



INDEPENDENT
MARKET
OPERATOR

Wholesale Electricity Market Submission to Rule Change Proposal

RC_2013_06 Exclusion of LFAS Quantities from Daily Ancillary Service Files

Submitted by

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Date submitted:	<i>17 April 2013</i>

Submission

Submissions for Rule Changes should be submitted to:

Independent Market Operator

Attn: Group Manager, Market Development

PO Box 7096

Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

Email: market.development@imowa.com.au

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

System Management supports the principle of removing restrictions in the STEM process.

Since the commencement RC_2011_10 "Competitive Balancing and Load Following Market (CBLF)" the obligation of providing sufficient capacity for ancillary services is made via the Balancing Submissions. This is requirement is fundamental to the design of the CBLF rule change, refer to



http://www.imowa.com.au/f4799,2310140/RC_2011_10_Final_12_Boxes.pdf

“Verve will be required to nominate its Ancillary Service „must run” and “must not run” Quantities (ASQ) as part of its Portfolio Supply Curve and bid ASQ”s at the price caps;”

Just as the IMO contends that the inclusion of the Load Following Ancillary Service restrictions is a manifest error being untenable and not practical within the conceptual design of the market, System Management contends that the inclusion of any Ancillary Service restriction is a manifest error.

System Management suggests expansion of the proposed change to remove all of the Ancillary Service components from the STEM process.

System Management suggests deletion of Market rule 7.2.3A and all other references to it in Market Rules 6.3A.2, 6.3A.3 and 7.2.3B

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

System Management agrees that the Proposed Rule Change better meets the objectives (b) and (d) as suggested by the IMO.

System Management believes that its proposed expansion also better meets these objectives.

In addition System Management’s proposal reduces the risk of the STEM being delayed or not proceeding as the risk of SM not sending the files is removed.

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 Rule Change Proposal would require changes to System Management processes as the potential spinning reserve requirement would vary with changes in load following requirement forecast on the scheduling day. System Management expects these ongoing costs to be minor.

If the proposed change is expanded as System Management proposes System Management would stop sending two files to the IMO on the scheduling day. Removal of transfer of these two files from System Managements systems would impose a negligible one off cost.

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

There are changes required by the proposed change so it would take some time to implement.

If the proposed change is expanded as System Management proposes System Management would be able to implement the change within 5 business days.