



INDEPENDENT
MARKET
OPERATOR

Rule Change Notice

Outage Planning Phase 2 – Outage Process Refinements (RC_2013_15)

This notice is given under clause 2.5.7 of the Market Rules.

Date Submitted: 24 December 2013

Submitter: Allan Dawson, IMO

The Proposal

In accordance with clause 3.18.18 of the Market Rules, during 2011 the IMO completed the first five year review of the outage planning process as described in the Market Rules and supported by the Power System Operation Procedure (PSOP): Facility Outages (2011 Outage Planning Review).

The review, completed by PA Consulting in October 2011, assessed the performance of the outage planning processes since market start against the Wholesale Market Objectives. Overall PA Consulting concluded the outage planning process was working well, but could benefit from some 'fine tuning' in the areas of outage planning information transparency and the technical functioning of the outage planning process.

The IMO has adopted a phased approach to implementing the recommendations of the 2011 Outage Planning Review. This Rule Change Proposal represents the second phase of reform and addresses a number of recommendations made by PA Consulting as well as some additional outage planning issues identified since the completion of the review. The purpose of the Rule Change Proposal is to:

- clarify the obligations of Rule Participants around the outage planning processes;
- provide greater flexibility for Rule Participants in outage planning; and
- improve the transparency and consistency of outage planning and Balancing Market processes.

The issues addressed in the proposal relate to:

- obligations to participate in the outage planning process;
- interactions between Planned Outages and Balancing Submissions;
- timelines for Planned Outages;
- availability criteria for the approval of Planned Outages; and
- a number of minor enhancements to improve the integrity and clarity of the outage planning provisions in the Market Rules.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

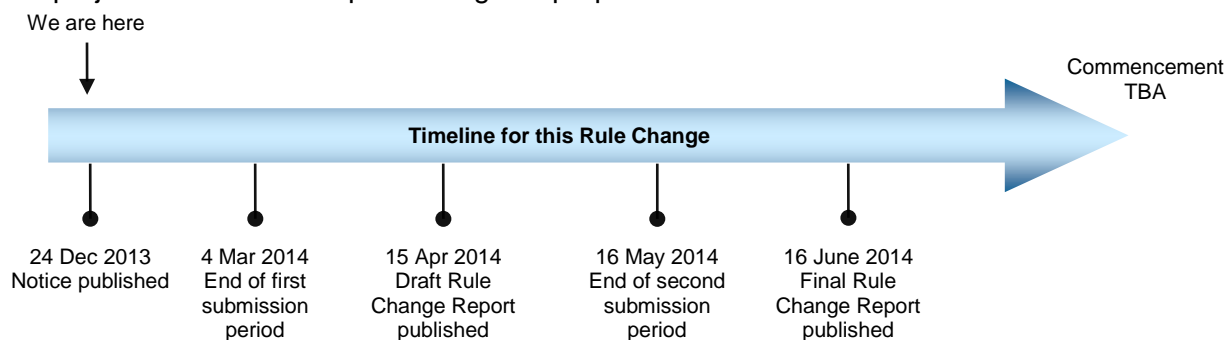
- the proposed amendments to the Market Rules;
- relevant references to clauses of the Market Rules and any proposed specific amendments to those clauses; and
- the submitter's description of how the proposed amendments would allow the Market Rules to better address the Wholesale Market Objectives.

Decision to Progress the Rule Change

The IMO has decided to progress the Rule Change Proposal on the basis that Rule Participants should be given an opportunity to provide submissions as part of the rule change process.

Timeline

The projected timelines for processing this proposal are:



The IMO considers that the standard timeframes for the Standard Rule Change Process may be insufficient given the complexity of the Rule Change Proposal. Accordingly:

- the first submission period has been extended beyond the usual 30 Business Days to both account for the Christmas period and provide Rule Participants with sufficient time to consider the proposal; and
- the period for the preparation of the Draft Rule Change Report has been extended beyond the usual 20 Business Days to allow the IMO sufficient time to consider the submissions received in the first submission period and prepare its Draft Rule Change Report.

All other dates have been adjusted accordingly.

Call for Submissions

The IMO invites interested stakeholders to make submissions on this Rule Change Proposal. The submission period is 45 Business Days. Submissions must be delivered to the IMO by **5:00 pm on Tuesday 4 March 2014**.

The IMO prefers to receive submissions by email (using the submission form available on the Market Web Site: <http://www.imowa.com.au/rule-changes>) to: market.development@imowa.com.au.

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator

Attn: Group Manager, Development & Capacity

PO Box 7096

Cloisters Square, PERTH, WA 6850

Fax: (08) 9254 4399



INDEPENDENT
MARKET
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Wholesale Electricity Market Rule Change Proposal

Rule Change Proposal ID: RC_2013_15
Date received: 24 December 2013

Change requested by:

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Date submitted:	24 December 2013
Urgency:	2-medium
Change Proposal title:	Outage Planning Phase 2 – Outage Process Refinements
Market Rule(s) affected:	Clauses 3.4.1, 3.18.2, 3.18.2A, 3.18.3, 3.18.4, 3.18.4A, 3.18.5, 3.18.5C, 3.18.5D, 3.18.6, 3.18.7, 3.18.8, 3.18.9, 3.19.1, 3.19.2, 3.19.2A (new), 3.19.2B (new), 3.19.2C (new), 3.19.2D (new), 3.19.3, 3.19.3A, 3.19.3B (new), 3.19.4A (new), 3.19.11, 3.19.12, 3.20.1, 7A.2.4, 7A.2.4A (new), 7A.2.4B (new), 7A.2.4C (new), 7A.2.8A (new), 7A.2.9, 7A.2.9A (new), 7A.2.9B (new), 7A.2.9C (new), 7A.2A.1 (new), 7A.2A.2 (new), 7A.2A.3 (new) and the Glossary.

Introduction

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the Independent Market Operator.

This Change Proposal can be posted, faxed or emailed to:

Independent Market Operator

Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4339
Email: market.development@imowa.com.au



The Independent Market Operator will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the wholesale electricity market objectives.

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.

Details of the Proposed Rule Change

1. Describe the concern with the existing Market Rules that is to be addressed by the proposed Market Rule change:

Background

In accordance with clause 3.18.18 of the Wholesale Electricity Market (WEM) Rules (Market Rules), during 2011 the Independent Market Operator (IMO) completed the first five year review of the outage planning process as described in the Market Rules and supported by the Power System Operation Procedure (PSOP): Facility Outages (2011 Outage Planning Review).

The review, completed by PA Consulting in October 2011, assessed the performance of the outage planning process since market start against the Wholesale Market Objectives. The review included an assessment of the need for, and the nature of, any reforms to the outage planning process. Overall, PA Consulting concluded the WEM outage planning process was working well, but could benefit from some 'fine tuning' in the areas of outage planning information transparency and the technical functioning of the outage planning process.

Since the completion of the 2011 Outage Planning Review, the IMO has considered the recommendations made by PA Consulting as well as several outage planning issues that were identified internally, raised by members of the Market Advisory Committee (MAC) in response to a request by the IMO in June 2012, or else raised subsequently by System Management.

Some of the recommendations and issues identified have been addressed by the IMO and System Management. Most notably, the Rule Change Proposal: Transparency of Outage Information (RC_2012_11), which commenced on 1 October 2013, introduced new standards for the disclosure of information relating to outages of Scheduled Generators and Non-Scheduled Generators, aimed at improving transparency in the market. This was prioritised to be phase 1 of the reforms from the 2011 Outage Planning Review because it was considered a more significant reform than implementing the technical changes being made in this reform package (phase 2).

An updated list of issues and recommendations was provided in the Concept Paper CP_2013_04: Outage Planning Phase 2 – Outage Process Refinements (Concept Paper), which the IMO presented to the 7 August 2013 MAC meeting. At the meeting, the MAC supported the development of a Pre Rule Change Proposal, while raising a number of issues for further consideration. Further details of the August 2013 MAC meeting are available on the following webpage: http://www.imowa.com.au/MAC_63.

Following the MAC meeting the IMO:

- consulted with Verve Energy on how the proposed changes to the Opportunistic Maintenance process could work appropriately with Verve Energy's different bidding timeframes;
- consulted with ERM Power regarding the possibility of allowing short extensions to Scheduled Outages;
- on 29 August 2013, requested the views of MAC members regarding the appropriate deadlines for Opportunistic Maintenance requests and approvals, and the extent to which a Network Operator should be required to proactively report Forced Outages of its distribution system (note the IMO received no responses to this request);
- undertook further consultation with System Management on the timing of approvals of Planned Outages; and
- undertook further consultation with System Management and Western Power on the obligations on a Network Operator to notify affected participants about outages, agreeing that Network Operators should follow the normal outage processes for any network equipment on the Equipment List and noting that Network Operators already have obligations to notify affected participants of Planned Outages.¹

The IMO took into account the comments made during the MAC discussion and post MAC consultations when preparing this Rule Change Proposal.

Issues and proposed solutions

The purpose of this Rule Change Proposal is to:

- clarify the obligations of Rule Participants around the outage planning process;
- provide greater flexibility for Rule Participants in outage planning; and
- improve the transparency and consistency of outage planning and Balancing Market

¹ It may also be appropriate for a Network Operator to have a similar obligation, on a best endeavours basis, to advise affected participants of a Forced Outage that the Network Operator is aware of in advance of the outage. The IMO is considering this for inclusion in the proposed Rule Change Proposal: Availability, Outages and Constraint Payments for Non-Scheduled Generators (PRC_2013_16).

processes.

The issues addressed in the proposal relate to:

- obligations to participate in the outage planning process;
- interactions between Planned Outages and Balancing Submissions;
- timelines for Planned Outages;
- availability criteria for the approval of Planned Outages; and
- a number of minor enhancements to improve the integrity and clarity of the outage planning provisions in the Market Rules.

Obligations to participate in the outage planning process

Clause 3.18.2(a) of the Market Rules requires System Management to maintain a list (Equipment List) of the equipment on the South West interconnected system (SWIS) it determines should be subject to outage scheduling. Network Operators and Market Participants with Facilities or items of equipment on the Equipment List (Equipment List Facilities) are required to request approval of Planned Outages and notify System Management of Forced Outages and Consequential Outages in accordance with the provisions outlined in sections 3.18, 3.19, 3.20 and 3.21.

Clause 3.18.2(c) prescribes the equipment that must be included on the Equipment List, while allowing System Management (under clause 3.18.2(c)(iv)) to include any additional equipment it determines must be subject to outage scheduling to maintain Power System Security and Power System Reliability.

