

Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2012_11 Transparency of Outage Information

Submitted by

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Submission

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

Background

The Independent Market Operator (IMO) has recently retained PA Consulting to review the Outage Planning Process. As an outcome of the review PA Consulting proposed to improve the transparency of outage information in the Wholesale Electricity Market (WEM).

The IMO has in this Rule Change Proposal proposed to amend the Market Rules to reflect some of the recommendations from PA Consulting's review of the Outage Planning Process.

Change Proposal

The IMO submitted Rule Change Proposal RC_2012_11 "Transparency of Outage Information" on 30 July 2012.

The IMO proposed to make a number of information items in relation to outages publicly available on its website by amending clauses 3.18.6, 7.13, 10.5.1 and inserting a definition of "Outage Status" in chapter 9 of the Market Rules. The information items included, but are not limited to:

- Identity of the facility/equipment on outage,
- Type of outage,
- Reasons for outage,
- Duration of outage, and
- Capacity affected by outage.

A complete list is contained in the IMO's Rule Change Proposal, p3 – p5.

The information would be made available as soon as it becomes available to System Management.

It should be noted that System Management already routinely makes some of these information items available.

Perth Energy's Views

Perth Energy generally supports initiatives to increase transparency of information in the WEM and is also supportive of this particular Rule Change Proposal.

It is important for all Market Participants to have as much information available when making decision on how to bid facilities and load into the market. Being aware of potential capacity constraints flowing from an outage would influence these decisions and could be important in the decisions about bringing other generators back from maintenance sooner or for example scheduling maintenance shut downs of large loads earlier in anticipation of higher prices flowing from the generation outages. 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.

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

Perth Energy considers that the proposed changes to the Market Rules would improve the transparency of outages and provide participants with a better and more up to date picture of any capacity constraints that may flow from outages. Having this information available will allow participants to adapt more readily and take this information into account when scheduling their own load and generation resources. This is likely to lead to more efficient utilisation of the capacity available in the SWIS. Perth Energy therefore believes that the proposed amendments would better facilitate achievement of Market Objective (a)¹ relating

¹ The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;

to the economically efficient production of electricity. Perth Energy also considers that Market Objective (b) relating to encouraging competition in generation and retail as well as Market Objective (d) relating to minimising the long term cost of energy will both be positively impacted.

Perth Energy has not identified any impacts on the other Market Objectives.

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

Perth Energy will not be impacted by the proposed changes.

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

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

(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
(e) to encourage the taking of measures to manage the amount of electricity used and when it is used.