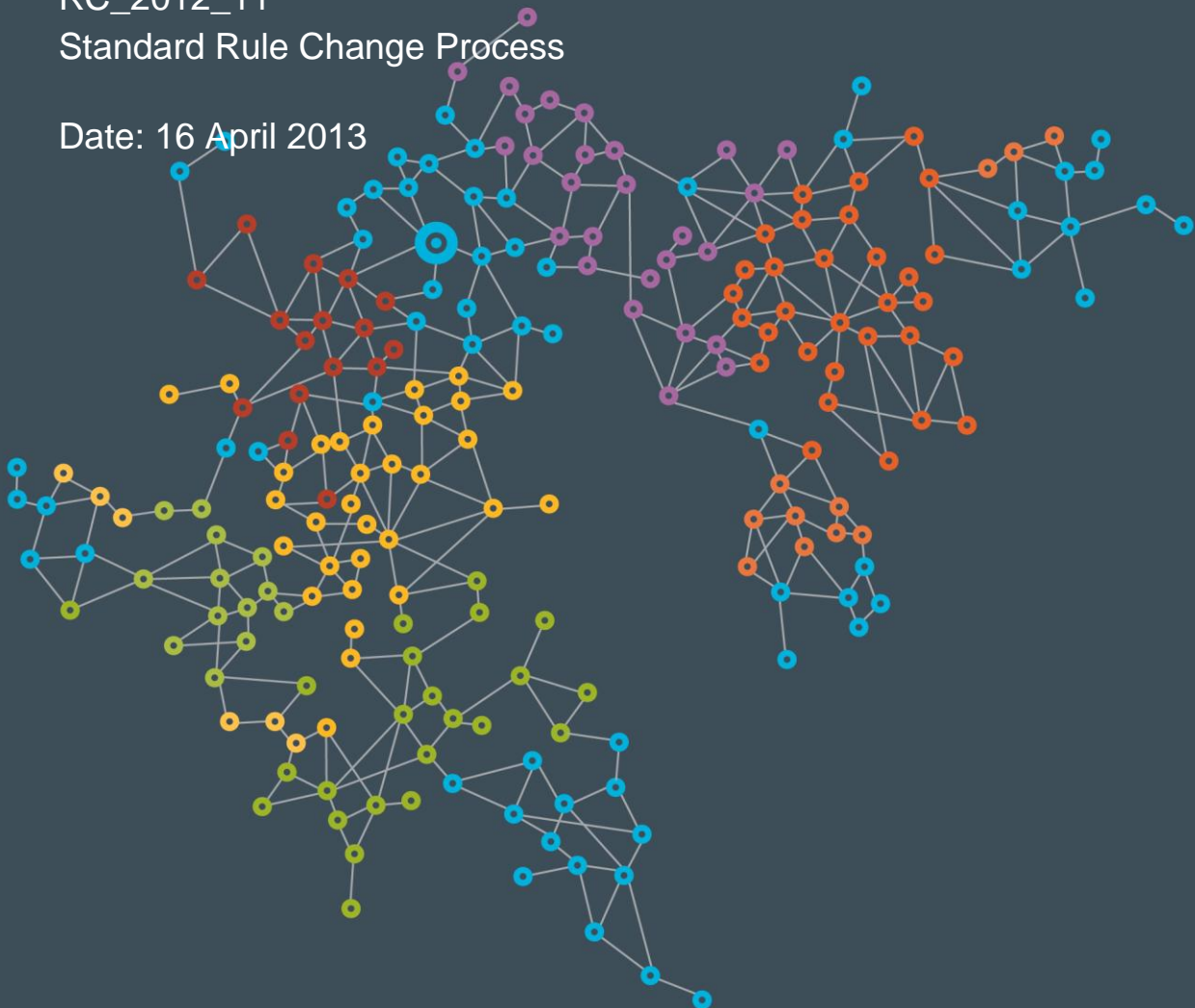


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Executive Summary

Proposed amendments

The Rule Change Proposal intends to introduce new standards for the disclosure of information relating to outages and is, aimed at improving transparency in the market. The proposed amendments are in response to recommendations made by PA Consulting's as part of the 5 Year Review of the Outage Planning Process¹.

These final proposed amendments relate to the disclosure of information about Planned Outages, Forced Outages and Consequential Outages for Scheduled and Non-Scheduled Generators. The IMO notes that as a result of the cost, complexity and timeframes for implementation, the scope of the final proposal is narrower than that of the original Rule Change Proposal which also sought to include transmission and distribution outages. The IMO intends to continue investigating options to increase the transparency and availability of outage information in these areas separately.

Consultation

- A Concept Paper was discussed at the 13 June 2012 meeting of the Market Advisory Committee (MAC) and a Pre Rule Change Proposal was subsequently discussed by the MAC at the 11 July 2012 meeting.
- The IMO formally submitted the Rule Change Proposal on 30 July 2012.
- The first submission period was between 31 July 2012 and 10 September 2012. Submissions were received from Community Electricity, Perth Energy, Synergy, System Management and Verve Energy and an out of session submission was received from Alinta Energy. While submissions were generally supportive of the proposal, a number of issues were raised for the IMO's consideration, particularly by System Management.
- The second submission period was between 10 October 2012 and 6 November 2012. Submissions were received from Community Electricity, Synergy and Verve Energy and an out of session submission was received from System Management on 7 November 2012. Again, the submissions generally supported the intention of the Rule Change Proposal however, Verve raised concerns around confidentiality and System Management raised issues around the potential costs of implementation.
- In order to further consider costs, complexities and time frames issues raised by System Management in its out of session submission, the IMO extended the publication date for the Final Rule Change Report on 4 December 2012 to 22 March 2013.
- On 21 March 2013 the IMO extended the publication date for the Final Rule Change Report to 16 April 2013 in order to allow the IMO sufficient time to complete its assessment of the proposal and the issues raised.

¹ Further details on the review are available at: <http://www.imowa.com.au/n4540.html>

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

In its out of session submission on 7 November 2012 System Management provided high level cost estimates associated with the implementation of the Proposed Rule Change. Estimates included approximately \$870,000 of capital expenditure and \$300,000 of ongoing operating expenditure, subject to variation of up to 50%. System Management also estimated that it would take at least 18 months for the changes to be implemented, noting that the Amending Rules should therefore not commence before June 2014.

During the extension period for the Final Rule Change Report, the IMO has explored alternative options with System Management for achieving outage transparency within a reasonable time frame and budget. The major changes to the Rule Change Proposal which resulted from the consultation involved:

- limiting the outage information being disclosed under the rule change to only Scheduled Generator and Non-Scheduled Generator outage information (previously the rule change proposal had included the provision of transmission outage information, as System Management also has obligations to manage and approve the scheduling of transmission outages); and
- limiting the obligation on System Management to provide outage information to the IMO to only those instances where the outage information has already been entered into System Management's computer interface system.

In response to these revisions to the proposed Amending Rules, System Management provided revised implementation costs of \$61,724. This estimate includes a 30% contingency (but excludes any ongoing operating costs required to support and maintain system changes) and an implementation timeframe of mid-September 2013.