Unless specifically included on the Equipment List by System Management, generation systems with a nameplate capacity less than 10 MW (Small Outage Facilities) are exempt from the normal outage planning processes. Instead the relevant Market Participant is only required to notify System Management of proposed Planned Outages for these Facilities. Market Participants are still however required to follow the standard processes for Forced Outages and Consequential Outages of Small Outage Facilities.

Issue 1: Equipment List: Demand Side Programmes and Associated Loads, Dispatchable Loads and Interruptible Loads

Clause 3.18.2(c)(ii) requires all Registered Facilities holding Capacity Credits to be included on the Equipment List, except those to which clause 3.18.2A applies. This includes not only Scheduled Generators and Non-Scheduled Generators but also Demand Side Programmes (DSPs), Dispatchable Loads and Interruptible Loads. (The reference to clause 3.18.2A excludes Registered Facilities with a Standing Data nameplate capacity of less than 10 MW.)

Currently there is some ambiguity in the Market Rules about the definition of an outage and the outage planning obligations for a DSP. In particular, there is some uncertainty around whether a DSP is experiencing an Outage when:

- it is not consuming electricity at its Relevant Demand level; and/or
- it does not reduce its consumption in response to a Dispatch Instruction.

The IMO considers a DSP that is not consuming at its Relevant Demand level is not undergoing an Outage. While a consistently low consumption level for a DSP may be an

issue that needs to be considered in relation to its Reserve Capacity Obligations, the outage framework is not appropriate for this purpose. For example, it does not make sense that System Management would refuse permission for a DSP to reduce its consumption due to a low reserve margin. It should be noted that the telemetry requirements for DSPs being proposed in the Rule Change Proposal: Harmonisation of Supply-Side and Demand-Side Capacity Resources (RC_2013_10) would provide System Management with improved visibility of the current consumption levels of each DSP.

Further, the IMO considers that a DSP should be expected to make its capacity available (i.e. reduce its consumption) whenever it is dispatched by System Management, as it is not subject to the periodic maintenance requirements affecting generators and network equipment.. For this reason, the IMO considers a Market Participant should not be able to request (or notify) System Management of a Planned Outage of a DSP.

The IMO also considers it unlikely in practice that a DSP provider would volunteer in advance that a DSP would not reduce its consumption over a period if dispatched by System Management. The IMO therefore does not consider there would be a net benefit to the market in implementing rules to support the proactive logging of Forced Outages for DSPs.

Based on these considerations, the IMO does not consider that DSPs or their Associated Loads need to be included on the Equipment List, or to log Planned Outages or Forced Outages.

To date no Dispatchable Loads have been registered in the WEM or assigned Capacity Credits. Under the current Market Rules, a Dispatchable Load would be dispatched from the Non-Balancing Dispatch Merit Order (NBDMO) in a similar manner to a DSP, and so the same arguments for their exclusion from the Equipment List apply.

To date no Interruptible Loads have been assigned Capacity Credits and the Market Rules do not contemplate their 'dispatch' under either the Balancing Merit Order (BMO) or the NBDMO. In practice these Facilities are used to provide Spinning Reserve Service under an Ancillary Service Contract, and so are already required to be included on the Equipment List under clause 3.18.2(c)(iii) (renumbered in the proposed amendments to be clause 3.18.2(c)(iv)). The IMO considers that it is therefore unnecessary to prescribe their inclusion on the Equipment List under clause 3.18.2(c)(ii).

Proposed solution:

The IMO proposes to restrict the Facilities that must be included on the Equipment List under clause 3.18.2(c)(ii) to Scheduled Generators and Non-Scheduled Generators holding Capacity Credits with a Standing Data nameplate capacity of at least 10 MW.

Issue 2: Equipment List: Network equipment

Currently under clause 3.18.2(c)(i) of the Market Rules "all transmission network Registered Facilities" must be on the Equipment List. The IMO does not consider that it is efficient to require System Management to schedule outages for all components of the transmission system as only some components have the potential to affect system security and reliability.

On the other hand, clause 3.18.2(c) does not require the inclusion of any components of the distribution system on the Equipment List, except where System Management considers they "must be subject to outage scheduling to maintain Power System Security and Power System Reliability" under clause 3.18.2(c)(iv) (renumbered in the proposed amendments to be clause 3.18.2(c)(v)). However, there are situations where an outage in the distribution system can limit the output of a generation system on the Equipment List.

The IMO considers that if a generation system is required on the Equipment List then it follows that any network equipment (whether transmission or distribution) that could limit that generation system's output should also be on the Equipment List. However the IMO also considers that other network equipment should only be included on the Equipment List at System Management's discretion, i.e. in accordance with clause 3.18.2(c)(v).

Proposed solution:

The IMO proposes to amend clause 3.18.2(c)(i) to require the Equipment List to include any transmission or distribution system equipment that could limit the output of a generation system that is on the Equipment List. Provided this requirement is met, System Management will have the flexibility to define the specific Equipment List Facilities in the way that it finds most operationally efficient. This may involve the use of 'notional' network circuits, for example a notional circuit comprising any distribution system equipment that could limit the output of a particular distribution-connected generation system.

It should be noted that the proposed amendment does not limit System Management's ability under clause 3.18.2(c)(v) to include on the Equipment List any other network equipment which it considers should be subject to outage scheduling in order to maintain system security and reliability.

Issue 3: Requirements to follow the outage planning process

The obligation on a Rule Participant to request (or report, as applicable) a Planned Outage prior to undertaking discretionary maintenance is not explicit in the Market Rules, although it is implied by various clauses such as clause 3.19.8, which obliges a participant to comply with System Management's decision to reject an outage request, except where this would endanger the safety of any person, damage equipment, or violate an applicable law.

While there is a clear financial incentive for Market Participants with Facilities holding Capacity Credits to seek to be granted a Planned Outage, with the progression of the Rule Change Proposal: Incentives to Improve Availability of Scheduled Generators (RC_2013_09)² a generator that has breached its 1000 Trading Day Planned Outage limit will be liable for Facility Reserve Capacity Deficit Refunds for a Planned Outage, reducing the financial incentive to follow the normal outage planning process.

Proposed solution:

The IMO proposes to include new clauses 3.18.2A(b) and 3.19.2A to clarify the requirement for a Market Participant to follow the outage scheduling processes. Clause 3.18.2A(b) requires a Market Participant to notify System Management of a proposed Planned Outage of a Small Outage Facility if:

- the Market Participant intends to make some or all of the Small Outage Facility's capacity unavailable; and
- the capacity would otherwise be available for the duration of the proposed Planned Outage.

Clause 3.19.2A requires a Market Participant in the same position with regard to an Equipment List Facility to request approval for a Planned Outage from System Management in accordance with sections 3.18 and 3.19.

² For further details see: http://www.imowa.com.au/RC_2013_09.

Interactions between Planned Outages and Balancing Submissions

There are a number of areas in the Market Rules where it is not entirely clear how 'unavailable' capacity (e.g. capacity that is the subject of a Planned Outage request) should be treated in a Balancing Submission. One of the most obvious areas of ambiguity is in relation to requests for on-the-day Opportunistic Maintenance (ODOM).

Under the current Market Rules, an ODOM outage requested under clause 3.19.2(b) "must not require any changes in scheduled energy or ancillary services". Prior to 1 July 2012, System Management was able to determine the compliance of an Independent Power Producer (IPP) Facility with this requirement from its Resource Plan. However, since the implementation of the Balancing Market this determination is not so simple, as the scheduled output of an IPP Facility is no longer determined by its Resource Plan but by its relative position in the BMO.

Although a Market Participant may bid capacity that is intended to be unavailable due to an ODOM request at a high price (to limit the likelihood that it will be dispatched), the capacity is still available for dispatch, which in some situations may force System Management to exercise discretion in determining whether an ODOM request meets the requirements of clause 3.19.2(b)(ii). Further, in order to allow Forecast BMOs to be as accurate as possible, it is essential that Market Participants provide the market, through their Balancing Submissions, with as much forewarning as possible of capacity that is expected to be unavailable for dispatch due to an outage.

For these reasons, the IMO considers that as a general principle any capacity of a Market Participant subject to a Planned Outage request should appear as 'unavailable' in the Forecast BMO. The following sections discuss how this principle is proposed to be applied in the Market Rules.

Issue 4: Balancing Submission unavailability declarations

Currently some ambiguity exists in the Market Rules around how unavailable capacity is indicated in a Balancing Submission. While various clauses (e.g. clauses 7A.2.8(b), 7A.2.9(a)(ii), 7A.2.10(a) and 7A.2.10(b)) imply that a Balancing Submission must indicate how much of a Balancing Facility's Sent Out Capacity is unavailable for dispatch, clause 7A.2.4 and the Glossary definition of the term 'Balancing Submission' do not explain how this is to be done. Further, the Glossary definition suggests that for a Scheduled Generator the Balancing Price-Quantity Pairs should cover the full Sent Out Capacity of the Facility, regardless of whether any of that capacity is unavailable for dispatch.

Proposed solution:

The IMO proposes to amend the Glossary definition of a Balancing Submission and the requirements for a Balancing Submission in clause 7A.2.4, and include new clauses 7A.2.4A, 7A.2.4B and 7A.2.4C, to clarify how 'available' and 'unavailable' capacity are to be included.

For a Balancing Facility that is a Scheduled Generator, for each Trading Interval the sum of the MW quantities in the Balancing Price-Quantity Pairs and the 'unavailable' quantity should equal the Sent Out Capacity of the Facility.

For a Non-Scheduled Generator, the 'available' quantity provided in its single Balancing Price-Quantity Pair should reflect the Market Participant's estimate of its MW output at the end of the Trading Interval, assuming it is not dispatched down by System Management. The 'unavailable' quantity should reflect any Outages but should not include that part of the Sent Out Capacity that is not expected to be reached because its 'fuel supply' (e.g. wind or

sunlight) is not at an optimal level. The two quantities are not therefore expected to sum to the Sent Out Capacity of the Facility.

Similarly, the MW quantities in a Balancing Submission for the Verve Energy Balancing Portfolio (VEBP) are not expected to sum to the total Sent Out Capacity of the component Facilities, since these Facilities include some Non-Scheduled Generators.

