
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2014_07 Omnibus Rule Change

Submitted by

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

Background

The Independent Market Operator (IMO) has identified a number of minor errors in the Market Rules, including grammatical errors, empty clauses, referencing errors, empty spaces and incorrect capitalisation of non-defined terms. It has also identified some inconsistencies between the way that the IMO and its systems operates and the way that the Market Rules prescribes that the IMO should operate.

The IMO has proposed a number of changes to rectify these issues.

Issues

Apart from the minor errors relating to grammatical errors, removing redundant (blank) clauses and referencing errors, the IMO identified the following issues that it has proposed to address:

1. Clause 3.16.9 of the Market Rules requires System Management to provide the IMO with certain information relating to the medium term PASA to the IMO on or before the 15th day of each month. The clause does not currently address the fact that the 15th day of the month may fall on a day which is not a Business Day.

2. Clause 4.27.1 requires the IMO to monitor available capacity on the South West Interconnected System (SWIS) on a daily basis. Clause 4.27.2 requires the IMO to report on the result of the monitoring on a monthly basis. The IMO has implemented the monitoring via its IT systems to support production of the monthly report. The IMO is therefore not necessarily monitoring on a daily basis as required by clause 4.27.1.
3. Clause 7.13.1(cB) requires that System Management provide to the IMO the maximum daily temperature reading for the site for Facilities that are monitored via SCADA. In practice, System Management currently provides temperature readings for every 5 minutes for Facilities with SCADA. The Market Rules requirement is therefore more lenient than current practice.
4. Clauses 8.4.5, 9.4.7 and 9.20.1 of the Market Rules all refer to prescribed methods of providing notice (telephone, fax and email). The IMO considers that dictating the means of communication is not necessary.

Change Proposal

The IMO submitted Rule Change Proposal RC_2014_07 “Omnibus Rule Change” on 22 December 2014.

The IMO proposed to make a number of changes to the Market Rules to address all the minor typographical, grammatical, cross referencing and other minor errors that it has identified. In addition, in relation to the specific issues set out in the issues section above, the IMO has proposed to:

1. Amend clause 3.16.9 to require System Management to provide the required information by the 15th day of the month or on the next Business Day if that day is not a business day.
2. The IMO has proposed to remove the daily monitoring requirement in clause 4.27.1 to reflect current practice of automatic collection of data to support the production of a report once a month.
3. The IMO has proposed to amend clause 7.13.1(cB) to reflect current practice and require System Management to provide a temperature reading for every 5 minutes for Facilities that are monitored by SCADA.
4. The IMO has proposed to amend clauses 8.4.5, 9.4.7 and 9.20.1 of the Market Rules to remove the requirement for specific methods of providing notice and instead just mandate that in these instances notice must be provided and be silent on the method (except for in relation to clause 9.20.1 in which case the IMO proposes to refer to the Market Procedure to prescribe the method).

Perth Energy’s Views

Perth Energy supports the proposed amendments by the IMO.

Most of the proposed changes seem to be addressing obvious minor errors such as typographical ones, cross referencing errors or similar errors. In relation to the specific issues we have outlined in points 1 – 4 above, we make the following comments:

1. Perth Energy is ambivalent to the proposed changes for clause 3.16.9 to allow System Management additional time to provide certain information when the 15th day of the month falls on a non-Business Day. We consider the current wording of the clause of “by the 15th day...” to be adequate and cannot see any real need for change. If the 15th day of the month does not fall on a Business Day, then currently System Management can choose to provide the information earlier or can indeed provide the information on the 15th. Perth Energy queries whether there is any practical need for the proposed amendment.
 2. In relation to the proposed changes for clause 4.27.1 relating to daily monitoring of the available capacity in the SWIS, Perth Energy considers that IMO should retain an ability to monitor available capacity on a daily basis, or even a closer to real time basis, or failing that, be able to rely on System Management to do so. Perth Energy agrees that for the purposes of producing a monthly report it is not necessary to monitor available capacity on a daily basis, but we would expect that the IMO would be keeping a close eye on available capacity more frequently than once a month. We would welcome clarification from the IMO as to what monitoring arrangements of available capacity it has in mind going forward, including the frequency of updating the information on available capacity.
 3. Perth Energy agrees that where SCADA monitoring of a Facility is available, temperature readings should be provided at least at the 5 minute interval frequency as is current practice, and welcomes the proposed amendment to the Market Rules to codify current practice.
 4. Perth Energy welcomes allowing more flexibility in the way that notice is given in clauses 8.4.5, 9.4.7 and 9.20.1 of the Market Rules. Perth Energy queries whether some additional words should be added to these clauses to ensure that it is possible to independently verify that notice was given. For example, clause 8.4.5 currently (pre-change) mandates notice by phone and contemplates a discussion with the IMO to agree a course of action. Post change (removing the reference to telephone as the way of giving notice) it is conceivable that notice could be by email, fax, phone, in person or some other method. Perth Energy is concerned that a Metering Data Agent may for example provide notice via an email to an individual IMO employee that may be on holiday or off sick for the day. Such notice may pass the test of “providing notice” under the amended wording of the clause but would be of no use to the IMO as it would not come to the IMO’s attention. Whilst Perth Energy welcomes the proposed move away from mandating the way that notice is given we consider that it is important to ensure there are clear guidelines in place to ensure that notices are given in a way so that those notices are received in a timely and efficient manner and can be acted upon.
- 2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.**

Subject to our comments about the potential for confusion around providing notice (point 4 above), Perth Energy considers the Omnibus Rule Change will improve the clarity of the Market Rules and thereby positively impact on the achievement of all Market Objectives¹.

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

Perth Energy has not identified any impacts on its IT or business systems.

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

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

¹ (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.