The IMO notes that the Draft Rule Change Report considered provision of the information via the Market Participant Interface (MPI) via an advanced user interface, whilst also making information available weekly on the Market Web Site. Following consultation, the information is now proposed to also be made available to Market Participants for download via web services.

The IMO estimates that the internal implementation costs for the provision and access to the information across the three interfaces is approximately \$102,000, an increase of \$27,000 from the option presented in the Draft Rule Change Report which did not include web services. The IMO will be able to implement the necessary changes by 1 October 2013.

Based on both the IMO's and System Management's estimates the total cost would be approximately \$163,724.

The IMO's Decision

The IMO's decision is to accept the Rule Change Proposal as modified following the first and second submission periods.

Next Steps

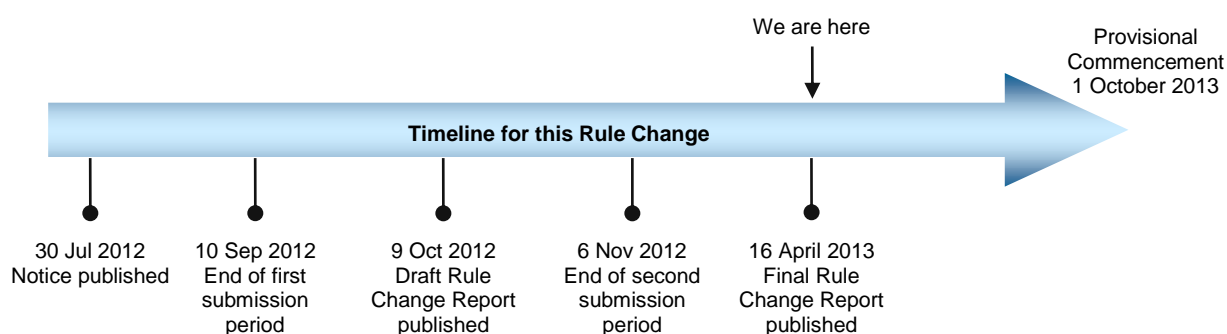
The Amending Rules will commence at **8.00 AM** on 1 October 2013.

1. Rule Change Process and Timetable

On 30 July 2012 the IMO submitted a Rule Change Proposal regarding amendments to numerous clauses 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. Proposed Amendments

2.1. 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 already discloses 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. Regardless of the information already available, the IMO considers that there have been instances where a lack of transparency may have resulted in suboptimal outcomes for Market Participants and energy consumers that are contrary to the Wholesale Market Objectives.

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. Specifically, this Rule Change Proposal seeks to create provisions which ensure information on Planned, Forced and Consequential Outages are published and available to Market Participants.

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

2.2. Initial Assessment of the 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.

3. Consultation

3.1. The Market Advisory Committee

The MAC discussed the proposed changes as a Concept Paper during the 13 June 2012 meeting and as a Pre Rule Change Proposal at the 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 introduced the pre Rule Change Proposal and outlined that the 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>

3.2. Submissions and the IMO's responses for the first submission period

The first submission period for was held 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.

The assessment by submitting parties as to whether the proposal would better achieve the Wholesale Market Objectives is summarised 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.
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.

A copy of all submissions received during the first submission period is available on the Market Web Site: http://www.imowa.com.au/RC_2012_11

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

The IMO's response to these submissions received during the first submission period is detailed in Section 4.3 of the Draft Rule Change Report available on the Market Web Site: http://www.imowa.com.au/RC_2012_11

3.4. Submissions received during the second submission period

Following publication of the Draft Rule Change Report on the Market Web Site, the second submission period was between 10 October 2012 and 6 November 2012.

Submissions were received from Community Electricity, Synergy and Verve Energy. An out of session submission was received from System Management on 7 November 2012.

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

Submitter	Comments
Community Electricity	<p>Community Electricity supported the Draft Rule Change Report, particularly the IMO's proposals to:</p> <ul style="list-style-type: none"> exclude publication of outage information on distribution equipment from this Rule Change; and require System Management to provide outage information as soon as practicable, including Forced and Consequential Outages. <p>Community Electricity supported full publication of outage information because it</p>

Submitter	Comments
	promotes more efficient competition.
Synergy	<p>Synergy supported the proposed amendments and noted that the outage information could not reasonably be characterised as being confidential such that its disclosure creates sufficient commercial disadvantage to the providing participant that would exceed the benefit to the wider market.</p> <p>Synergy noted its support for obligations being placed on System Management and the IMO that ensure outage information is provided to the market as soon as practicable. Synergy also suggested that outage information be made available via web services and that the IMO consider a staged implementation of the rule change.</p>
System Management (Out of session)	System Management expressed concern in regard to the scope and costs of the rule change and also any requirements that might be placed on System Management to determine and enter outage data on behalf of participants. System Management noted that this rule change would require it to build a number of new systems and processes.
Verve Energy	<p>Verve Energy supported the intent of the Rule Change Proposal but considers that a number of issues require further consideration by the IMO. These included:</p> <ul style="list-style-type: none"> • the potential reduction in the quality of outage information provided to System Management; • disclosure of commercial information; and • the timing relating to progression of the phase two outage recommendations and the availability of the outage information via both web services and the MPI. <p>Verve Energy also suggested two minor amendments to improve the clarity and consistency of the proposed amendments.</p>

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

Submitter	Wholesale Market Objective Assessment
Community Electricity	None provided.
Synergy	Better achieves Wholesale Market Objectives (a) and (d).
System Management (out of session)	Did not comment specifically on the Wholesale Market Objectives, however, pointed out that the high costs associated with the rule change [as it currently stood] may outweigh any efficiency gains.
Verve Energy	Consistent with the Wholesale Market Objectives.

A copy of all submissions received during the second submission period is available on the Market Web Site at http://www.imowa.com.au/RC_2012_11.

3.5. The IMO's response to submissions received during the second submission period

The IMO's response to each of the issues identified during the second submission period is presented in Appendix 1 of this Final Rule Change Report.

3.6. Further discussion and issues relating to the proposed Amending Rules

On 4 December 2012 the IMO extended the publication date of the Final Rule Change Report to 22 March 2013 so that it could explore alternative options with System Management for achieving outage transparency within a reasonable time frame and budget. The IMO also took the opportunity to discuss issues surrounding confidentiality and the quality of outage information that were raised by Verve Energy in its second submission provided in response to the Draft Rule Change Report.

Consultation with System Management

The discussions were initiated by the IMO in an attempt to reduce the costs and time required by System Management to implement the Rule Change Proposal. The major changes to the Rule Change Proposal which resulted from the discussions involved:

- limiting the outage information being disclosed under the rule change to only Scheduled Generator and Non-Scheduled Generator outage information (previously the rule change proposal had included the provision of transmission outage information, as System Management also has obligations to manage and approve the scheduling of transmission outages); and
- limiting the obligation on System Management to provide outage information to the IMO to only those instances where the outage information has already been entered into System Management's computer interface system.

Further details in regard to these changes are provided in the relevant sections including section 6.3 Practicality and Cost of Implementation and Appendix 1.