Issue 5: Deadline for approval of a Planned Outage

Currently the Market Rules do not set a deadline for making decisions on whether to approve a Planned Outage, although clause 3.19.2(b) sets a deadline for ODOM requests of one hour before the proposed start time. This creates a risk that a request could be rejected after Balancing Gate Closure, leaving the relevant capacity unavailable for dispatch in the BMO and the Market Participant obliged to log a Forced Outage.

The IMO proposed a number of possible approaches for dealing with this concern in CP_2013_04 and sought the views of MAC members on the options. No responses were received from MAC members on the issue. The IMO has since discussed the issue further with System Management to develop the following agreed approach.

Proposed solution:

The IMO proposes to amend clause 3.19.2 to set the deadline for requesting approval of an Opportunistic Maintenance request to 30 minutes before Balancing Gate Closure for the Trading Interval in which the outage is due to commence. The IMO also proposes to include a new clause 3.19.4A which prescribes that if System Management has not provided a Rule Participant with a decision on a request for approval of a Planned Outage (including a Scheduled Outage or Opportunistic Maintenance) by this time then for the purposes of the Market Rules the request is deemed to be rejected.

The proposed amendments will ensure that Market Participants have sufficient time to adjust their final Balancing Submissions to reflect the approval or rejection of any Planned Outage requests for their Facility.

Issue 6: Clarification of requirements for Balancing Facilities (excluding the Verve Energy Balancing Portfolio)

Currently the Market Rules are unclear about how capacity subject to a Planned Outage request should be reflected in the Balancing Submissions for a Balancing Facility. As noted above, the IMO considers that in general any capacity subject to an approved Planned Outage or to an outstanding request for approval of a Planned Outage should be bid as 'unavailable' capacity in the relevant Balancing Submissions.

The reason for requiring the relevant capacity of a Market Participant to be bid as unavailable prior to approval of the outage is that it is expected these requests will be approved more often than not, and so making the capacity unavailable in the BMO earlier will improve transparency and the likely accuracy of the forecast Balancing Price. This approach also removes any requirement on System Management to exercise discretion about the likelihood of a Balancing Facility being dispatched based on its position in the Forecast BMO.

However, the IMO also notes that Balancing Facilities are expected to participate in the Balancing Market and considers any capacity declared as unavailable in a Balancing Submission (apart from minor temperature related de-ratings) should be subject to an Outage.

On rare occasions System Management may reject a previously approved Planned Outage

before it commences under clause 3.19.5. The IMO considers that in these situations the Market Participant should be required to update its Balancing Submission for any Trading Intervals in the Balancing Horizon for which Balancing Gate Closure has not yet occurred, to make the relevant capacity available for dispatch. (Note this requirement should apply to all Scheduled Generators and Non-Scheduled Generators, including those in the VEBP.)

Similarly, where the SWIS is in an Emergency Operating State or High Risk Operating State System Management may direct a Market Participant that a Facility be returned to service early from a Planned Outage under clause 3.20.1. In these situations the IMO considers that the Market Participant should be required to update its Balancing Submission, to reflect the change in available capacity due to System Management's direction, for any Trading Intervals for which Balancing Gate Closure has not yet occurred.

Proposed solution:

The IMO proposes to add new clauses 7A.2.8A and 7A.2A.1 to clarify that for non-VEBP Balancing Facilities:

- a Market Participant must, for each of its Balancing Facilities and for each Trading Interval in the Balancing Horizon, use its best endeavours to ensure that, at all times, any of the Facility's capacity that is:
 - subject to an approved Planned Outage; or
 - subject to an outstanding request for approval of a Planned Outage,is declared as unavailable in the Balancing Submission for the Facility and the Trading Interval, unless the Balancing Facility is undertaking a Commissioning Test in that Trading Interval; and
- a Market Participant must, as soon as practicable after Balancing Gate Closure for each Trading Interval, for each of its Balancing Facilities that is either an Equipment List Facility or a Small Outage Facility (collectively referred to as an Outage Facility), ensure that it has notified System Management of a Forced Outage or Consequential Outage for any capacity declared unavailable in the Facility's Balancing Submission that:
 - was not subject to an approved Planned Outage or Consequential Outage at Balancing Gate Closure for the Trading Interval; and
 - is not attributable to a difference between the expected temperature at the site during the Trading Interval and the temperature at which the Sent Out Capacity for the Facility was determined.

The latter requirement will not apply to capacity subject to a previously approved Planned Outage that was then rejected by System Management less than 30 minutes before Balancing Gate Closure (see proposed new clause 7A.2A.3).

The IMO also proposes to add new clauses to clarify a Market Participant's obligations around its Balancing Submissions in the event of a late rejection of a previously approved Planned Outage (clause 7A.2.9B) or the recall of Planned Outage that is underway (clause 7A.2.9C).

The implications of this proposal are as follows.

- A Market Participant must use its best endeavours to ensure that its initial Balancing Submission for a Trading Interval declares any of the Balancing Facility's capacity

that is subject to an approved Planned Outage or an outstanding request for a Planned Outage as unavailable.

- If a Market Participant wishes to make a request for Opportunistic Maintenance that covers Trading Intervals within the Balancing Horizon, it will need to amend its Balancing Submission to make the relevant capacity unavailable before it requests the outage.
- If, at any time prior to 30 minutes before Balancing Gate Closure, System Management approves the Opportunistic Maintenance request then the Market Participant will not need to update its Balancing Submission as it will have already reflected the relevant capacity as being unavailable.
- If, at any time prior to 30 minutes before Balancing Gate Closure, System Management rejects the request then the Market Participant will need to update its Balancing Submission as soon as practicable to make the relevant capacity available for dispatch (or be liable for a Forced Outage for the affected Trading Intervals).
- If System Management has not provided a decision in relation to the request (i.e. neither rejected nor approved it) by 30 minutes prior to Balancing Gate Closure, then the Market Participant must assume that the outage has been rejected and update its Balancing Submission as soon as practicable (before Balancing Gate Closure) to make the relevant capacity available for dispatch (or be liable for a Forced Outage for the affected Trading Intervals).
- If a Market Participant wishes to end an approved Planned Outage early, then it must notify System Management of the revised outage end time before amending its Balancing Submission for any affected Trading Intervals in the Balancing Horizon (to ensure its compliance with clause 7A.2.8A). Note that a Market Participant is not permitted to update a Balancing Submission for a Trading Interval for this reason after Balancing Gate Closure.
- If an approved Planned Outage is rejected under clause 3.19.5 or the Facility is recalled to service under clause 3.20.1 then the Market Participant must as soon as practicable update its Balancing Submission to reflect any capacity that will now be available, for any Trading Intervals in the Balancing Horizon for which Balancing Gate Closure has not occurred.

Issue 7: Clarification of requirements for the Verve Energy Balancing Portfolio

In CP_2013_04 the IMO proposed that the arrangements outlined above for outstanding approval requests should apply to all Scheduled Generators and Non-Scheduled Generators. However, during the discussion on CP_2013_04 at the August 2013 MAC meeting Verve Energy suggested that this could restrict the timeframes for VEBP Facility Opportunistic Maintenance requests, in a way that was contrary to the intent of the changes. Following the MAC meeting the IMO met with Verve Energy to discuss its concerns further.

Currently Verve Energy has fewer opportunities to revise its (VEBP) Balancing Submissions than other Market Participants, and the deadline for VEBP Balancing Submissions (between four and 9.5 hours prior to the start of the Trading Interval) falls well before Balancing Gate Closure. To require final decisions on VEBP Planned Outage approval requests before the deadline for VEBP Balancing Submissions (so that Verve Energy has time to amend its Balancing Submission to make capacity subject to a rejected request available) would significantly limit the time window available to Verve Energy for Opportunistic Maintenance requests, when compared with the current arrangements.

On the other hand, allowing Verve Energy to make significant changes to VEBP Balancing Submissions after the normal deadlines would undermine the effectiveness of these deadlines in mitigating concerns around market power. The VEBP also provides Verve Energy with the opportunity to optimise the dispatch of its Facilities within the VEBP without the same restrictions as IPP Facilities with regards to updating Balancing Submissions.

Proposed solution:

In order to address Verve Energy's concerns while minimising any impacts on the BMO, the IMO proposes that the requirements for Facilities in the VEBP should be similar to those for other Balancing Facilities (taking into account the different deadlines for VEBP Balancing Submissions) with the following exceptions.

- Capacity that is subject to an outstanding request for approval of a Planned Outage should be declared as available (i.e. included in the Balancing Portfolio Supply Curve) in the Balancing Submissions for the relevant Trading Intervals.
- If Verve Energy receives approval of an Opportunistic Maintenance request later than its usual gate closure time, it will be required to amend its Balancing Submission for the affected Trading Intervals to make the relevant capacity unavailable, but must remove the capacity from its highest price Balancing Price-Quantity Pairs, leaving its lower price Balancing Price-Quantity Pairs unchanged. This means that the update will have minimal impact on the BMO.

The VEBP specific requirements are outlined in proposed new clauses 7A.2.9(g), 7A.2.9A and 7A.2A.2. The implications on Verve Energy are as follows.

- Verve Energy must ensure that its initial VEBP Balancing Submission for a Trading Interval declares any of the VEBP's capacity that is subject to an approved Planned Outage as unavailable. Capacity subject to an outstanding request must be included in the Balancing Portfolio Supply Curve and assumed to be available for dispatch (e.g. for the purposes of compliance with SRMC bidding obligations).
- Verve Energy will not need to amend its VEBP Balancing Submission before making a request for Opportunistic Maintenance that covers Trading Intervals within the Balancing Horizon.
- If System Management approves a request for Opportunistic Maintenance that covers Trading Intervals in the Balancing Horizon before the latest time allowable under clause 7A.2.9(d) (i.e. the normal deadline for VEBP Balancing Submissions) then Verve Energy must, in accordance with its normal submission timeframes, amend its Balancing Submission to make that capacity unavailable and may adjust its prices accordingly.
- If System Management approves a request for Opportunistic Maintenance that covers Trading Intervals in the Balancing Horizon after the normal VEBP Balancing Submission deadline, then Verve Energy must as soon as practicable update its Balancing Submission, taking into account the restrictions on changes to its offer prices described above.
- If System Management rejects (or is deemed to reject) an outstanding Opportunistic Maintenance request for a VEBP Facility affecting Trading Intervals in the Balancing Horizon then no change is required, as the relevant capacity will already be declared as available.

