



INDEPENDENT  
MARKET  
OPERATOR

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## Wholesale Electricity Market Submission to Rule Change Proposal

### RC\_2013\_05 LoadWatch, EOI and RDQ Provision

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#### Submitted by

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<b>Date submitted:</b>	23 May 2013

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#### Submission

Submissions for Rule Changes should be submitted to:

##### Independent Market Operator

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

System Management welcomes the opportunity to provide a submission in response to the RC\_2013\_05 LoadWatch, EOI and RDQ Provision rule change proposal. System Management acknowledges the collaborative consultation facilitated by the IMO preceding the submission of this proposal into the formal rule change process.

RC\_2013\_01 rule change proposal formalises the requirement for both the IMO and System Management to make available market information via the Market Web Site. System Management supports this proposal on the basis.



The process to provide the data formalised by this rule change proposal has been in place for several years. To improve information transparency, System Management and the IMO has been providing, and reporting on, this data on a voluntary basis.

The proposal seeks to impose a specific obligation on the IMO to publish a LoadWatch report on the Market Web Site containing a weekly look ahead of operational information within periodic timeframes. It also seeks to require System Management to provide necessary data (within relevant timeframes) to facilitate the production of these LoadWatch reports.

### **Provision of 'Start Of Interval Quantity' ('SOI Quantity') information to the IMO**

Chapter 11 Glossary of the Market Rules defines the Start of Interval Quantity ('SOI Quantity') for a Balancing Facility for a particular Trading Interval must equal the End of Interval Quantity ('EOI Quantity') for a Balancing for the previous Trading Interval.

The Market Rules commonly require the provision of both SOI and EOI to prepare information in accordance with clauses 7.13.1, 7A.3.7(a), 7A.3.9, forecast the BMO per clauses 7A.3.15, and determine the BMO for a Trading Interval per clause 7A.3.2(b). The IMS Interface Procedure clearly requires only provision of EOI Quantities in respect of these processes.

System Management suggests the IMO consider amending the references to SOI Quantities and EOI Quantities within the Market Rules to align the Market Rules with the IMO Interface specification.

System Management recognises there will be efficiencies gained from provision of only one set of data.

To improve clarity of the Market Rules, System Management suggests the IMO consider adopting consistent drafting of the SOI Quantity definition and the EOI Quantity definition in Chapter 11 Glossary as follows:

*SOI Quantity: Means the quantity, in MW, at which a ~~Balancing Facility~~ Scheduled Generator or a Non-Scheduled Generator was operating as at the start of a Trading Interval, which must equal the EOI Quantity from the previous Trading Interval.*

'EOI Quantity' is defined as:

*EOI Quantity: Means the quantity, in MW, at which a Scheduled Generator or a Non-Scheduled Generator was operating as at the end of a Trading Interval, which must equal the SOI Quantity for the next Trading Interval.*

### **Removal of the requirement to provide identical RDQ and EOI Quantity data in accordance with different time frames**

The IMO Interface Procedure and the Market Rules require System Management to provide three sets of information to the IMO to facilitate the production of LoadWatch reports. These three processes are summarised below:

- (i) Provision of Provisional Relevant Dispatch Quantity (RDQ) and provisional resource End of Interval (EOI) data from the previous trading interval to the IMO within 5 minutes following the end of each Trading Interval;
- (ii) Provision of RDQ and resource EOI data for each Trading Interval from the previous Trading Day within 2 hours following the end of the Trading Day in accordance with clause 7A.3.7; and
- (iii) Provision of RDQ and resource EOI data for each Trading Interval from the previous Trading Day by 12pm following the end of the Trading Day in accordance with clause 7.13.1(dB).

System Management believes that the data required to be provided at 10am and 12pm is identical final 'cleaned' data.

Providing the abovementioned data only at 12pm (in accordance with clauses 7.13.1(dB) and 7.13.1(dC)) will remove the duplication of data transferred.

With this in mind, System Management suggests the IMO consider removing clauses 7A.3.7, and the respective extension timeframe clause 7A.3.12, from the Market Rules.

In light of the above, and to improve clarity of the Market Rules, System Management suggests the IMO also consider:

- the following amendment to clause 7.13.1(dB) and 7.13.1(dC):
  - 7.13.1:
    - (dB) the SOI Quantity and the EOI Quantity of each Facility for each Trading Interval, determined in accordance with the Power System Operation Procedure;
    - (dC) the ~~total~~ Relevant Dispatch Quantity for all Facilities for each Trading Interval, determined in accordance with the Power System Operation Procedure;
- replacing references to clause 7A.3.7 (and respective extension timeframe clause 7A.3.12) in the Market Rules with references to amending clauses 7.13.1(dB) and 7.13.1(dC) above.

### **Clarify the use of the defined term 'Relevant Dispatch Quantity' in new clause 7A.3.7A and clause 7.13.1(dC)**

System Management understands that there is potential for the term 'Relevant Dispatch Quantity' to be misinterpreted when referring to information provided in accordance with new clause 7A.3.7A and clause 7.13.1(dC).

System Management believes it is prudent to clearly distinguish between the 'Relevant Dispatch Quantity' information provided within 5 minutes following each Trading Interval (in accordance with new clause 7A.3.7A) and the 'cleaned' Relevant Dispatch Quantity information provided at 12pm each Trading Day (in accordance with clause 7.13.1(dC)) to the IMO.