Consultation with Verve Energy

Issue 1

In its second submission, Verve Energy raised issues regarding the commercial sensitivity of certain outage information². In response to Verve Energy's submission the IMO requested that Verve Energy provide specific examples and empirical evidence to support its claim that it may suffer a loss of competitive advantage if certain outage information in regard to its facilities is disclosed. Verve Energy provided an email response to the IMO which in the IMO's opinion did not provide information that could substantiate Verve Energy's claims. The IMO has consolidated its response to this email with its response to the issues raised by Verve Energy in its second submission. These can be found in issue 11 of Appendix 1.

Issue 2

The IMO also consulted with Verve Energy on an issue which it raised in its second submission regarding the potential reduction in the quality of information from Market Participants to System

² Specifically: (a) the reason for a Verve outage (b) Verve's assessment of the risks which might extend the outage (c) Verve's contingency plans for the early return to service of one its facilities.

Management given a situation of increased outage information transparency. The IMO requested that Verve Energy provide specific examples where this might be the case and demonstrate how it might lead to inefficiencies for System Management in undertaking its role in the outage planning process.

Verve Energy provided an email response to the IMO which in the IMO's opinion did not substantiate Verve Energy's concerns. The IMO has consolidated its response to this email with its response to the issues raised by Verve Energy in its second submission. These can be found in issue 10 of Appendix 1.

4. The IMO's Draft Assessment

The IMO's draft assessment, against clauses 2.4.2 and 2.4.3 of the Market Rules, and analysis of the Rule Change Proposal can be viewed in the Draft Rule Change Report available on the Market Web Site: http://www.imowa.com.au/RC_2012_11.

5. The IMO's Draft Decision

The IMO's proposed decision was to accept the amended Rule Change Proposal. The wording of the relevant Amending Rules was presented in section 7 of the Draft Rule Change Report.

The IMO made its proposed decision on the basis that the Amending Rules:

- better achieved Wholesale Market Objective (a) and (d) and were consistent with the remaining Wholesale Market Objectives;
- had the general support of the MAC; and
- had the general support of the majority of submissions received during the first submission period.

6. The IMO's Final Assessment

In preparing the Final Rule Change Report, the IMO must assess the Rule Change Proposal in against 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 in respect of this Rule Change nor has it commissioned a technical review in respect of this Rule Change Proposal. A summary of the views expressed in submissions and by the MAC is available in section 3 of this Final Rule Change Report.

The IMO's final assessment of the Rule Change Proposal is inclusive of additional amendments which reflect submissions to both the first and second consultation periods as well as information provided in subsequent consultations with System Management and Verve Energy.

An explanation of the amendments proposed to the Amending Rules following the first consultation period are outlined in the Draft Rule Change Report, available on the Market Web Site: http://www.imowa.com.au/RC_2012_11.

The following section outlines the changes resulting in the Final Amending Rules, following the second consultation period.

6.1. Further amendments to the proposed Amending Rules

Additional amendments following the second consultation period are included in Appendix 2 of this report. The additional amendments include the following:

- No longer amend clause 3.18.6(b) to insert “for each Trading Interval”.³
- Update amendments to clause 7.13.1D to:
 - reflect the revised requirement on System Management to provide the IMO with outage information only where that information has been already entered into System Management's computer interface system;
 - reflect the reduced scope of the rule change which now requires System Management to provide the IMO with only Scheduled Generator and Non-Scheduled Generator outage information; and
 - provide a reference to the transfer requirements set out in the IMS Interface Market Procedure.
- Update amendments to clause 7.13.1E to:
 - Remove the requirement on System Management to provide the information under recently commenced clause 3.18.6(h) as this information relates to Network Operator outages and is outside the scope of this rule change which deals with only Scheduled Generator or Non-Scheduled Generator outage information;

³System Management Market Information Technology System (SMMITS) allows only one level of de-rating to be entered for a Planned Outage between the start and end time of the outage. It is therefore unnecessary and potentially confusing to specify that a de-rating level must be provided for each Trading Interval.

- remove requirements on System Management to provide to the IMO certain information which it would already be required to provide the IMO given the requirements in clause 7.13.1D for System Management to provide the IMO “any relevant new or amended information outlined in 7.13.1E”; and
- remove the requirement on System Management to provide the MW de-rating information under clause 3.18.6(b) and replace it with a specific requirement on System Management to provide the IMO with the MW quantity of any de-rating to a Scheduled Generator or Non-Scheduled Generator as measured on a sent out basis at 15 degrees Celsius⁴.
- Update amendments to clause 7.13.1F to:
 - reflect the revised requirement on System Management to provide the IMO with outage information only where that information has been already entered into System Management’s computer interface system;
 - reflect the reduced scope of the rule change which now requires System Management to provide the IMO with only Scheduled Generator and Non-Scheduled Generator outage information; and
 - provide a reference to the transfer requirements set out in the IMS Interface Market Procedure.
- Update amendments to clause 7.13.1G to:
 - remove requirements on System Management to provide to the IMO certain information which it would already be required to provide the IMO given the requirements in

⁴ This amendment is required because clauses 3.21.5 and 3.21.6 as currently drafted, do not make clear which measure of an outage de-rating (15 or 41 degrees) should be recorded by Market Participants into SMMITS. The IMO considers that there is also a number of associated issues relating to these clauses which require separate consideration and consultation. These include the following issues:

- whilst these clauses provide guidance on estimating the amount of a de-rating for Scheduled Generators through references to certain items of Standing Data, they do not provide similar guidance for Non-Scheduled Generators;

- the MW value entered into System Management’s computer interface system in the outage MW field is the generated value which is then converted to a sent out value by System Management’s computer interface system. However, clauses 3.21.5 and 3.21.6 require participants to enter the de-rating on a sent out basis into System Management’s computer interface system. This is material because the generated and sent out values in some cases may differ from each other.

The aforementioned issues relate to the transfer of outage information between Market Participants and System Management and are beyond the scope of this rule change which pertains to the transfer of outage information between System Management and the IMO and the publication of that information by the IMO. The IMO will consider these issues in a separate process to this rule change.

7.13.1D for System Management to provide the IMO “any relevant new or amended information outlined in 7.13.1E”;

- remove the requirement on System Management to provide the MW de-rating information under clause 3.18.6(b) and replace it with a specific requirement on System Management to provide the IMO with the MW quantity of any de-rating to a Scheduled Generator or Non-Scheduled Generator as measured on a sent out basis at 15 degrees Celsius⁵; and
- remove the requirement for System Management to provide the IMO the time and date when it was first notified of a Consequential Outage as Market Participants do not “notify” SM of a Consequential Outage but rather provide to System Management the relevant details of the outage for System Management to determine whether or not the outage should be deemed as a Consequential Outage and entered into SMMITS as such.
- Update amendments to clause 10.5.3 to better clarify how the IMO will be obliged to disclose outage information.
- Remove the proposed new Glossary term “Outage Status” from the Amending Rules.

The changes the IMO made to the Amending Rules presented in the Draft Rule Change Report are outlined in detail in Appendix 2 of this Final Rule Change Report.