- If Verve Energy wishes to end an approved Planned Outage of a VEBP Facility early, then it must notify System Management of the revised end time of the Outage before amending its Balancing Submission for any affected Trading Intervals in the Balancing Horizon (to ensure its compliance with new clause 7A.2.9A). Verve Energy is not permitted to update a VEBP Balancing Submission for this reason after the normal VEBP Balancing Submission deadline for the relevant Trading Intervals.
- If an approved Planned Outage is rejected under clause 3.19.5 or a Facility in the VEBP is recalled to service under clause 3.20.1 then Verve Energy must as soon as practicable update its VEBP Balancing Submission to reflect any capacity that will now be available, for any Trading Intervals in the Balancing Horizon for which Balancing Gate Closure has not occurred.

It should also be noted that Verve Energy also has the option of treating its Facilities as Stand Alone Facilities, meaning they are no longer part of the VEBP and are subject to the same Balancing Submission processes as IPP Facilities.

Timelines for Planned Outages

Issue 8: Clarification of deadline for Scheduled Outage approval requests

Currently the exact deadline for Scheduled Outage approval requests is unclear. Clause 3.19.1 requires a Network Operator or Market Participant to request approval of a Scheduled Outage “no later than two days prior to the date of commencement” of the outage, but no time is specified. In practice, System Management requires requests to be made by 10:00 am on the day prior to the Scheduling Day for the Trading Day in which the proposed outage is due to commence.

Proposed solution:

The IMO proposes to amend clause 3.19.1 to clarify that approval of a Scheduled Outage must be requested no later than 10:00 am on the day prior to the Scheduling Day for the Trading Day in which the proposed outage is due to commence.

Issue 9: Prohibition on Opportunistic Maintenance Outages spanning two Trading Days

Currently, clauses 3.19.2(a) and 3.19.2(b)(iii) require an Opportunistic Maintenance Outage to be completed by the end of the Trading Day in which it commences. Additionally, under clause 3.19.3A(b) System Management must not approve Opportunistic Maintenance requests on two consecutive days. The effect of these clauses is to restrict the period over which an Opportunistic Maintenance Outage can occur to the Trading Day within which the outage commences. The IMO considers there is no reason to require an Opportunistic Maintenance Outage to take place within a single Trading Day.

Proposed solution:

The IMO proposes to amend clause 3.19.2 to allow Opportunistic Maintenance requests to be for any period up to 24 hours in length.

Issue 10: Restrictions on the timeframes for making Opportunistic Maintenance requests

Currently an Opportunistic Maintenance request cannot be made between 10:00 am on the Scheduling Day and the start of the Trading Day. The IMO considers that this restriction is

unnecessary and removing it would improve the efficiency of the outage planning process.

Proposed solution:

The IMO proposes to amend clause 3.19.2 to allow a Market Participant to submit an Opportunistic Maintenance request at any time between:

- the proposed deadline for Scheduled Outage requests, i.e. 10:00 am on the day before the Scheduling Day for the Trading Day in which the requested outage is due to commence; and
- the proposed deadline for System Management's decisions on Opportunistic Maintenance requests, i.e. 30 minutes before Balancing Gate Closure for the Trading Interval in which the requested outage is due to commence.

It should be noted that the IMO is not proposing any change to the requirement under clause 3.19.4 for System Management to approve or reject a Planned Outage request and inform the Market Participant of its decision *as soon as practicable*. The IMO notes that System Management has documented its timelines for the approval of outage requests in the PSOP: Facility Outages. The timelines give a Market Participant certainty about when it can expect a response from System Management to an outage approval request submitted at a specific time. For example, System Management commits to respond to an Opportunistic Maintenance request submitted between 6:00 am and 10:00 am on the Scheduling Day by 12:00 pm on that Scheduling Day.

The IMO does not propose that the changes should create any additional resourcing requirements for System Management. Instead the IMO proposes that System Management revise its current approval timelines to provide as flexible a result as possible given its current staffing arrangements. For example, during preliminary discussions with the IMO, System Management suggested that it should have no difficulty in processing Opportunistic Maintenance requests received between 10:00 am and 3:00 pm on the Scheduling Day by 5:00 pm on that day, one hour before the Balancing Horizon is extended to cover the relevant Trading Day.

It should also be noted that System Management will retain the ability to reject an Opportunistic Maintenance request if it is unable to assess the impact of the request in the time available. Further, the proposed new clause 3.19.4A will ensure that where System Management has been unable to provide a decision to the Rule Participant by 30 minutes before Balancing Gate Closure the request must be deemed to be rejected. Market Participants will need to bear this in mind when making such Opportunistic Maintenance requests, particularly as the proposed amendments will allow Opportunistic Maintenance requests to be made for periods that extend well into the day after the Trading Day in which the outage commences.

Issue 11: Restrictions on the timeframes for making consecutive Opportunistic Maintenance requests

Clause 3.19.3A(b) states that System Management must not approve Opportunistic Maintenance for an Equipment List Facility "on two consecutive Trading Days". It is not clear from the wording whether the restriction applies to the approvals or the outages, but the clause has generally been interpreted as referring to the latter.

The IMO considers it appropriate that Rule Participants should not be able to request a series of consecutive Opportunistic Maintenance Outages, effectively undertaking the equivalent of a Scheduled Outage without due notice. However, the current restriction will no

longer be appropriate if Opportunistic Maintenance is allowed to span two Trading Days.

Proposed solution:

The IMO proposes to amend clause 3.19.3A(b) to require a 24 hour period to elapse between the end of one Opportunistic Maintenance Outage for an Equipment List Facility and the start of the next.

Issue 12: Notification timelines for Small Outage Facilities

Currently clause 3.18.2A(b) requires a Market Participant to notify System Management of proposed Planned Outages for a Small Outage Facility “not less than 2 Business Days prior to their commencement”. There are no provisions allowing for the equivalent of Opportunistic Maintenance for a Small Outage Facility.

The IMO considers that for Small Outage Facilities the notification deadline for short Planned Outages (up to 24 hours in duration) should not exceed the Opportunistic Maintenance request deadline for Equipment List Facilities. Similarly, the IMO considers there is no necessity for the notification deadline for longer Planned Outages to exceed the deadline for Scheduled Outage approval requests for Equipment List Facilities.

Proposed solution:

The IMO proposes to amend clause 3.18.2A to align the notification deadlines for Planned Outages of Small Outage Facilities with the approval request deadlines for Planned Outages of corresponding duration for Equipment List Facilities. The proposed amendments to clause 3.18.2A also clarify that a Market Participant must notify System Management if the timing of an outage changes or the outage is no longer required.

Criteria for approval of Planned Outages

Issue 13: Availability declarations for Planned Outage approval requests

In its final report for the 2011 Outage Planning Review, PA Consulting raised two concerns about the implicit requirement in the PSOP: Facility Outages for a Facility to be available prior to a Planned Outage commencing. The PSOP states that “System Management may at its sole discretion require a Market Participant’s or Network Operator’s authorised personnel included in the relevant contact list to make a written declaration that the unit is available prior to the outage commencing”.

PA Consulting supported System Management’s efforts to identify and reject outage requests made principally to avoid exposure to refunds rather than to perform (discretionary) maintenance, but suggested that the current PSOP requirement:

- *creates an incentive to apply for outages which are longer than needed:* PA Consulting noted that while the requirement to be available while requesting an outage translates to an inability to extend an existing outage, there is no such prohibition on shortening outage periods. PA Consulting considered that this asymmetry creates an incentive to apply for an outage period longer than is likely to be required, which in turn can reduce the availability of outage slots for other Market Participants³; and
- *adds cost to the provision of generation:* in particular, PA Consulting considered that

³ System Management has advised that in practice it does approve some extensions to Scheduled Outages, using its discretion as to whether to require an availability declaration.

the inability to apply for Opportunistic Maintenance while on a Forced Outage means that generators are compelled to make their plant available again as soon as possible, so as to minimise Reserve Capacity refund payments. Specifically, this encourages them to make short term temporary fixes to the problem, and then apply for an outage to fix the problem properly whereas it would have made most sense to fix the problem properly in the first instance.

PA Consulting recommended that:

- System Management should develop for consideration by the IMO proposed changes to sections 13.5, 14.7 and 15.5 of the PSOP: Facility Outages to the effect that the written declaration pertain to the period of the outage, rather than a period prior to the outage commencing;
- given the interaction with the capacity market and the incentive for Market Participants to manipulate the Market Rules to avoid exposure to Reserve Capacity refunds, the requirement to provide a written declaration should be mandatory; and
- in the interests of transparency and facilitating compliance monitoring, all such declarations should be published by System Management.

Additionally System Management, in feedback provided to the IMO, sought greater clarity on its obligations with respect to:

- clause 3.18.7, which requires Outage Plans submitted by a Market Participant or Network Operator to represent its good faith intention to remove from service, or de-rate, the relevant Facility of item of equipment, for maintenance; and
- clause 3.19.3A(c), which permits System Management to decline an Opportunistic Maintenance request where it considers the request has been made principally to avoid exposure to Reserve Capacity refunds, rather than to perform maintenance.

In particular, System Management sought clarity around the approval of extensions to Scheduled Outages. System Management also suggested that its ability to reject an Opportunistic Maintenance request under clause 3.19.3A(c) should be extended to cover Scheduled Outages.

The IMO agrees with PA Consulting that the requirement on a Market Participant requesting a Planned Outage should be that the relevant capacity would otherwise be available during the outage period requested, rather than prior to it. In other words, if the request was rejected by System Management the Market Participant should not be in a position where it needed to log a Forced Outage for the relevant period. The IMO also agrees with System Management that it is reasonable for this requirement to apply to both Scheduled Outages and Opportunistic Maintenance.

The IMO also considers that the requirement to be “otherwise available” should extend beyond the specific situations in which System Management currently requests a written availability declaration.

Proposed solution:

The IMO proposes to strengthen and clarify the requirements in the Market Rules by adding:

- new clause 3.19.2B, which prohibits a Market Participant from requesting approval of

a Planned Outage for a Scheduled Generator or Non-Scheduled Generator if the Market Participant does not expect in good faith that, if System Management rejected the request, the capacity to which the request applies would be available for dispatch for the duration of the proposed outage;

- new clause 3.18.2A(h), which imposes a similar requirement on Market Participants around notifications of Planned Outages for Small Outage Facilities; and
- new clause 3.19.2C, which requires a Market Participant with a Planned Outage request that has not yet been approved or rejected by System Management to immediately notify System Management and withdraw the request if it ceases to expect that the capacity would be otherwise available (e.g. in the event of a Forced Outage of the Facility).

