

## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2012\_12 Updates to Commissioning Test Plans

#### Submitted by

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#### Submission

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

#### Background

Section 3.21A of the Market Rules sets out the provisions that apply for conducting Commissioning Tests of generation systems including application and approval provisions. The Power System Operation Procedure (PSOP) "Commissioning and Testing" contains further detailed information about the steps that System Management and participants must adhere to when conducting Commissioning Tests.

Under clause 3.21A.4 of the Market Rules participants must apply to System Management at least 20 Business Days prior to a proposed Commissioning Test. Failing to do so may attract a civil penalty.

The Commissioning and Testing PSOP is somewhat more flexible than clause 3.21A.4 of the Market Rules as it allows System Management discretion to consider Commissioning Test Plans submitted after the 20 Business Day timing requirement.

Griffin Energy and Verve Energy have both identified that the current Market Rules exposes Market Generators to a potential civil penalty where an application for a Commissioning Test is submitted less than 20 Business Days prior to the planned test as allowed for under the

PSOP. They have also identified that it is currently not possible to amend the Commissioning Test Period where an extension to the end date of that period is required.

The IMO has also identified a number of additional issues relating to the operation of clause 3.21A, mostly relating to internal consistency issues of the various clauses.

## **Change Proposal**

The IMO submitted Rule Change Proposal RC\_2012\_12 “Updates to Commissioning Test Plans” on 25 July 2012.

The IMO proposed a number of amendments to section 3.21A of the Market Rules as detailed in the legal text changes in part 3 of the Rule Change Proposal document.

In particular, the IMO proposed to address the issue of the current inflexibility of the Market Rules around the 20 Business Day application period (which does not exist as rigidly in the PSOP) by allowing for a shortened application period of 7 Business Days prior to Commissioning Activities, with System Management retaining the right to withhold approval in the case where the application has not been lodged at least 20 Business Days prior and System Management considers it has not had adequate time to consider the application. The IMO will separately follow up with the Public Utilities Office to explore whether Regulations may need to be amended to ensure that Market Participants are not exposed to civil penalties for failing to apply within the prescribed time but instead only being exposed to a penalty for undertaking commissioning activities without an approved Commissioning Test Plan.

To address the issue of the inability to extend the end date of a Commissioning Test Period the IMO proposed to amend 3.21A.13 to allow participants that cannot conform to a Commissioning Test Plan to request System Management’s approval for a revised Commissioning Test Plan (as opposed to a “new” Commissioning Test Plan as currently worded).

The IMO has also proposed a number of additional amendments as detailed on pages 5 and 6 of the Rule Change Proposal, mostly relating to clarifications and consistency issues within the Market Rules.

## **Perth Energy’s Views**

Perth Energy supports the intention of making the Market Rules more flexible in relation to the application and approvals process around Commissioning Tests. Commissioning is an activity that by its nature can be unpredictable and changes to carefully drawn up plans may be necessary closer to real time as issues arise. It would be inefficient and impractical if the Market Rules did not allow this process to operate in an as flexible manner as possible, provided System Management can be satisfied at all times that there are no threats to system security or stability. Perth Energy therefore welcomes the proposal to amend the current requirement for a 20 Business Day lead time for Commissioning Test applications to a 7 Business Day lead time.

Perth Energy also welcomes the intention to allow for an extension of the end date of the Commissioning Test period where this may become necessary. It is Perth Energy’s

understanding that this change would be implemented via the proposed amendments to 3.21A.13 allowing participants to request a “revised” rather than a “new” Commissioning Test Plan. Perth Energy notes that the proposal does not contain any guidance as to whether the participant requesting a revision should apply for such a revision within a prescribed time period and also the time period that System Management should be allowed to consider such an application. Perth Energy considers 3.21A.13 could be further improved by specifically stating that an application for a revision of an existing Commissioning Test Plan should be made no later than 10 Business Days following the expiry of the original Commissioning Test Plan. Furthermore, Perth Energy also considers that System Management should be obliged to approve or reject such an application as soon as practicable and in any event no later than 20 Business Days after the request was made.

In relation to clause 3.21A.4(b) which relates to the details of the proposed Commissioning Test Period, Perth Energy queries whether the replacement of “dates” with “Trading Intervals” will adequately define the start and end of the Commissioning Test Period. A “Trading Interval” is in the definitions section of the Market Rules currently defined as “A period of 30 minutes commencing on the hour or half-hour during a Trading Day”. In data from the market Trading Intervals are normally referred to as 1 through to 48. To specify a Commissioning Test Period that spans multiple Trading Days Perth Energy queries whether it would be necessary to provide both the date and Trading Interval for the start and the end of the period.

Perth Energy notes that the IMO has also proposed to completely delete 3.21A.7A which is currently a “blank” clause. At the same time the legal text shows an addition of a new blank clause, 3.21A.14. There are a number of clauses throughout the Market Rules that are currently “blank” after they have been deleted via approved rule changes. Perth Energy has a preference for keeping the convention of keeping redundant clauses as “blank” instead of completely erasing them. This provides a useful reminder of areas where changes have been made and also prevents these clause numbers from being recycled and used in future amendments to the Market Rules.

Perth Energy proposes the following additional amendments to clause 3.21A.9 to ensure that Market Participants are informed of the status of their proposed Commissioning Test Plans as soon as possible (changes marked with all of the IMO’s proposed changes taken as accepted):

“System Management must notify a Market Participant as to whether it has approved a Commissioning Test Plan as soon as possible but in any event no later than ~~prior to~~ 8:00AM on the Scheduling Day for which the Commissioning Test Plan would apply.”

The legal wording of the proposed amendments to clause 3.21A.10(a)(i) – (iii) states that when System Management does not approve a Commissioning Test Plan it must provide reasons, then System Management and the Market Participant must endeavour to agree an alternative time for the test and subsequent to such agreement System Management must approve the revised plan. The proposed wording seems to suggest that timing may be the only reason for why System Management would reject a Commissioning Test Plan in the first instance. System Management may reject a plan for other reasons (e.g. the proposed types of tests may be inherently incompatible with maintaining system security and stability). Perth

Energy suggests the following alternative wording to clause 3.21A.10(a)(ii) and 3.21A.10(a)(iii):

- (ii) System Management and the Market Participant must use their best endeavours to agree to an alternative Commissioning Test Plan; and
- (iii) where System Management and the Market Participant agree an alternative Commissioning Test Plan under clause 3.21A.10(a)(ii) the Market Participant must, as soon as practicable, submit that revised Commissioning Test Plan to System Management and System Management must approve that revised Commissioning Test Plan.

Finally, in relation to clause 3.21A.11 Perth Energy suggests to specifically stipulate a timeframe that System Management must adhere to in relation to giving notice about its decision to cancel its approval of a Commissioning Test Plan. Perth Energy proposes to insert the following words immediately prior to the last full stop of the clause: “as soon as practicable after making its decision”.

Subject to the comments above about further clarifications and improvements Perth Energy supports the intention of the proposed changes.

## **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, subject to our comments above, would improve the flexibility of the Market Rules around commissioning whilst retaining full oversight and control by System Management. Retaining such flexibility in the Market Rules is important to ensure that the already complex task of commissioning a generator does not become further bogged down in unnecessary “red tape” adding to the cost of projects. In Perth Energy’s view the proposed amendments would therefore facilitate achievement of Market Objective (d)<sup>1</sup> relating to the long-term cost of electricity supply.

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

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<sup>1</sup> The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

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

Perth Energy will not be impacted by the proposed changes.

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

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