6.2. 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 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, 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; and
- by providing information that will encourage Market Participants with coal fired generators to avoid taking Planned Outages at the same time, the proposed amendments help mitigate the risk to the market of exposure to high Short Term Energy Market and Balancing Prices that might result from an event such as a gas disruption or a Forced

⁵ Ibid.

Outage of another coal generator.

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.

6.3. 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.

IMO implementation costs and timeframes

In the Draft Report the IMO decided that, on balance, the most pragmatic and cost-effective approach to publication of outage information was to publish outage information via the MPI with an advanced user interface whilst also making comprehensive outage information available weekly on the IMO's public website via a csv file to ensure that information is available to all interested parties.

Following recommendations from Verve Energy and Synergy in their second submissions that outage information should be made available to participants via web services, the IMO undertook an assessment of the costs of providing outage information via web services and estimates this to be approximately \$27,000. Given the relatively small additional costs in providing web services the IMO considers that it would be appropriate to provide outage information via both web services for the benefit of those Market Participants using web services as well as through the MPI for the large number of Market Participants which do not have systems in place that allow them to use web services. The IMO estimates that it will be able to implement this rule change by 1 October 2013 at a cost of \$102,000.

System Management implementation costs and timeframes

In its out of session submission on November 7 2012 System Management noted that there would be significant changes required to its new and existing market related business systems as well as ongoing recurring reporting and maintenance costs. System Management provided high level cost estimates to implement this rule change of \$870,000 of capital expenditure and \$300,000 of ongoing operating expenditure, subject to variation of up to 50%. System Management also estimated that it would take at least 18 months for System Management to implement the rule change, noting that it should not commence before June 2014.

In light of the significant costs, complexities and timeframes noted in System Management's submission associated with the implementation of RC_2012_11 as proposed in the Draft Rule Change Report. The IMO elected to extend the date for publication of the Final Rule Change Report so that it could explore alternative options with System Management for achieving outage transparency within a reasonable time frame and budget.

Following initial consultation with System Management it became apparent that a significant portion of the implementation costs and timeframes detailed in System Management's out of session submission were associated with the provision of transmission outage information to the

IMO. The IMO subsequently meet with Western Power to better understand what outage information was being recorded in SMMITS. This meeting confirmed that all the relevant generator outage information sought under this rule change was already being captured in SMMITS.

On the basis of the outcomes from the aforementioned consultations the IMO elected to modify the rule change so that System Management would be required to provide to the IMO only Scheduled Generator and Non-Scheduled Generator outage information. The IMO also amended the rule change to limit the obligation on System Management to provide outage information to the IMO to only those situations where the outage information has already been entered into System Management's computer interface system in order to address a concern raised by System Management in its out of session submission (for further details refer to issue 8 of Appendix 1).

On the basis of these revisions System Management submitted to the IMO a revised implementation cost estimate of \$61,724. This included a 30% contingency but no provision for any ongoing operating costs to maintain and support the system changes. System Management estimated that implementation would be completed by mid-September 2013, noting however, that this estimate does not contain any contingencies for unforeseen changes to either the project or other unforeseen business priorities that may impact on the resources required to deliver the system changes necessary for this rule change.

Implementation costs and timeframes identified by other parties

Other submitting parties also noted the following points with respect to the associated costs and implementation of the changes in submissions on the Draft Rule Change Report:

- Synergy expected that it will incur some IT implementation costs as a result of this rule change proceeding. The nature, extent and cost of those changes will depend on what format the IMO makes the outage information available.
- Verve Energy expected that it may require changes to its IT and business systems in order to access the data (whether it be via the MPI or web services). Verve Energy considers that this is within its "business as usual" activities and will not incur any significant additional costs in doing so.

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 SMMITS has been unavailable;
- System Management will need to consider amending the PSOP: Facility Outages to require Market Participants to enter Forced Outage information into System Management's computer interface system as soon as practicable; and
- 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 is correctly reflected.

7. The IMO's Final Decision

Based on the matters set out in this report, the IMO decision is to accept the Rule Change Proposal as modified following the first and second submission periods.

7.1. Reasons for the decision

The IMO has made its decision 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

Additional detail outlining the analysis behind the IMO decision is outlined in section 6 of this Final Rule Change Report.

8. Amending Rules

8.1. Commencement

The amendments to the Market Rules resulting from this Rule Change Proposal will provisionally commence at **8.00 am** on 1 October 2013.

8.2. Amending Rules

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

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

- (a) the identity of the Facility or item of equipment that will be unavailable;
- (b) the quantity of any de-rating where, if the Facility is a generating system, this quantity is in accordance with clause 3.21.5;
- (c) the reason for the outage;
- (d) the proposed start and end times of the outage;
- (e) an assessment of risks that might extend the outage;
- (f) details of the time it would take the Facility or item of equipment to return to service, if required; and

- (g) contingency plans for the early return to service of the Facility or item of equipment (“**Outage Contingency Plans**”); and
- (h) if the Outage Plan is submitted by a Network Operator, a confirmation that the Network Operator has used best endeavours to inform any Market Generator with a Scheduled Generator or Non-Scheduled Generator impacted by the unavailability of the relevant item of equipment of the proposed outage.

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

- (a) System Management receives a request via System Management’s computer interface system for a Planned Outage of a Scheduled Generator or a Non-Scheduled Generator; or
- (b) System Management becomes aware via System Management’s computer interface system of 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 in accordance with the transfer requirements set out in the IMS Interface Market Procedure.

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 clauses 3.18.6(a) and 3.18.6(c) - (g);
- (c) the time and date when:
 - i. the Outage Plan was received by System Management;
 - ii. any amendment to the outage status occurred; and
- (d) the MW quantity of any de-rating to a Scheduled Generator or Non-Scheduled Generator, as measured on a sent out basis at 15 degrees Celsius

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

- (a) System Management receives a notification of a Forced Outage via its computer interface system or records in its computer interface system that a Consequential Outage has occurred for a Scheduled Generator or a Non-Scheduled Generator; or
- (b) System Management becomes aware via System Management’s computer interface system of any 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 in accordance with the transfer requirements set out in the IMS Interface Market Procedure.

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 clauses 3.21.4(a) - 3.21.4(d);
- (c) the time and date when:
 - i. the Forced Outage was first notified to System Management;
 - ii. the outage status was amended by System Management; and
 - iii. System Management recorded in its computer interface system that a Consequential Outage occurred as determined under clause 3.21.2; and
- (d) the MW quantity of any de-rating to a Scheduled Generator or Non-Scheduled Generator, as measured on a sent out basis at 15 degrees Celsius

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 after that information

becomes available to the IMO the IMO must make each item of information available to Market Participants via the Market Participant Interface and web services as soon as practicable and available to the public weekly via the IMO's public web site.