Two exceptions (outlined in new clause 3.19.2D) are proposed:

- where the proposed Planned Outage will immediately follow a Scheduled Outage of the relevant capacity (i.e. the outage is effectively an extension of a Scheduled Outage); and
- where the Market Participant reasonably expects that the capacity would be subject to a Consequential Outage if the proposed Planned Outage did not proceed.

The IMO also proposes to replace clause 3.19.3A(c) with new clause 3.19.3B, which allows System Management to decline to approve a Scheduled Outage or Opportunistic Maintenance for an Equipment List Facility where it considers that the capacity to which the request applies would not otherwise be available for dispatch for the duration of to the proposed outage.

The implications of the proposed amendments are as follows.

- Generally there should be no requirement for Market Participants to provide written availability declarations to System Management, as these would be implicit in the request for approval of the outage.
- If a Facility experiences a Forced Outage after a Planned Outage has been approved but before the outage commences, then this would not affect the status of the Planned Outage.
- Requests for extensions of Planned Outages will be managed as a request for a new, separate Planned Outage, and treated no differently from any other Planned Outage request except that the implicit availability declaration prescribed new clause 3.19.2B is not required. The extension outage may be either a Scheduled Outage or an Opportunistic Maintenance Outage.
- At this stage the IMO does not propose any limit on the length of extension outages⁴, to avoid encouraging Market Participants to request Scheduled Outages that are longer than necessary. The IMO proposes to monitor outage extensions for any abuse of this flexibility and, if necessary, propose further amendments to the Market Rules in the future to set an overall time limit for these extensions.

⁴ Apart from the usual timing requirements for Scheduled Outages and Opportunistic Maintenance.

Other issues

The IMO also proposes the following enhancements to improve the clarity and integrity of the outage planning provisions in the Market Rules.

- **Use of defined terms:** The IMO proposes to create defined terms in the Glossary for Equipment List, Equipment List Facility, Small Outage Facility and Outage Facility to provide clarity and reduce unnecessary repetition in the drafting.
- **Removal of unnecessary cross-references to clause 3.18.2A:** The IMO proposes to amend clause 3.18.2(c) to replace the two cross-references to clause 3.18.2A with their substantive meaning, i.e. that the generation systems in question must have a nameplate capacity of at least 10 MW.
- **Removal of clause 3.18.5D:** As Planned Outages by Facility are now public information under clause 10.5.1(zD) (following the commencement of the Amending Rules for the Rule Change Proposal: Competitive Balancing and Load Following Market (RC_2011_10)), clause 3.18.5D, which allows System Management to provide a Network Operator with the Scheduled Outage information of a Market Participant's Facility, is no longer required and is proposed to be removed.
- **Contents of System Management's outage schedule:** The IMO proposes to amend clause 3.18.4 to clarify which Outage Plans are to be considered Scheduled Outages and included in System Management's outage schedule.

The IMO has also proposed a number of other minor and typographical changes to improve the clarity and integrity of the drafting.

Impact on the Regulations

Reviewable Decisions

No clauses which have Reviewable Decisions attached to them have been affected by the proposed amendments.

Civil Penalties

Existing civil penalty clauses

The proposed Amending Rules include amendments to a number of civil penalty provisions.

The following civil penalty provisions are proposed to be amended, however the IMO considers the proposed amendments do not alter the general intent of the provisions and so no amendments to the current civil penalties are required.

- Clause 3.18.7: *Good Faith intention for Planned Outage requests* – this clause has had a minor amendment made to it. However, the amendment does not change the meaning or the intent of the clause.
- Clause 3.18.8: *Requirement on Market Participant to provide notification where it wishes to cancel a Planned Outage* - this clause has had a minor amendment made to it. However, the amendment does not change the meaning or the intent of the clause.
- Clause 3.19.1: *Must seek approval of a Scheduled Outage* – this clause has been amended to better clarify the deadline for approval of a Scheduled Outage. However,

the amendment does not change the intent of the clause.

- *Clause 7A.2.8: details what a Balancing Submission must accurately reflect.* This clause has been amended to qualify that Verve Energy's reasonable expectation of the capability of the VEBP to be dispatched in a Trading Interval is subject to the requirement on Verve Energy to declare any capacity subject to an outstanding Planned Outage approval request as available in its Balancing Submission. The IMO considers the amendment does not change the overall intent of this clause.
- *Clause 7A.2.9: details what the Balancing Portfolio Supply Curve must accurately reflect.* This clause has been amended to:
 - qualify that Verve Energy's reasonable expectation of the capability of the VEBP to be dispatched in a Trading Interval is subject to the requirement on Verve Energy to declare any capacity subject to an outstanding Planned Outage approval request as available in its Balancing Submission; and
 - allow Verve an ability to update its Balancing Submission after the latest time specified in clause 7A.2.9(d), subject to certain conditions.

The IMO considers that these amendments do not change the overall intent of this clause.

New clauses which the IMO proposes should be subject to civil penalties:

This Rule Change Proposal includes a number of proposed new clauses. The IMO considers that a number of these proposed new clauses would be appropriate civil penalty provisions.

- *Clause 3.19.2A:* Clause 3.19.2A requires a Market Participant to request approval for a Planned Outage from System Management in accordance with sections 3.18 and 3.19 if:
 - the Market Participant intends to make some or all of the Equipment List Facility's capacity unavailable; and
 - the capacity would otherwise be available for the duration of the proposed Planned Outage.
- *Clause 3.19.2B:* This clause prohibits a Market Participant from requesting approval of a Planned Outage for a Scheduled Generator or Non-Scheduled Generator if the Market Participant does not expect in good faith that, if System Management rejected the request, the capacity to which the request applies would be available for dispatch for the duration of the proposed outage.
- *Clause 3.19.2C:* This clause requires a Market Participant with an outstanding Planned Outage approval request to immediately notify System Management and withdraw the request if it ceases to expect that the capacity would be otherwise available (e.g. in the event of a Forced Outage of the Facility).
- *New clauses 7A.2.8A, 7A.2.9A, 7A.2.9B, 7A.2.9C, 7A.2A.1 and 7A.2A.2:*
 - Clauses 7A.2.8A and 7A.2.9A require Market Participants to ensure Balancing Submissions correctly reflect approved outages and outstanding outage requests.
 - Clauses 7A.2.9B and 7A.2.9C require Market Participants to update Balancing

Submissions where System Management rejects or cancels an approved Planned Outage.

- Clauses 7A.2A.1, and 7A.2A.2 require Market Participants to notify System management of a Forced Outage or Consequential Outage for capacity declared unavailable in Balancing Submissions.

Consistent with other similar obligations under the Market Rules, the IMO considers that it may be appropriate to treat these clauses as Category C civil penalty provisions.

Further, the IMO considers that where a civil penalty is imposed for a contravention of clauses 7A.2.8A, 7A.2.9A, 7A.2.9B, 7A.2.9C, 7A.2A.1 or 7A.2A.2, it may be appropriate that the civil penalty amount be distributed amongst all Market Participants in the same way that civil penalty amounts relating to breaches of clauses 7A.2.8, 7A.2.9, 7A.2.13 or 7A.2.17 are distributed under clause 7A.2.19.

Other considerations in relation to civil penalty provisions

The IMO does not consider that the proposed amendments applicable to outages of Small Outage Facilities under 3.18.2A should have civil penalties attached to them, despite these clauses being broadly equivalent to clauses which have civil penalties attached to them, which relate to Equipment List Facilities. The rationale for this is consistency with the current approach – Small Outage Facilities do not have civil penalties associated with the timing of when they notify System Management of a proposed Planned Outage under existing clause 3.18.2A(b).

The IMO will liaise with the Public Utilities Office on any changes to civil penalty provisions.

2. Explain the reason for the degree of urgency:

The IMO proposes that the Rule Change Proposal be progressed via the Standard Rule Change Process.

3. Provide any proposed specific changes to particular Rules: (for clarity, please use the current wording of the Rules and place a *strikethrough* where words are deleted and underline words added)

3.4.1. The SWIS is in a ~~High-risk~~High Risk Operating State when System Management considers that any of the following circumstances exist, or are likely to exist within the next fifteen minutes, or are likely to exist at a time beyond the next fifteen minutes; and actions other than those allowed under the Normal Operating State must be implemented immediately by System Management so as to moderate or avoid the circumstance:

3.18.2.

- (a) ~~System Management must compile a list of all equipment on the SWIS that is required to be subject to outage scheduling by System Management. The list must also include equipment for which System Management requires notice of partial outages or de-ratings.~~

- (a) ~~System Management must maintain a list of all equipment on the SWIS that it determines should be subject to outage scheduling in accordance with this section 3.18 and sections 3.19, 3.20 and 3.21.~~
- (b) ~~System Management must review the list described in clause 3.18.2(a) from time to time and may update the list.~~
- (b) System Management must review and update the Equipment List from time to time. If System Management updates the Equipment List, it must provide the IMO with a copy of the updated Equipment List as soon as practicable.
- (c) ~~The list described in clause 3.18.2(a)~~Equipment List must include:
- ~~i.~~ i. all transmission network Registered Facilities;
 - ~~i.~~ i. any part of a transmission system or a distribution system (however defined by System Management) that could limit the output of a generation system that System Management has included on the Equipment List;
 - ~~ii.~~ ii. all Registered Facilities holding Capacity Credits, except those to which clause 3.18.2A applies;
 - ~~ii.~~ ii. all Scheduled Generators and Non-Scheduled Generators holding Capacity Credits with a Standing Data nameplate capacity of at least 10 MW;
 - ~~ii-iii.~~ iii. all generation systems to which clause 2.30B.2(a) relates, except those to which clause 3.18.2A applies with a nameplate capacity of at least 10 MW;
 - ~~iii-iv.~~ iv. all Registered Facilities subject to an Ancillary Services Contract; and
 - ~~iv-v.~~ v. any other equipment that System Management determines must be subject to outage scheduling to maintain Power System Security and Power System Reliability.
- (d) ~~The list described in clause 3.18.2(a)~~Equipment List may specify that a ~~piece of equipment on the list~~an Equipment List Facility is subject to outage scheduling by System Management only at certain times of the year.
- (e) ~~System Management must provide the list described in clause 3.18.2(a) and any updated list to the IMO. The IMO must publish any list provided by System Management.~~
- (e) The IMO must publish an updated Equipment List on the Market Web Site as soon as practicable after receiving it from System Management.
- (f) ~~If a Market Participant's or Network Operator's Facility (or an item of equipment forming part of that Facility) is on the list described in clause 3.18.2(a), then the Market Participant or Network Operator, as applicable, must schedule outages for the equipment in accordance with this clause 3.18 and clauses 3.19, 3.20 and 3.21.~~

(f) A Market Participant or a Network Operator must schedule outages for each of its Equipment List Facilities. Outages must be scheduled in accordance with this section 3.18 and sections 3.19, 3.20 and 3.21.

