
Wholesale Electricity Market Rule Change Proposal Submission Form

<RC_2012_12 Updates to Commissioning Test Plans>

Submitted by

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Submission

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

System Management appreciates this opportunity to respond to RC_2012_12 – Updates to Commissioning Test Plans. RC_2012_12 proposes to:

- Shorten the Commissioning Test Plan application period to 7 trading days before the proposed test start, with the 7 day timing requirement being on a 'best endeavours' basis
- Remove the civil penalties relating to the timing of applications for Commissioning Tests
- Provide System Management with powers to reject Commissioning Test Plans if received less than 20 trading days prior to start and accept applications or revisions to applications at reduced timeframes
- Remove the requirement for a Market Participant to apply for a new Commissioning Test Plan where changes are required to a proposed test period.

System Management supports the intent of RC_2012_12, which is to provide greater flexibility to System Management and Market Participants for the application and approval of Commissioning Test Plans.

System Management has engaged with the IMO during the first consultation phase for RC_2012_12 and welcomes the IMO's efforts to consider the issues it has raised. The issues include matters directly related to the changes proposed by RC_2012_12 and also broader Commissioning related issues. These matters are set out below.

Compliance with other regulatory requirements

It would assist System Management to introduce links between the Commissioning requirements in the Rules and other technical and regulatory requirements. In particular the Technical Rules provide for certain requirements and tests to be carried out for Commissioning plant seeking to connect to the network. Prior to approving a Commissioning Test request, System Management would ideally require confirmation that the facility has also complied with relevant requirements under the Technical Rules and any specific conditions that may be imposed through contract.

The IMO has confirmed that it will expand the definition of a Commissioning Test to address this issue. System Management notes that the procedure for obtaining confirmation that the facility has complied with the Technical Rules will need to be set out in the Commissioning and Testing Power System Operation Procedure (PSOP).

Timing of Requests

RC_2012_12 shortens the Commissioning Test Plan application period to 7 trading days before the proposed test start. The requirement to comply with this timeframe is on a best endeavours basis and there could be circumstances where requests are made under 7 days. The earlier a Commissioning Test Plan request is made, the more opportunity there is for System Management to consider the request.

Currently clause 2.1.4 of the Commissioning and Testing PSOP requires submission of the Commissioning Test Plan at least 2 days prior to the commencement of the test for it to potentially be approved. While the PSOP will need to be reviewed as a result of RC_2012_12, consideration could be given to embedding a similar requirement in the Rules.

Extensions to Commissioning Test Periods

The amendments proposed by RC_2012_12 introduce the ability for Commissioning Test periods to be extended without the need to apply for a new test. System Management has discussed with the IMO the potential to include guidelines in the Commissioning and Testing PSOP around the number of extensions that may be granted and the circumstances in which it may not be appropriate. This will be considered in the context of amendments to the Commissioning and Testing PSOP that will be required as a result of RC_2012_12.

'Good Faith' intentions

The Rules currently require a Commissioning Test Plan to represent the 'good faith' intention of the Market Participant to conduct the test. There is difficulty in determining the 'good faith' intentions of a participant and in particular, whether an application may have been made principally to avoid capacity refunds. In this regard System Management welcomes the IMO's advice that it will add a clause to the proposed amendments to the effect that a Market Generator must not request either a Commissioning Test Plan or an extension to a Commissioning Test Plan principally to avoid exposure to Reserve Capacity refunds.

Further, the IMO has advised that it intends to seek the legislative amendments necessary to make this a civil penalty provision. System Management supports this approach to place the responsibility for compliance with the IMO for the effective operation of the Reserve Capacity Mechanism.

Broader Issues

The broader Commissioning issues raised by System Management for consideration by the IMO that are not captured by RC_2012_12 include:

- The compliance obligations relating to the requirements to issue an Operating Instruction for a Commissioning Test are ambiguous and require clarification. System Management notes that the IMO has logged its concerns regarding operating instructions as an area for further review
- The need for clarity on the application of the Rules for the commissioning of non-scheduled generation
- Issues surrounding the linkage between facility registration and Commissioning
- Clarity on whether a Commissioning Test Plan should be covered by an approved planned outage and the extent of the capacity that should be included in that outage.

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

As stated earlier, System Management supports the intent of RC_2012_12. In particular, System Management considers that the amendments support objectives 1.2.1(a) and 1.2.1(b) contained in the Rules.

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.

The process of applying for a Commissioning Test is set out in the Commissioning and Testing PSOP currently. The process is largely manual and the proposed amendments should have minimal impact on current business systems.

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

It is envisaged that changes to the Commissioning and Testing PSOP will be required as a result of RC_2012_12 (some of these have been mentioned above). The extent of the required PSOP changes will not be known until the Final Rule Change Report.

The standard Market Procedure (PSOP) change process would at a minimum span 2 months, but based on historical evidence of prior procedure changes, is likely to take longer. The time to implement the changes required would also include time required to update internal processes. System Management recommends that the implementation time be 4 months after the Final Rule Change Report is published.