Appendix 1. Responses to Submissions received during the second submission period

	Submitter	Comment/Change requested	IMO Response
1	Synergy	In a market based around gate closures, i.e. there is a reducing window to react to information, efficiency is maximised by the earliest possible publication of new information that can affect outcomes. In regard to outages, Synergy interprets this to mean that information about outages, including changes to initially advised information, should be made published to the market as soon as practically possible after System Management/IMO become aware of it. Accordingly, Synergy agrees with the IMO's position that it would be inappropriate to amend clause 7.13.1F such that the requirement for System Management to supply information in relation to an outage be delayed until receipt of the full and final details of the outage.	<p>The IMO agrees that outage information should be made available to the market as soon as practicable after System Management or the IMO become aware of it.</p> <p>However, the IMO also notes the costs and issues associated with System Management entering outage information into SMMITS on behalf of participants (as detailed in issue 8).</p> <p>The IMO has therefore amended the drafting of this rule change to limit the obligation on System Management to provide outage information to the IMO, to only those instances where the outage information has already been entered into System Management's computer interface system.</p> <p>In an effort to ensure that Market Participants are provided with Forced Outage information as soon as practicable, the IMO has requested that System Management give consideration to amending the PSOP: Facility Outages, so as to require Market Participants to enter Forced Outage information into System Management's computer interface system as soon as</p>

	Submitter	Comment/Change requested	IMO Response
			<p>practicable (please refer to the IMO's response to issue 8 for further details).</p> <p>The IMO notes that under new clause 10.5.3, after the outage information in clauses 7.13.1E and 7.13.1G has been made available to the IMO, the IMO shall be obliged to make that outage information available to Market Participants as soon as practicable via the Market Participant Interface and web services.</p>
2	Synergy	<p>Synergy notes the IMO's careful consideration of implementation options and associated costs with the IMO deciding in favour of publishing real time outage information on the MPI with aggregated outage files periodically available via csv download from the IMO's market website. Synergy supports the IMO decision to proceed with making real time outage information available, as much as it is practical to do so, as a key initiative to improve outage transparency.</p> <p>However, while there is some merit in providing a relatively comprehensive interface with the MPI with which to interrogate the available information, Synergy strongly suggests that equal consideration be given to making the information available through the market's report interface for download via web services. Synergy's view is providing outage information via the report interface will enable participants to automatically download information when needed or periodically, so that the most recent information is always available to participants in a format which allows it to be arranged, queried and presented in the participant's own systems so as to suit the operational and risk management needs of the participant.</p>	<p>The IMO agrees that providing outage information through the market's report interface for download via web services would provide significant benefits to those Market Participants using web services. The IMO also notes that a significant number of Market Participants do not have access to web services.</p> <p>The IMO has therefore elected to provide the outage information both via web services and through a user interface in the MPI. This will ensure that all Market Participants have access to close to real time outage information. For further details please refer to section 6.3.</p>

	Submitter	Comment/Change requested	IMO Response
3	Synergy	Synergy notes that the proposed rule change has the general support of the MAC and of the majority of first round submissions and accordingly considers that there is merit in proceeding with implementation in a time efficient manner so that the benefits of improved outage transparency can begin to flow to the market. Given the proposed implementation date is July 2014, more than 18 months into the future, Synergy requests the IMO to consider whether a staged implementation is possible. Synergy recognises that this would require negotiation between the IMO and System Management, noting that System Management's primary attention is focused on delivering its SMARTS systems, but nevertheless takes the view that it would be worth exploring whether a staged implementation was feasible, for example whether clauses 7.13.1D and 7.13.1E could be implemented ahead of clauses 7.13.1F and 7.13.1G	<p>The IMO has undertaken consultation with System Management in an effort to reduce the cost and timeframes associated with implementing this rule change. From this consultation the IMO has identified that the implementation timeframes and costs can be significantly reduced by limiting the scope of this rule change to include only on Scheduled Generator and Non-Scheduled Generator outages. The IMO shall progress transparency of distribution and transmission outages separate to this rule change at a later date.</p> <p>The IMO notes that staging the implementation of Forced and Planned outage information will not result in any substantial reduction to the time required by System Management to implement this rule change because all the information being provided by System Management is already currently captured in SMMITS. The IMO has therefore elected to implement requirements on System Management to provide the IMO both Forced and Planned Generator outage information.</p>
4	System Management	Although, they can easily be read otherwise, the IMO has confirmed that the amendments described on page 12 are intended to restrict the obligation [on System Management to provide relevant information to the IMO about a Facility] to a	The IMO acknowledges the potential for ambiguity in this instance given that a "Facility", as defined under clause

	Submitter	Comment/Change requested	IMO Response
		<p>subset of the facilities holding capacity credits i.e. that DSP, SIL's etc. should be excluded. System Management notes that the implementation cost estimate attached to this submission assumes this will be the case. To avoid doubt, a proposal that includes obligations on System Management to provide real time operational information in relation to DSP's would require a major investment of time and resources.</p>	<p>2.29.1, can include any of the following:</p> <ul style="list-style-type: none"> -a distribution System -a transmission system -a generation system -a connection point; and -a Demand Side Programme <p>As noted in further detail in section 6.3, to reduce the implementation costs and timeframes of this rule change the IMO elected to limit the type of outage information to be provided by System Management to the IMO to only that which relates to Scheduled Generators and Non-Scheduled Generators.</p>
5	System Management	<p>The IMO has also confirmed that the proposal intends to remove distribution network elements from the proposal. System Management and the IMO have discussed the IMO's proposed revised drafting at Appendix 1, and the IMO has undertaken to review its approach before finalising its decision.</p> <p>Removing the obligations with respect to the distribution network elements is unlikely to result in significant savings in the cost of implementation. These elements are components of the Equipment List model that must be built to govern the new systems and processes and the incremental cost of providing this information to the IMO would not be large.</p>	<p>As noted in issue 3, to reduce the implementation costs and timeframes of this rule change the IMO has limited the type of outage information to be provided by System Management to the IMO to only that which relates to Scheduled Generators and Non-Scheduled Generators.</p> <p>Under the revised scope of this rule change, which now excludes both distribution and transmission outage information, System Management will not be required to build an equipment list model, as all the required Scheduled</p>

	Submitter	Comment/Change requested	IMO Response
			and Non-Scheduled Generator information is already being captured in SMMITS.
6	System Management	<p>System Management perceives that, at least for the moment, the nature of the relationship with distribution generators is more commercial/ contractual than technical in nature.</p> <p>Failure to comply with a dispatch instruction from System Management is a breach of their Reserve Capacity agreement with the IMO, but is not generally a major concern for System Management from a system security perspective. This means that any additional resources necessary to manage the technical aspects of the connection do not generate much in the way of meaningful efficiency benefits and may in fact increase security risk by diverting System Management's attention away from where it should properly be.</p> <p>While System Management assists and supports the IMO in its compliance monitoring where it has access to the necessary data, it considers that as the Market Administrator it is the role of the IMO to manage this commercial relationship with smaller scale facilities.</p> <p>The development of this issue is, in part, a consequence of the sectors' structure which in turn reflects the intent of policy makers at the time legislation disaggregating Western Power was passed by Parliament. Although System Management has no particular issue in this respect it considers that it might be appropriate to seek further policy direction from Government in relation to its views on the level of this direction of development for the WEM.</p>	<p>The IMO notes that this rule change will only require System Management to provide distributed generator outage information after it has been entered into System Management's computer interface system and that no change to System Management's current obligations with respect to distributed generators will a result from this rule change.</p> <p>Following discussions with System Management on this issue it was agreed that it was not necessary for the IMO to seek further policy direction from the Government on this matter.</p>
7	System Management	System Management disagrees with the notion that costs associated with building systems that are suitable, and appropriately integrated, into two very different operating	The IMO notes that by removing distribution and transmission outage information from the scope of this rule