3.18.2A.

~~(a) Except where clause 3.18.2(c)(iv) applies, Registered Facilities with a Standing Data nameplate capacity of less than 10 MW and generation systems to which clause 2.30B.2(a) relates and which have a nameplate capacity of less than 10 MW are not required to schedule outages for that equipment in accordance with this clause 3.18 and clauses 3.19 and 3.20 other than as required by this clause 3.18.2A.~~

(a) If a generation system:

i. is either:

1. a Scheduled Generator or Non-Scheduled Generator with a Standing Data nameplate capacity of less than 10 MW; or
2. a generation system, with a nameplate capacity of less than 10 MW, to which clause 2.30B.2(a) relates; and

ii. is not included in the Equipment List under clause 3.18.2(c)(v).

then the relevant Market Participant is not required to schedule outages in accordance with this section 3.18 and sections 3.19 and 3.20 for that generation system (“**Small Outage Facility**”) other than as required by this clause 3.18.2A.

~~(b) If clause 3.18.2A(a) applies to a Market Participant’s Facility or generation system then that Market Participant must notify System Management of proposed Planned Outages of that Facility or generation system not less than 2 Business Days prior to their commencement and must specify the duration of the Planned Outage;~~

(b) A Market Participant must notify System Management of a proposed Planned Outage if:

- i. the Market Participant intends to make some or all of a Small Outage Facility’s capacity unavailable; and
- ii. the capacity would otherwise be available for the duration of the proposed Planned Outage.

~~(c) Where System Management is advised of a proposed Planned Outage in accordance with clause 3.18.2A(b) then System Management must record that outage as an approved Planned Outage.~~

(c) The notice under clause 3.18.2A(b) must be given:

- i. for an outage exceeding 24 hours in duration, no later than 10:00 AM on the day prior to the Scheduling Day for the Trading Day in which the requested outage is due to commence; and

- ii. for an outage of up to 24 hours in duration, no later than 30 minutes before Balancing Gate Closure for the Trading Interval in which the requested outage is due to commence.
- (d) The notice under clause 3.18.2A(b) must include the information specified in clause 3.18.6. For the purposes of this clause 3.18.2A(d), each reference to an "Equipment List Facility" in clause 3.18.6 is to be read as a reference to a "Small Outage Facility".
- (e) System Management is deemed to have approved each outage that is notified under clause 3.18.2A(b) and in accordance with clauses 3.18.2A(c) and (d). The deemed approval takes effect when System Management receives the notice.
- (f) Where a Market Participant no longer plans to de-rate or remove a Small Outage Facility from service, it must inform System Management as soon as practicable.
- (g) Where a Market Participant intends to de-rate or remove a Small Outage Facility from service for maintenance at a different time than indicated in its notice under clause 3.18.2A(b), it must submit a revised notice to System Management as soon as practicable.
- (h) Subject to clause 3.19.2C, a Market Participant must not notify System Management of a proposed Planned Outage for a Scheduled Generator or Non-Scheduled Generator under clause 3.18.2A(b) if the Market Participant does not expect in good faith that the capacity to which the notice applies would otherwise be available for dispatch for the duration of the proposed Planned Outage.

3.18.3.

- (a) If a Market Participant's or Network Operator's Facility (or an item of equipment forming part of a Facility or an item of equipment which is a generation system to which clause 2.30B.2(a) relates) is on the ~~list described in clause 3.18.2(a)~~ Equipment List, then the Market Participant or Network Operator may request that the IMO reassess the inclusion of the Facility or item of equipment on the ~~list~~ Equipment List in accordance with this clause 3.18.3.
- (b) Following a request by a Market Participant or Network Operator under clause 3.18.3(a), the IMO must consult with System Management and the Market Participant or Network Operator concerning whether the ~~Facility or item of equipment~~ Equipment List Facility should remain on the ~~list~~ Equipment List.
- (c) The IMO may give a direction to System Management that a ~~Facility or item of equipment~~ Equipment List Facility should not remain on the ~~list~~ Equipment List where it finds that:

- i. System Management has not followed the Market Rules or the Power System Operation Procedure in compiling the ~~list under clause 3.18.2~~Equipment List; and
 - ii. if the Market Rules and the Power System Operation Procedure had been followed, then the ~~Facility or item of equipment~~Equipment List Facility would not have been on the ~~list~~Equipment List.
- (d) ~~Where~~If the IMO gives a direction to System Management that the ~~Facility or item of equipment does not need to remain on the list, under clause 3.18.3(c), then~~ System Management must remove the ~~Facility or item~~relevant Equipment List Facility from the ~~list~~Equipment List.

~~3.18.4. System Management must maintain an outage schedule, containing information on all Scheduled Outages.~~

3.18.4. System Management must maintain an outage schedule that contains details of each Outage Plan:

- (a) that System Management has accepted under clause 3.18.13; or
- (b) that the IMO has directed System Management to include in the outage schedule, under clause 3.18.15(f).

3.18.4A. A proposal submitted to System Management in accordance with this ~~clause~~section 3.18 by a Market Participant or Network Operator in which permission is sought from System Management for the scheduling of the removal from service (or ~~derating~~de-rating) of an ~~item of equipment~~Equipment List Facility is a proposed outage plan (“**Outage Plan**”).

3.18.5. Market Participants:

- (a) must, subject to clause 3.18.5A, submit to System Management details of a proposed Outage Plan at least one year but not more than three years in advance of the proposed outage, where:
 - i. the outage relates to a ~~Facility or item of equipment~~an Equipment List Facility in respect of which a Market Participant holds Capacity Credits at any time during the proposed outage;
 - ii. the ~~Facility or item of equipment~~Equipment List Facility has a nameplate capacity greater than 10 MW; and
 - iii. the proposed outage has a duration of more than one week; and
- (b) otherwise may submit an Outage Plan to System Management not more than three years and not less than two days in advance of the proposed outage.

...

3.18.5C. Where a Network outage is likely to unduly impact the operation of one or more Market Participant Registered Facilities, System Management may require that, in

developing their Outage Plans, the relevant Network Operator and affected Market Participants coordinate the timing of their outages so as to minimise the impact of the Network outage on the operation of the Market Participant Registered Facilities.

~~3.18.5D Notwithstanding the requirements in chapter 10, in exercising the obligation set out in clause 3.18.5C, System Management may make such information in the outage schedule maintained in accordance with clause 3.18.4 available to a Network Operator to coordinate outage timing.~~

3.18.6. The information submitted in an Outage Plan must include:

- (a) the identity of the ~~Facility or item of equipment~~Equipment List Facility that will be unavailable;
- (b) the quantity of any de-rating where, if the Facility is a generating system, this quantity is in accordance with clause 3.21.5;
- (c) the reason for the outage;
- (d) the proposed start and end times of the outage;
- (e) an assessment of risks that might extend the outage;
- (f) details of the time it would take the ~~Facility or item of equipment~~Equipment List Facility to return to service, if required;
- (g) contingency plans for the early return to service of the ~~Facility or item of equipment~~Equipment List Facility ("**Outage Contingency Plans**"); and
- (h) if the Outage Plan is submitted by a Network Operator, a confirmation that the Network Operator has used its best endeavours to inform any Market Generator with a Scheduled Generator or Non-Scheduled Generator impacted by the unavailability of the relevant ~~item of equipment~~Equipment List Facility of the proposed outage.

3.18.7. Outage Plans submitted by a Market Participant or Network Operator must represent the good faith intention of the Market Participant or Network Operator to remove from service, or de-rate, the relevant ~~Facility or item of equipment~~Equipment List Facility, for maintenance.

3.18.8. Where a Market Participant or Network Operator no longer plans to remove from service, or de-rate, the relevant ~~Facility or item of equipment~~Equipment List Facility, for maintenance it must inform System Management as soon as practicable.

3.18.9. Where a Market Participant or Network Operator intends to remove from service, or de-rate, the relevant ~~Facility or item of equipment~~Equipment List Facility, for maintenance at a different time than indicated in an -Outage Plan, it must submit a revised Outage Plan to System Management as soon as practicable.

~~3.19.1. No later than two days prior to the date of commencement of any outage (“Scheduled Outage”) in System Management’s outage schedule, the Market Participant or Network Operator involved must request that System Management approve the Scheduled Outage proceeding, specifying the Trading Day and Trading Intervals during which the Scheduled Outage will occur.~~

3.19.1. No later than 10:00 AM on the day prior to the Scheduling Day for the Trading Day in which the requested outage in System Management’s outage schedule (“Scheduled Outage”) is due to commence, the relevant Market Participant or Network Operator must request that System Management approve the Scheduled Outage proceeding. The request must specify the Trading Intervals during which the Scheduled Outage will occur.

3.19.2. Market Participants and Network Operators may request that System Management approve an outage of a Facility or item of equipment an Equipment List Facility that is not a Scheduled Outage (“Opportunistic Maintenance”) ~~to be carried out during a Trading Day;~~

~~(a) at any time between 10:00 AM on the day prior to the Scheduling Day and 10:00 AM on the Scheduling Day for that Trading Day, where the request relates to an outage to occur at any time and for any duration during the following Trading Day; or~~

(a) at any time between:

i. 10:00 AM on the day prior to the Scheduling Day for the Trading Day in which the requested outage is due to commence; and

ii. 30 minutes before Balancing Gate Closure for the Trading Interval in which the requested outage is due to commence.

~~(b) at any time on the Trading Day not later than 1 hour prior to the commencement of the Trading Interval during which the requested outage is due to commence, where:~~

~~i. the outage must be to allow minor maintenance to be performed;~~

~~ii. the outage must not require any changes in scheduled energy or ancillary services~~Ancillary Services; and

~~iii. the outage may be for any duration and must end before the end of the Trading Day;~~

iii. the duration of the outage must not exceed 24 hours; and

iv. the request must include all of the information specified in clause 3.18.6.