System Management suggests introducing a new definition 'Forecast Relevant Dispatch quantity' in the Chapter 13 Glossary to reflect the provision of the periodic 5 minute Trading Interval information set required in clause 7.A.3.7A, and further clarifying the current 'Relevant Dispatch Quantity' definition to reflect the sum of the total EOI quantities of all Balancing Facilities, in MW, by Trading Interval information set required in clause 7.13.1(dC).

The latter clarification is required to reflect the current market understanding that the term 'Relevant Dispatch Quantity' relates to the sum of total EOI quantities for all Balancing Facilities.

Accordingly, System Management suggests the IMO consider adopting the following proposed amendment:

**Forecast Relevant Dispatch Quantity:** *Means, for a Trading Interval, the forecast EOI Quantities for each Balancing Facility, in MW, at the end of that Trading Interval as conducted under new clause 7A.3.7A*

**Relevant Dispatch Quantity:** *Means, for a Trading Interval, ~~the quantity determined under clause 7A.3.7(b),~~ the sum of the EOI Quantities for ~~each~~ all Balancing Facilities, in MW, at the end of that Trading Interval as conducted under clause 7.13.1(dC) and 7.13.1B.*

### **Introducing flexibility in providing LoadWatch Data to the IMO**

The purpose of the LoadWatch is to provide a weekly snapshot of the forecast level of available capacity, outages, maximum and minimum temperatures, electrical load and capacity cushion for the Business Days of the coming week. This report provides stakeholders with sufficient information to adjust their submissions to align to their trading strategies.

System Management understands it is important to periodically provide relevant information to the IMO to publish on the Market Web Site. However, we believe the market will receive greater benefit if the information was provided within more flexible timeframes.

For example, if the Monday fell on the last day of the Hot Season (1 April) then SMM would be obliged to provide data for the upcoming week. Similarly, the IMO may decide it is not practical nor useful to have a report provided on the Tuesday (outside of the Hot Season) that only covers one day of the Hot Season (Monday the day before) and four days outside the Hot Season (Tuesday to Friday).

To address this inflexibility, System Managements suggests the IMO preface clause 3.23.1 with '*Unless otherwise agreed with the IMO*'.

### **Amendments to Power System Operation Procedures ('PSOP')**

System Management understands it will be required to make amendments to its respective Power System Operations Procedures to reflect formalising the operational processes to comply with the proposed amendments.

System Management appreciates further consultation with the IMO and the PSOP Group will be required to, for instance, establish the source of data to calculate the RDQ, EOI Quantities and other relevant information to produce the LoadWatch report, confirm the methodology to collate the relevant data, detail proposed timeframes to provide such data, amongst other matters.

### **Other Issues**

System Management would like the IMO to consider the following minor amendments to the proposed amending rules:

1. The new LoadWatch Data clause 3.23 is proposed under Chapter 3 of the Market rules. System Management does not believe that it seems to naturally fall within Chapter 3, and perhaps may be considered more appropriately placed in Chapter 10 of the Market Rules.
2. System Management believes the proposed LoadWatch definition in Chapter 11 Glossary may benefit from greater simplicity and clarity. System Management suggests the IMO consider the following amendment:  
~~*LoadWatch: A report compiled and published weekly during the Hot Season that provides general estimates of Business Day maximum and minimum temperatures, maximum system load and available capacity*~~ Means, the report compiled and published in accordance with clause 3.23.
3. System Management identified the new clause 3.23.4 may perhaps be an incorrect reference as clause 3.23.3 does not exist. System Management suggests new clause 3.23.4 be amended to reflect this typographical error.
4. The abbreviation 'SM' proposed in clause 3.23.1 is not a defined term and should be expressed as 'System Management'.

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

System Management supports the intent of RC\_2013\_05. In particular, System Management considers the proposed amendments will better address the Wholesale Electricity Market ('WEM') Objectives (a), (b) and (d).

System Management agrees the rule change proposal better meets WEM objective (a) that formalisation of the publication of the LoadWatch and respective information requirements increases information transparency which promotes the economically efficient, safe and reliable production of

electricity within the SWIS, encourages competition amongst generators and consumers and minimises the long term cost of electricity supplied to customers.

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**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.**

System Management understands system changes will be required to provide LoadWatch information in XML format. This will align processes to comply with clauses 3.23.1, 3.23.2 and 3.23.3 with the Market Procedure: IMS Interface Procedure.

System Management also recognises it is required to provide a file containing provisional EOI Quantity data for each Balancing Facility and total RDQ data to the IMO within five minutes following each Trading Interval in accordance with clause 7A.3.7A. Currently System Management uses the same file format to satisfy this requirement and to provide final 'cleaned' data by 10am in accordance with clause 7A.3.7. System Management considers system changes may be required to provide the Trading Interval files distinctly separate from the 10am files.

We anticipate the system changes will be at minimal cost. System Management welcomes the opportunity to provide a detailed estimated cost during the second submission period.

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

System Management notes that the implementation of the proposed amending rules may require further refinement to the respective Power System Operation Procedures in respect of 'Amendments to Power System Operation Procedure' section above.

System Management anticipates it should require no more than 4 months to facilitate internal and external (PSOP Working Group) consultations and progress the procedure amendments through the formal Procedure Change Process following the provision of the Final Rule Change Report.

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