	Submitter	Comment/Change requested	IMO Response
		<p>environments (namely System Operations Control Centre (SOCC) and Network Operations Control Centre (NOCC)) are outside the scope of the benefit and cost considerations of this project.</p> <p>Its comments on this issue were intended to highlight a structural consideration, where the situation in WA is somewhat atypical of that which applies in many (most) other reformed electricity markets. Although transmission and distribution functions are retained within one organisation in the SWIS, System Management's operational processes and systems for the two functions are almost entirely independent. This merely reflects common practice across the industry.</p> <p>System Management restates its view that, in the absence of this proposal, there would be no rationale for it to incur the expense involved in building systems which sought to integrate the business processes of two disparate sections of the organisation. However, it is the responsibility of the IMO to conduct economic evaluation of proposals and System Management is comfortable for the IMO to determine the implementation costs that should properly be incorporated for this proposal.</p> <p>Regardless of its decision on the matter, these costs are a component of the cost to Western Power of its provision of services under the WEM rules. As a result, its budget proposal to the IMO in the relevant years will include amounts to recover operating expenses and depreciation of the associated systems should the project proceed.</p>	<p>change there will be no requirement on (or costs incurred by) System Management to build systems which integrate the functions of the SOCC and the NOCC.</p> <p>The IMO notes that SMMITS currently captures the required information on Scheduled and Non-Scheduled Generator Outages.</p>
8	System Management	<p>System Management's resistance to the notion that it should be required to determine, and enter forced outage data on behalf of participants is long standing.</p> <p>The IMO is aware that System Management holds this view</p>	<p>The IMO notes System Management's resistance to determining and entering outage data on behalf of Market Participants and the costs (\$250k per</p>

	Submitter	Comment/Change requested	IMO Response
		<p>because of its concerns regarding the quality of the information it holds when it is first aware of an issue.</p> <p>System Management also restates its view that, for immediate operational purposes, knowledge of the existence and extent of an issue is all that is required. Any effort expended at that time by the Senior Controller to investigate and form a view on the veracity of the information provided to him contributes nothing to his immediate obligation to manage the SWIS at a time of heightened risk.</p> <p>The market rules and its own market procedures provide protection to the IMO against risks of this kind. An example is 2.36.6 which grants the IMO power to unilaterally require the use of systems that it specifies and to reject data that is submitted by another method. Its Markets Procedures also require written submissions (fax or email) to be made before an entry to market systems 'under full change control' is processed.</p> <p>System Management does not have the luxury of requiring similar protections. Time is of the essence when it comes to communications between control rooms on issues that impact power system security. In this circumstance, the telephone is the quickest, most effective method of communicating the existence and extent of an issue.</p> <p>However, it would not be sensible or prudent for System Management to implement systems and procedures which force participants to act in a way that does not support the fastest and most succinct operational communications.</p> <p>The inherent risks that are of concern to System Management have increased with the advent of the new Balancing Market where a manual submission, which is subsequently found to be made in error by System Management, would have already been published to market where it is likely to have resulted in</p>	<p>annum) estimated by System Management to carry out this function as detailed in its out of session submission.</p> <p>To address this issue and to further reduce the costs associated with this rule change the IMO has amended the drafting of this rule change so as to require System Management to provide the IMO with participant outage information only where this data has first been entered into System Management's computer interface system i.e. an obligation shall not exist on System Management to make the IMO aware of an outage request or notification made by a Market Participant via telephone. It is only after outage information has been entered into System Management's computer system that System Management shall be obliged to inform the IMO.</p> <p>However, the IMO notes that in order to provide outage information to the market in a timely manner, as envisaged by this rule change, amendments to the Market Rules or PSOP separate to this rule change are required in respect to the timeframes and means by which Market Participants are obliged to provide outage information to System Management.</p>

	Submitter	Comment/Change requested	IMO Response
		<p>changes to prices and quantities as traders adjust their positions to reflect the new system conditions.</p> <p>System Management wishes to restate its view that the new Balancing and Load Following Markets markets require availability declarations by participants in their balancing submissions, and that this information is the most accurate and suitable information until the full and final notification is made in SMITTS. This data is ideally suited to the objectives of the 'transparency' proposal and comes from the trading team of the affected market participant who are authorised to make market submission on its behalf.</p> <p>System Management reiterates that its knowledge of the actual conditions surrounding a recently occurring contingency is not strong enough for it to accept this responsibility. Its resources and expertise are focussed on the real time operation of the power system. Diverting attention to investigating the veracity or otherwise of comments made to it in short phone discussions with the power station operators under conditions of stress does not contribute to that purpose. Further, neither the SOCC, nor (likely) the power station operators are authorised to make submissions on behalf of that participant.</p> <p>System Management considers the comments made by the IMO in the draft rule change report on this matter are unreasonable and imply a lack of understanding of the operational priorities of a Power System Operator.</p> <p>Should the proposal proceed in its current form, the work would be conducted by its market operations team. This would involve an additional 2 FTE to provide for 24/7 availability (Market Operations currently provide around 80hrs coverage per week).</p> <p>That would involve additional costs of approx. \$250k per annum. Initially these roles would have low utilisation but that</p>	<p>In particular the IMO has identified that the ability of this rule change to deliver timely outage information to the market could be significantly improved if two amendments were made to the PSOP: Facility Outages. These include:</p> <p>(a) amending section 12 of the PSOP to require Market Participants to inform System Management of a Forced Outage to a Scheduled Generator or Non-Scheduled Generator, as soon as practicable via not only the existing means (telephone) but also through entry of the relevant Forced Outage information (the information required under Clause 3.21.4) into SMMITS. The IMO considers that clause 3.21.4 of the Market Rules, in requiring participants to inform System Management of a Forced Outage as soon as practicable, provides sufficient heads of power for System Management to amend and specify in the PSOP the means by which Participants must inform System Management. This amendment is important because it will enable Forced Outage information to be made available to the Market within a short period following the occurrence of the Forced Outage. As arrangements currently stand, participants are not</p>