~~where the request must include all of the information specified in clause 3.18.6, and must specify the Trading Intervals during which the Opportunistic Maintenance will occur.~~

3.19.2A. If:

- (a) a Market Participant intends to make some or all of an Equipment List Facility's capacity unavailable; and
- (b) the capacity would otherwise be available for the duration of the proposed Outage,

then the Market Participant must request approval for a Planned Outage from System Management in accordance with section 3.18 and this section 3.19.

3.19.2B. Subject to clause 3.19.2D, a Market Participant must not request approval of a proposed Planned Outage for a Scheduled Generator or Non-Scheduled Generator under clauses 3.19.1 or 3.19.2 if the Market Participant does not expect in good faith that, if System Management rejected the request, the capacity to which the request applies would be available for dispatch for the duration of the proposed Planned Outage.

3.19.2C. Subject to clause 3.19.2D, if:

- (a) a Market Participant has requested approval under clauses 3.19.1 or 3.19.2 for a proposed Planned Outage of a Scheduled Generator or Non-Scheduled Generator;
- (b) System Management has not yet approved or rejected the request under clause 3.19.4; and
- (c) the Market Participant ceases to expect in good faith that, if System Management were to reject the request, the capacity to which the request applies would be available for dispatch for the duration of the proposed Planned Outage.

then the Market Participant must immediately notify System Management of the change in circumstances and withdraw the Market Participant's request for approval of the proposed Planned Outage.

3.19.2D. Clauses 3.18.2A(h), 3.19.2B, 3.19.2C and 3.19.3B do not apply where:

- (a) the proposed Planned Outage will immediately follow a Scheduled Outage of the relevant capacity; or
- (b) the Market Participant reasonably expects that the relevant capacity would be subject to a Consequential Outage if the proposed Planned Outage did not proceed.

3.19.3. Subject to clauses 3.19.3A and 3.19.3B, System Management must assess the request for approval of a Scheduled Outage or Opportunistic Maintenance, based on the information available to System Management at the time of the assessment, and applying the criteria set out in clause 3.19.6.

3.19.3A. In assessing whether to grant a request for Opportunistic Maintenance, System Management:

- (a) must not grant permission for Opportunistic Maintenance to begin prior to the first Trading Interval for which Opportunistic Maintenance is requested;

- (b) ~~must not approve an Opportunistic Maintenance request for a Facility or item of equipment on an Equipment List Facility on two consecutive Trading Days; where the Opportunistic Maintenance outage would commence within 24 hours of the end time of the most recent Opportunistic Maintenance outage for that Equipment List Facility; and~~
- (c) ~~[Blank] may decline to approve Opportunistic Maintenance for a Facility or item of equipment where it considers that the request has been made principally to avoid exposure to Reserve Capacity refunds as described in clause 4.26 rather than to perform maintenance; and~~
- (d) may decline to approve Opportunistic Maintenance for a facility where it considers that inadequate time is available before the proposed commencement time of the outage to adequately assess the impact of that outage.

3.19.3B. Subject to clause 3.19.2D, System Management may decline to approve a Scheduled Outage or Opportunistic Maintenance for an Equipment List Facility where it considers that the capacity to which the request applies would not otherwise be available for dispatch for the duration of the proposed Planned Outage.

3.19.4A. If System Management does not provide a Market Participant or Network Operator with its decision on a request for approval of a Planned Outage by 30 minutes before Balancing Gate Closure for the Trading Interval during which the outage is proposed to commence, then, for the purposes of the Market Rules, the request is deemed to be rejected.

~~3.19.11. An outage, including Opportunistic Maintenance, that is approved by System Management under clause 3.19.4 is a Planned Outage.~~

3.19.11. An outage, including Opportunistic Maintenance, is a Planned Outage if it is:

- (a) approved by System Management under clause 3.19.4; or
- (b) deemed to be approved by System Management under clause 3.18.2A(e).

3.19.12.

- (a) Where, under clause 3.19.5, System Management informs a Market Participant or Network Operator that an Outage Plan previously scheduled in System Management's outage schedule is rejected within 48 hours of the time when the outage would have commenced in accordance with the Outage Plan, the Market Participant or Network Operator may apply to the IMO for compensation.

...

- (d) The Market Participant or Network Operator must submit a written request for compensation to the IMO within three months of System Management's

decision, including invoices and other documents demonstrating the costs referred to in clause 3.19.12(b)~~paragraph (b)~~.

...

3.20.1. Where the SWIS is in an Emergency Operating State or High Risk Operating State, System Management may direct a Market Participant or Network Operator that a ~~Facility or item of equipment~~an Outage Facility be returned to service from a Planned Outages in accordance with the relevant Outage Contingency Plan, or take other measures contained in the relevant Outage Contingency Plan.

7A.2.4. A Balancing Submission must:

- (a) be in the manner and form prescribed and published by the IMO;
- (b) constitute a declaration by an Authorised Officer;
- (c) have Balancing Price-Quantity Pair prices within the Price Cap;
- (d) specify, for each Trading Interval covered in the Balancing Submission, whether the Balancing Facility is to use Liquid Fuel or Non-Liquid Fuel;~~and~~
- ~~(e) specify, for each Trading Interval covered in the Balancing Submission, Ramp Rate Limits.~~
- (e) specify the Ramp Rate Limit or the Portfolio Ramp Rate Limit (as applicable) for each Trading Interval covered in the Balancing Submission; and
- (f) specify the available capacity and the unavailable capacity as determined under clause 7A.2.4A, 7A.2.4B or 7A.2.4C (as applicable) for each Trading Interval covered in the Balancing Submission.

7A.2.4A. A Balancing Submission for a Balancing Facility that is a Scheduled Generator must specify the following details for each Trading Interval covered in the Balancing Submission:

- (a) a ranking of Balancing Price-Quantity Pairs covering available capacity; and
 - (b) a declaration of the MW quantity that will be unavailable for dispatch, where the sum of:
 - (c) the quantities in the Balancing Price-Quantity Pairs; and
 - (d) the declared MW quantity of unavailable capacity,
- must be equal to the Scheduled Generator's Sent Out Capacity.

7A.2.4B. A Balancing Submission for a Balancing Facility that is a Non-Scheduled Generator must specify the following details for each Trading Interval covered in the Balancing Submission:

- (a) the Market Participant's best estimate of the Facility's output at the end of the Trading Interval (based on an assumption, for the purposes of this

clause 7A.2.4B(a), that the Facility will not be subject to a Dispatch Instruction that limits its output during that Trading Interval); and

- (b) a declaration of the MW quantity that will be unavailable for dispatch (excluding any unavailable capacity to the extent that it relates to a temporary limitation in the intermittent energy source used by the Non-Scheduled Generator to generate electrical energy).

7A.2.4C. A Balancing Submission for the Verve Energy Balancing Portfolio must specify the following details for each Trading Interval covered in the Balancing Submission:

- (a) a Balancing Portfolio Supply Curve; and
- (b) a declaration of the MW quantity that will be unavailable for dispatch (excluding any unavailable capacity to the extent that it relates to a temporary limitation in the intermittent energy source used by a Non-Scheduled Generator in the Verve Energy Balancing Portfolio to generate electrical energy).

7A.2.8. A Balancing Submission for each Trading Interval in the Balancing Horizon for which Balancing Gate Closure has not occurred must accurately reflect:

- (a) all information reasonably available to the Market Participant, including Balancing Forecasts published by the IMO, the information provided by the IMO under clause 7A.3.17 and the latest information available to it in relation to any Internal Constraint or External Constraint;
- (b) subject to clause 7A.2.9A(b), the Market Participant's reasonable expectation of the capability of its Balancing Facilities to be dispatched in the Balancing Market; and
- (c) the price at which the Market Participant submitting the Balancing Submission intends to have the Balancing Facility participate in Balancing.

7A.2.8A. A Market Participant (other than Verve Energy in respect of the Verve Energy Balancing Portfolio) must, for each of its Balancing Facilities, and for each Trading Interval in the Balancing Horizon, use its best endeavours to ensure that, at all times, any of the Facility's capacity that is:

- (a) subject to an approved Planned Outage; or
- (b) subject to an outstanding request for approval of a Planned Outage, is declared as unavailable in the Balancing Submission for the Facility and the Trading Interval, unless the Balancing Facility is undertaking a Commissioning Test in that Trading Interval.

7A.2.9. Verve Energy, in relation to the Verve Energy Balancing Portfolio:

- (a) must, subject to clauses 7A.2.9(e) and 7A.2.9(f), ensure that its Balancing Portfolio Supply Curve accurately reflects:
- i. all information reasonably available to it, including Balancing Forecasts published by the IMO and the latest information available

- to it in relation to any Forced Outage for a Facility in the Verve Energy Balancing Portfolio;
 - ii. subject to clause 7A.2.9A(b), Verve Energy's reasonable expectation of the capability of its Verve Energy Balancing Portfolio to be dispatched in the Balancing Market for that Trading Interval; and
 - iii. the price at which Verve Energy intends to have the Verve Energy Balancing Portfolio participate in Balancing;
- (b) must indicate in a manner and form prescribed by the IMO:
- i. which quantities in the Balancing Portfolio Supply Curve it has priced at the Minimum STEM Price are for Facilities that are to provide LFAS;
 - ii. Facilities which are likely to provide LFAS; and
 - iii. for each completed Trading Interval, which Facilities actually provided the LFAS in the Trading Interval;
- (c) must:
- i. ensure that quantities in the Balancing Portfolio Supply Curve that are required for the provision of Ancillary Services, other than LFAS, are priced at the Price Caps, to reflect that these quantities are not generally available for Balancing;
 - ii. advise the IMO in a manner and form prescribed by the IMO, the Facilities which are likely to provide the quantities specified in clause 7A.2.9(c)(i); and
 - iii. for each completed Trading Interval, advise the IMO which Facilities actually provided the Ancillary Services referred to in clause 7A.2.9(c)(i) in the Trading Interval;
- (d) may update its Balancing Portfolio Supply Curve in relation to any Trading Interval in the Balancing Horizon for which Balancing Gate Closure for that Trading Interval is more than two hours in the future:
- i. by submitting its updated Balancing Portfolio Supply Curve to the IMO immediately before 6:00 PM; or
 - ii. otherwise by submitting its updated Balancing Portfolio Supply Curve to the IMO within one hour after LFAS Gate Closure;
- (e) may update its Balancing Portfolio Supply Curve in relation to any Trading Interval in the Balancing Horizon for which Balancing Gate Closure is more than two hours in the future if a Facility in the Verve Energy Balancing Portfolio has experienced a Forced Outage since the last Balancing Submission; ~~and~~
- (f) may after the time specified in clause 7A.2.9(d), update its Balancing Portfolio Supply Curve to reflect the impact of a Forced Outage which

Verve Energy expects will cause a Facility to run on Liquid Fuel, where the Facility would not have run on Liquid Fuel but for the Forced Outage, in order to meet Verve Energy's Balancing obligations in relation to the Verve Energy Balancing Portfolio under this Chapter 7A-; and

(g) must, if System Management approves a Planned Outage for a Facility in the Verve Energy Balancing Portfolio and a Trading Interval after the latest time specified in clause 7A.2.9(d), update its Balancing Submission for the Trading Interval as soon as practicable, but before Balancing Gate Closure for the Trading Interval, to:

- i. make the capacity subject to the outage unavailable; and
- ii. remove or reduce the quantity of the highest price Balancing Price-Quantity Pair or Balancing Price-Quantity Pairs (excluding any Balancing Price-Quantity Pairs that are required to be offered at the Price Caps under clause 7A.2.9(c)) to remove the capacity subject to the outage from its Balancing Portfolio Supply Curve.

