

Call for Further Submissions:
Provision of Network Information to System
Management (RC_2014_10)
Standard Rule Change Process

18 May 2018

1. Background

On 13 January 2015, the Independent Market Operator (**IMO**) submitted a Rule Change Proposal titled “Provision of Network Information to System Management” (RC_2014_10). The IMO proposed to amend the processes prescribed in the Wholesale Electricity Market Rules (**Market Rules**) relating to the provision of Network information by a Network Operator to System Management.

The first submission period was held between 14 January 2015 and 25 February 2015. Submissions were received from Community Electricity and Perth Energy, both of which supported the proposed amendments. Community Electricity noted that the amendments would improve the efficiency of the market by removing the superfluous intermediate process of the IMO receiving Network information for the sole purpose of providing it to System Management. Perth Energy noted that the proposed amendments would remove ambiguity from the Market Rules; and proposed that the definition of a “Network” in the Market Rules be made consistent with the definition of a “Network” under the *Electricity Networks Access Code 2004*, which is taken from the definition of “Network Infrastructure Facilities” in the *Electricity Industry Act 2004*.

The IMO published a Draft Rule Change Report on 26 March 2015 that proposed to accept the Rule Change Proposal in an amended form. The second submission period was held from 27 March 2015 to 28 April 2015, and no submissions were received.

In May 2015, the IMO extended the timeframe for the publication of the Final Rule Change Report by 12 Business Days to allow sufficient time for the IMO Board to consider the Rule Change Proposal. However, in June 2015, the IMO delayed its final decision on the Rule Change Proposal due to uncertainties associated with the Minister’s Electricity Market Review. The Minister subsequently asked the IMO to exercise its discretion under clause 2.5.10 of the Market Rules to extend the normal timeframes for processing all Rule Change Proposals in progress (except for those relating to the deferral of Reserve Capacity Cycles) until the new rule change approval body was established as part of the Electricity Market Review reforms.

The rule making functions of the IMO were transferred to the Rule Change Panel (**Panel**) on 26 November 2016, and the Panel commenced its rule making functions on 3 April 2017.

On 10 April 2017 the Panel extended the timeframe for publication of the Final Rule Change Report to allow it sufficient time to assess the Rule Change Proposal and the Draft Rule Change Report against the recent changes to the Market Rules and the Government’s further reform announcements.

On 21 December 2017 the Panel further extended the timeframe for the publication of the Final Rule Change Report until 31 December 2018 to allow for additional consultation, including this call for further submissions.

The Rule Change Proposal was discussed by the Market Advisory Committee (**MAC**) at its meeting on 16 August 2017 as part of the discussion to assign urgency ratings to the Rule Change Proposals that were open at the time. The MAC members and observers noted that the proposed amendments in RC_2014_10 were superseded by more recent rule changes made by the Minister.

2. Call for Further Submissions

The Panel invites interested stakeholders to make submissions on Rule Change Proposal RC_2014_10 on the basis that a significant period of time has passed since the IMO consulted on this proposal, during which time the Market Rules have undergone numerous changes. As RC_2014_10 has already been the subject of two rounds of public consultation, the Panel requests that stakeholders **only submit on new, substantive issues**.

The further submission period is 10 Business Days from the publication of this notice. Submissions must be delivered to the Panel by **5:00 PM on Friday 1 June 2018**.

The Panel prefers to receive submissions by email, using the submission form available at <https://www.erawa.com.au/rule-change-panel/make-a-rule-change-submission> sent to rcp.secretariat@rcpwa.com.au.

Submissions may also be sent to the Panel by post, addressed to:

Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

3. Overview of Proposed Changes

The IMO sought to make two main changes in RC_2014_10:

(1) Changes to the requirements for Network information:

It was proposed to remove the requirement for a Network Operator to provide the Standing Data described in Appendix 1(a) of the Market Rules to the IMO as a pre-condition for registering a Network; and instead require a Network Operator to provide System Management with access to the dynamic Network information described in Appendix 1(a) from its SCADA systems.

(2) Changes to the definition of Network:

It was proposed to align the definition of a Network in the Market Rules more closely to the definition in the *Electricity Networks Access Code 2004*, on the basis that the revised definition “will better distinguish Network equipment from non-Network equipment, and therefore provide greater certainty to parties in relation to their obligations to register as a Network Operator and to register a Network Facility”.

Full details relating to the Rule Change Proposal are available on the Panel's website at [Rule Change: RC 2014 10 - Economic Regulation Authority Western Australia](#).

4. Assessment against Recent Changes to the Market Rules

The Panel has assessed the changes proposed in RC_2014_10 against the current Market Rules, which have been extensively changed since the proposal was submitted in January 2015.

(1) Changes to the requirements for Network information:

Since the publication of the Draft Rule Change Report, the Minister has made changes to the Market Rules that are targeted for amendment by RC_2014_10, including the

amending rules in Schedule A of the *Wholesale Electricity Market Amending Rules 2016* published in Gazette 2016/89, which:

- gave System Management the function to develop a Power System Operation Procedure specifying information that a Network Operator must provide to System Management for each of its Networks in clause 2.28.3A; and
- deleted Appendix 1(a), which required Network Operators to provide Standing Data for each Network as a pre-condition of Facility registration.

These Gazetted changes, combined with clause 2.9.8, which requires Rule Participants to comply with Market Procedures, achieve the proposed changes to the requirements for Network information.

(2) Changes to the definition of Network:

The Market Rules define a Network as “a transmission system or distribution system registered as a Network under clause 2.29.3”.

RC_2014_10 proposed changes to clauses 2.28.2, 2.28.3, 2.28.4, 2.29.3 of the Market Rules, and to the definition of Network in Chapter 11 of the Market Rules to:

- clarify the definition of a Network; and
- re-align the term with the *Electricity Networks Access Code 2004*; as the terms “transmission system” and “distribution system” were thought to be undefined and unclear.

However, the terms “transmission system” and “distribution system” are defined in the *Electricity Industry Act 2004*.¹ Clause 1.3.1 of the Market Rules states that a word or phrase defined in the *Electricity Industry Act 2004* has the same meaning when used in the Market Rules, so the terms transmission system and distribution system are defined in the Market Rules, which makes the proposed changes to the definition of Network superfluous.

Therefore, the Panel is of the view that the rule changes proposed in RC_2014_10 are no longer necessary, and the Rule Change Proposal can be rejected. The Panel is seeking feedback from stakeholders as to whether they have any concerns with this assessment.

¹ The *Electricity Industry Act 2004* defines the terms:

- **transmission system** means any apparatus, equipment, plant or buildings used, or to be used, for, or in connection with, the transportation of electricity at nominal voltages of 66 kV or higher; and
- **distribution system** means any apparatus, equipment, plant or buildings used, or to be used, for, or in connection with, the transportation of electricity at nominal voltages of less than 66 kV.