	Submitter	Comment/Change requested	IMO Response
		<p>could be expected to tail off over time. These costs are in addition to those presented in section 3 of this submission.</p> <p>Accordingly, the IMO is requested to consider the implementation of this proposal based on the clearly suitable alternative described above, i.e. utilising the availability submission made by the participant under market rules 7A.2.8(b), 7A2.10, 7A2.11. Alternatively, the IMO is requested to continue to seek a pragmatic alternative that achieves its stated intentions but which does not risk exposing System Management and WEM participants to elevated commercial risk and distorted market outcomes.</p>	<p>required to provide this information any earlier than 15 days following the commencement of the outage.</p> <p>(b) amending the PSOP to better reflect the required process and timelines for updating the SMMITS system with information on outages following a period where it has been unavailable.</p> <p>The IMO has consulted with System Management on these amendments and System Management is currently considering whether or not to progress these amendments.</p>
9	Verve Energy	<p>Verve Energy notes that, due to System Management IT development requirements, the provisional commencement date for this Rule Change Proposal is 1 July 2014.</p> <p>While Verve Energy considers that setting a commencement date to allow sufficient IT development time to be appropriate, Verve Energy is concerned about the downstream effects on the progression of the phase two recommendations arising from the 5 year Outage Planning Review. The reason for this concern is that the IMO noted the following in its Outage Transparency Concept Paper:</p> <ul style="list-style-type: none"> • Phase two will be progressed by the IMO once changes to information disclosure have been implemented; and • ...it is also possible that the ability to assess the need for the 	<p>The IMO notes that phase 2 issues will be progressed following publication of this Final Rule Change Report.</p> <p>The IMO notes the phase 2 recommendations which Verve Energy views as priorities and will take this into consideration should it choose to prioritise certain phase two recommendations over others.</p>

	Submitter	Comment/Change requested	IMO Response
		<p>proposed technical changes will improve once there is increased transparency on outage planning information in the WEM.</p> <p>Similar comments were contained in the Rule Change Proposal and Notice. Verve Energy considers that the phase two recommendations arising from the 5 year Outage Planning Review should be progressed as soon as practicable, despite this Rule Change Proposal not commencing until mid-2014. Verve Energy considers that the most important phase two recommendations include:</p> <ul style="list-style-type: none"> • Appropriate classification of outages i.e. if a Facility is on a Forced Outage and sufficient Reserve Margin exists to approve a Planned Outage, then the outage should be able to be re-classified as a Planned Outage (issue 9); • Clarity around approval of Planned Outage extensions (issue 10); and • Ability for opportunistic maintenance to span more than one Trading Day (issue 8). <p>Verve Energy requests that the IMO progress the above three issues with some urgency.</p>	
10	Verve Energy	<p>In its first submission Verve Energy noted that it is: Supportive of the proposed changes to facilitate greater transparency with regards to Outage information, provided that:</p> <ul style="list-style-type: none"> -commercially sensitive information is not disclosed; and -the increased transparency does not reduce the quality of 	<p>Following Verve's submission the IMO requested that Verve Energy provide specific examples where the quality of information provided by participants might be reduced as a result of increased transparency and to demonstrate how this might lead to</p>

	Submitter	Comment/Change requested	IMO Response
		<p>information that its role in the Outage planning process.</p> <p>System Management made a similar point in its first submission, noting that:</p> <p>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 website could incentivise Generators to defer disclosure, or not fully disclose, information that is pertinent to System Management's performance of its system operator function.</p> <p>In its response to these points, the IMO noted that it is its preliminary view that the information proposed to be published is not commercially sensitive. The IMO sought the views of participants on this matter as part of the second submission round. Verve Energy's response to the IMO's request is outlined in the following section.</p> <p>In responding to submissions, Verve Energy considers that the IMO has focused its response on the comments around commercially sensitive information and not the comments around the risk that the quality of information is reduced (or as System Management suggested, the information is not disclosed at all).</p> <p>Verve Energy considers that there is still a risk that the quality of information provided from participants to System Management is reduced (i.e. participants making generic statements rather than providing the full details). If this were to be the case, Verve Energy considers that this may lead to inefficiencies for System Management in undertaking its role in the outage planning process.</p> <p>To counteract this risk, Verve Energy considers that the IMO</p>	<p>inefficiencies for System Management in undertaking its role in the outage planning process</p> <p>The IMO does not consider that there is sufficient evidence to confirm the risk identified by Verve (i.e. that Market Participants may be more inclined to make generic statements rather than provide full details in their outage in their Outage Plan). The IMO considers it highly unlikely that a Market Participant would jeopardise the success of its Planned Outage request (or the timeframes within which it is approved) by providing substandard levels of information in its Outage Plan.</p> <p>The IMO also notes the difficulties of defining the criteria upon which System Management may reasonably reject an Outage Plan on the grounds of insufficient information, and notes that any such clause which enabled this, would provide System Management with significant amount of discretionary power to reject an Outage Plan.</p>

	Submitter	Comment/Change requested	IMO Response
		<p>could consider an additional clause in the Market Rules allowing System Management to reject an Outage Plan if it contains inadequate information. Verve Energy notes that a similar rule exists in the Commissioning Test process.</p> <p><i>(Further consultation on Verve's submission was carried out between the IMO and Verve. This has been noted in section 3.6)</i></p>	
11	Verve Energy	<p>Verve considers that information is confidential if:</p> <ul style="list-style-type: none"> -the information has commercial value to an organisation; and -some loss or diminution of that commercial value could reasonably be expected to follow from its disclosure. <p>Verve Energy considers that the following clauses contain outage information which is commercially sensitive:</p> <p><i>3.18.6. The information submitted in an Outage Plan must include:</i></p> <p>.....</p> <p><i>(c) the reason for the outage;</i></p> <p>.....</p> <p><i>(e) an assessment of risks that might extend the outage;</i></p> <p><i>(f) details of the time it would take the Facility or item of equipment to return to service, if required;</i></p> <p><i>3.21.4. If a Facility or item of equipment that is on the list described in clause 3.18.2 or a Facility or generation system to which clause 3.18.2A relates suffers a Forced Outage or</i></p>	<p>Following Verve's second submission the IMO consulted further with Verve and requested that Verve provide specific examples and empirical evidence to support its claim that it may suffer a loss of competitive advantage if certain outage information in regard to its facilities is disclosed.</p> <p>The IMO considers that the response which was given by Verve, did not provide specific examples, substantiated with empirical evidence, that supported its claims that the level of transparency of outage information proposed in this rule change is commercially sensitive and is likely to impact Verve's competitiveness.</p> <p>In regard to an assertion made by Verve in its response, that the outage information provided in clause 3.18.6 (c), (e) and (f) and clause 3.21.4(c) may also be commercially sensitive for other</p>

	Submitter	Comment/Change requested	IMO Response
		<p><i>Consequential Outage, then the relevant Market Participant or Network Operator must inform System Management of the outage as soon as practicable. Information provided to System Management must include:</i></p> <p>....</p> <p><i>(c) the cause of the outage;</i></p> <p>Verve Energy considers that the publication of information in clause 3.18.6(c),(e) and (f) and 3.21.4(c) may provide competitors with information about a participant's maintenance strategies and asset management plans which could reduce a participant's competitive advantage (noting that a Planned Outage can be applied for up to three years in advance).</p> <p>Verve Energy also notes that it has developed its maintenance strategies and asset management plans over many years of operation and this information holds significant commercial value.</p> <p>Verve Energy considers that publication of this information will also enable competitors to collect/retain intelligence on specific plant issues which could be utilised to the detriment of the information provider. In addition to this, Verve Energy considers that:</p> <ul style="list-style-type: none"> • the market will realise the same benefits purported for this rule change without the publication of this information; and • the publication of this information goes further than the recommendations outlined in PA Consulting's report on the 5 Year Outage Planning Review. <p><i>(Further consultation on Verve's submission was carried out between the IMO and Verve. This has been noted in section 3.6)</i></p>	<p>Market Generators, the IMO notes that no other Market Participants viewed the outage information being proposed to be made transparent as having commercial value that could outweigh the benefits to the market.</p> <p>In regard to Verve's statement that the market will realize the same benefits without publication of this particular outage information, the IMO disagrees. The IMO considers that publication of this particular information would benefit by the Market by:</p> <p>(a) guarding against bias or the perception of bias in the outage scheduling and approval process. Disclosing all the outage information which a Market Participant submits to System Management for approval, provides Rule Participants the opportunity to observe whether there appears to be any inconsistencies in regard to which outages gain approval and which don't.</p> <p>(b) allowing Market Participants the opportunity to evaluate and form their own view on the likelihood of another Market Participant's outage extending beyond its estimated end time (an independent view on the likely end time of an outage could be formed using the outage information which Verve is</p>