7A.2.9A. Verve Energy must, to the extent it is able to update its Balancing Submissions subject to clauses 7A.2.9(d)-(g) (as applicable), for each Facility in the Verve Energy Balancing Portfolio, and for each Trading Interval in the Balancing Horizon, use its best endeavours to ensure that, at all times:

- (a) any of the Facility's capacity that is subject to an approved Planned Outage is declared as unavailable in the Balancing Submission for the Verve Energy Balancing Portfolio and that Trading Interval, except where that Facility is subject to a Commissioning Test; and
- (b) any of the Facility's capacity that is subject to an outstanding request for approval of a Planned Outage is declared as available in the Balancing Submission for the Verve Energy Balancing Portfolio and that Trading Interval.

7A.2.9B. If System Management rejects a previously approved Planned Outage of a Balancing Facility (or a Facility in the Verve Energy Balancing Portfolio) under clause 3.19.5, then the relevant Market Participant must, as soon as practicable, update its Balancing Submission for any relevant Trading Intervals in the Balancing Horizon for which Balancing Gate Closure has not yet occurred, to reflect that the capacity will not be subject to a Planned Outage.

7A.2.9C. If System Management directs a Market Participant to return a Balancing Facility or a Facility in the Verve Energy Balancing Portfolio from a Planned Outage in accordance with the relevant Outage Contingency Plan under clause 3.20.1, then the Market Participant must, as soon as practicable, update its Balancing Submission for any relevant Trading Intervals in the Balancing Horizon for which Balancing Gate Closure has not yet occurred, to reflect the impact of System Management's direction on the proposed end time of the Planned Outage.

7A.2A. Unavailable capacity in a Balancing Submission

7A.2A.1. Subject to clause 7A.2A.3, a Market Participant (other than Verve Energy in respect of the Verve Energy Balancing Portfolio) must, as soon as practicable after Balancing Gate Closure for each Trading Interval, for each of its Balancing Facilities that is an Outage Facility, ensure that it has notified System Management of a Forced Outage or Consequential Outage for any capacity declared unavailable in the Facility's Balancing Submission that:

- (a) was not subject to an approved Planned Outage or Consequential Outage at Balancing Gate Closure for the Trading Interval; and
- (b) is not attributable to a difference between the expected temperature at the site during the Trading Interval and the temperature at which the Sent Out Capacity for the Facility was determined.

7A.2A.2. Subject to clause 7A.2A.3, Verve Energy must, as soon as practicable after the latest time specified in clause 7A.2.9(d) for a Trading Interval, for each Facility in the Verve Energy Balancing Portfolio that is an Outage Facility, ensure that it has notified System Management of a Forced Outage or Consequential Outage for any capacity declared unavailable in the Facility's Balancing Submission that:

- (a) was not subject to an approved Planned Outage or Consequential Outage at that time for the Trading Interval; and
- (b) is not attributable to a difference between the expected temperature at the site during the Trading Interval and the temperature at which the Sent Out Capacity for the Facility was determined.

7A.2A.3. Clauses 7A.2A.1 and 7A.2A.2 do not apply to any capacity that was subject to a previously approved Planned Outage for the Trading Interval that was rejected by System Management under clause 3.19.5 less than 30 minutes before:

- (a) Balancing Gate Closure, for a Facility that is not in the Verve Energy Balancing Portfolio; or
- (b) the latest time specified in clause 7A.2.9(d), for a Facility in the Verve Energy Balancing Portfolio.

Glossary

Balancing Portfolio Supply Curve: Means a ranking of the Balancing Price-Quantity Pairs covering available capacity in provided for the Verve Energy Balancing Portfolio.

Balancing Submission: Means: a submission by a Market Participant to the IMO, for a Balancing Facility or the Verve Energy Balancing Portfolio, and for one or more Trading Intervals, that includes the information specified in clause 7A.2.4.

(a) ~~_____ for a Balancing Facility, other than the Verve Energy Balancing Portfolio, that is:~~

- i. ~~a Scheduled Generator, for each Trading Interval or Trading Intervals, a ranking of Balancing Price-Quantity Pairs for each MW of its Sent Out Capacity from zero capacity to the maximum Sent Out Capacity, together with associated Ramp Rate Limit for each Trading Interval; and~~
- ii. ~~a Non-Scheduled Generator, for each Trading Interval or Trading Intervals, the Market Generator's best estimate of the quantity for the Balancing Price-Quantity Pair, in MW, the Facility is able to reduce its output, together with the associated Ramp Rate Limit for each Trading Interval; and~~
- (b) ~~for the Verve Energy Balancing Portfolio, the Balancing Portfolio Supply Curve together with the Portfolio Ramp Rate Limit.~~

Equipment List: Means the list maintained by System Management under clause 3.18.2(a).

Equipment List Facility: Means a Facility or item of equipment that is included on the Equipment List.

Outage Facility: Means an Equipment List Facility or a Small Outage Facility.

Small Outage Facility: Has the meaning given in clause 3.18.2A.

4. Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:

The IMO considers that the proposed amendments will better achieve Wholesale Market Objectives (a), (b) and (d), and are consistent with the other Wholesale Market Objectives.

The IMO's assessment is presented below:

(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system:

The proposed amendments relating to which Network Equipment which should be on the Equipment List, promote:

- Economic efficiency by removing the requirement (and associated cost) on the Network Operator to schedule outages for transmission network Facilities which do not have a material impact on system security; and
- The safe and reliable supply of energy by requiring any distribution equipment which has the potential to materially impact system security, to be on the equipment list.

The proposed amendment to clarify the requirement for a participant to request a Planned Outage before making capacity unavailable to perform maintenance, will promote the safe and reliable supply of energy in the WEM, by ensuring that System Management has accurate information in relation to whether a Facility is actually available for dispatch.

The proposed amendments relating to the interactions between Planned Outages and Balancing Submissions will encourage economic efficiency by providing a more accurate picture of a Facility's available and unavailable capacity in a given Trading Interval. This will

result in more accurate Forecast Balancing Prices which will allow Market Participants to make better informed decisions.

The proposed amendments relating to:

- when Opportunistic Maintenance requests can be made; and
- the period over which Opportunistic Maintenance outages can span

will remove existing unnecessary timing restrictions, which limit the opportunities for Market Participants to request and carry out bona fide maintenance that is both discretionary and preventative. The IMO considers that enhancing the opportunities for Market Participants to carry out preventative maintenance will promote the safe and reliable production and supply of electricity in the SWIS.

The proposed amendments to the criteria for the approval of Planned Outages will enable more flexibility and certainty to generators seeking to take an outage or extend an outage. In particular, the proposals will promote:

- Economic efficiency and the safe and reliable supply of energy – explicitly allowing extensions to unavailable capacity currently on a Planned Outage will reduce the incentive for Market Participants to apply for outages which are longer than necessary will have the benefit of increasing the quantity of outage slots available to other participants also seeking an outage.

It will also provide a more accurate and reliable picture to System Management and other Market Participants as to the likely length of a requested Planned Outage which may increase confidence in the outage planning system;

- Economic efficiency and the safe and reliable supply of energy by allowing capacity currently on a Forced Outage to receive approval for a future Planned Outage allowing Market Participants to fix a problem properly in the first instance rather than make short term temporary fixes to the problem, in order to be eligible to apply for a subsequent Planned Outage.

This is economically efficient because it removes the incentive (and cost) for Market Participants to undertake unnecessary quick fixes. It also potentially improves the reliability of generation plants by ensuring that these plants are properly repaired in the first instance, improving overall availability and reliability.

(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors:

The proposed amendments remove the need for System Management to exercise discretion in determining whether:

- an ODOM request meets the requirements of clause 3.19.2(b)(ii); and
- to request an availability declaration for Outages and extensions to Outages.

This reduces the potential for bias which consequently may reduce perceptions of discrimination. This has the potential to encourage competition among generators and retailers in the SWIS, including by facilitating efficient entry of new competitors.

The proposed amendments relating to the interactions between Planned Outages and Balancing Submissions will encourage economic efficiency by providing a more accurate

picture of a Facility's available and unavailable capacity in a given Trading Interval. The increased transparency may improve the accuracy of the forecast Balancing Price and confidence in the Balancing Market, potentially encouraging greater competition among generators and retailers in the SWIS.

(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system:

Removing the requirement (and associated cost) on the Network Operator to schedule outages for network facilities which do not have a material impact on system security, may reduce the long-term cost of electricity to customers from the SWIS.

In addition, many of the changes provide greater flexibility for Market Participants in scheduling outages (including allowing Opportunistic Maintenance over consecutive Trading Days and extensions of Planned Outage), which may avoid some costs associated with undertaking temporary fixes or over-estimating the duration of an outage and increase overall plant availability.

Provide any identifiable costs and benefits of the change:

System Management noted in its preliminary cost estimate that the proposal required updates of the validations in the Market Participant Interface, representing a total estimated end to end project cost of approximately \$23,000.

The IMO will incur some costs associated with implementing the necessary changes to the IMO's IT and compliance monitoring systems. These costs are not anticipated to be significant.

The benefits of these changes include:

- better clarifying the obligations of Rule Participants around the outage planning process;
 - provide greater flexibility for Rule Participants in outage planning; and
 - improving the transparency and consistency of outage planning and Balancing Market processes.
-