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			<p>seeking to restrict i.e. the cause of the outage (3.18.6(c)), the risks that the outage might be extended (3.18.6(d))</p> <p>In making its final decision on whether to publish each piece of outage related information the IMO has assessed whether disclosure of the information has a greater potential to jeopardise a Rule Participant's commercial position than the benefit it would bring to the Market. The IMO considers that the benefits of publishing this particular outage information significantly outweighs any perceived and potential harm to a Market Participant's commercial position.</p>
12	Verve Energy	<p>The Rule Change Proposal included the following proposed amendment to clause 10.5.1 (<u>added text</u>):</p> <p>“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:</p> <p>...</p> <p><u>(zD) the information outlined in clauses 7.13.1E and 7.13.1G. “</u></p> <p>The Draft Rule Change Report removed the proposed amendment to clause 10.5.1 (outlined above) and replaced it with the proposed new clause 10.5.3 (<u>added text</u>):</p>	<p>The IMO agrees and has amended the Market Rules to clarify that the IMO shall make outage information available to Market Participants via the MPI as soon as practicable and available to the public via the IMO's public web site on a weekly basis.</p>

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		<p><u>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.</u></p> <p>Verve Energy understands the subtle differences between the original drafting and the updated drafting, however Verve Energy notes that proposed clause 10.5.3 could be confusing when read without the benefit of the Draft Rule Change Report. From the commentary contained in the Draft Rule Change Report, Verve Energy understands that new clause 10.5.3 will require that the information outlined in clauses 7.13.1E and 7.13.1G be made available to Market Participants via the MPI as soon as practicable and to the public via the IMO's public web site weekly. However, Verve Energy considers that the proposed clause 10.5.3 may need to be re-drafted in order to make this clearer.</p>	
13	Verve Energy	<p>Clause 3.18.5D was included in the Market Rules following the Rule Change Proposal: Confidentiality of Accepted Outages (RC_2009_05). The purpose of this clause was to allow System Management to make the information contained in the outage schedule (maintained in accordance with clause 3.18.4 of the Market Rules) available to a Network Operator to coordinate outage timing.</p> <p>As the IMO has classified the information produced under clause 3.18.4 of the Market Rules as "public", Verve Energy considers that clause 3.18.5D of the Market Rules is now obsolete.</p>	<p>The IMO agrees that the change in the confidentiality status of the information produced under clause 3.18.4 to "public" renders clause 3.18.5D obsolete.</p> <p>However, the IMO does not consider that it is necessary to remove this clause from the Market Rules as the requirement on System Management under this clause, to make the outage schedule available to a Network Operator, is only discretionary.</p>

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14	Verve Energy	<p>Verve Energy agrees with the IMO's decision to assess lower cost options for making the information publically available, and agrees with the IMO's proposed solution (i.e. close to real time information available via the MPI and weekly information via the public website). The IMO's Draft Rule Change Report indicated that it would be publishing "close to real time outage information via the MPI with an advanced user interface".</p> <p>Verve Energy requests clarification on what this actually means. Aside from information being available on the public website Verve Energy notes that there are currently two other ways of accessing information – the MPI and web services. Some information is available via just one of these means; some information is available via both.</p> <p>Verve Energy is moving towards getting all its data directly from web services rather than the MPI and as such, it is Verve Energy's preference for this information to be available via both the MPI and web services. Verve Energy recommends that the IMO consider making this information available via both means.</p>	<p>In regard to Verve's query as to the meaning of the phrase: "close to real time outage information via the MPI with an advanced user interface"</p> <p>The IMO intends to publish the outage information which it receives from System Management. The published information will be refreshed at regular intervals as updates are received, and will include details of:</p> <ul style="list-style-type: none"> -outages that are yet to occur (including Planned Outage requests awaiting acceptance or approval); -outages that are occurring (for example a notification of a Forced Outage which has already commenced); and -outages that have already occurred (for example a notification of a Consequential Outage that has been determined by System Management following the completion of the Forced Outage which was initially logged by the Market Participant). <p>The user interface will represent the data in a dynamic and graphical manner and will allow the user to interrogate the information in various ways.</p> <p>As noted in the IMO's response to issue 1 the IMO now proposes to also make this information available via web</p>

	Submitter	Comment/Change requested	IMO Response
			services.

Appendix 2. 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):

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

- (a) the identity of the Facility or item of equipment that will be unavailable;
- (b) 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;
- (c) the reason for the outage;
- (d) the proposed start and end times of the outage;
- (e) an assessment of risks that might extend the outage;
- (f) details of the time it would take the Facility or item of equipment to return to service, if required; and
- (g) contingency plans for the early return to service of the Facility or item of equipment ("**Outage Contingency Plans**"); and

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

- (a) System Management receives a request via System Management's computer interface system for a Planned Outage of a Scheduled Generator or a Non-Scheduled Generator Facility or item of transmission equipment; or
- (b) System Management becomes aware via System Management's computer interface system 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 in accordance with the transfer requirements set out in the IMS Interface Market Procedure.

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 clauses 3.18.6(a) and 3.18.6(c) - (g);
- (c) the time and date when:
 - i. the Outage Plan was received by System Management;

- ii. any amendment to the Outage Status occurred 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).~~
- (d) the MW quantity of any de-rating to a Scheduled Generator or Non-Scheduled Generator, as measured on a sent out basis at 15 degrees Celsius

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

- (a) System Management receives a notification of a Forced Outage via its computer interface system or records in its computer interface system that a Consequential Outage has occurred for of a Scheduled Generator or a Non-Scheduled Generator Facility or item of transmission equipment; or
- (b) System Management becomes aware via System Management's computer interface system 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 in accordance with the transfer requirements set out in the IMS Interface Market Procedure.

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 clauses 3.21.4(a) - 3.21.4(d) ~~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~~ recorded in its computer interface system that a Consequential Outage occurred as determined under clause 3.21.2; and

~~(d) the MW quantity of any de-rating to a Scheduled Generator or Non-Scheduled Generator, as measured on a sent out basis at 15 degrees Celsius~~

~~(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).~~

10.5.3. 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 after that information becomes available to the IMO the IMO must make each item of information available to Market Participants via the Market Participant Interface and web services from the Market Web Site as soon as practicable and available to the public weekly via the IMO's public web site. ~~after that information becomes available to the IMO.~~

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.~~