
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2014_10 Provision of Network Information to System Management

Submitted by

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

Background

The Wholesale Electricity Market (WEM) Rules currently require Network Operators to provide certain information as standing data to the Independent Market Operator (IMO) prior to registering a Network. The IMO in turn provides the information to System Management.

The type of information required to be provided is covered in Appendix 1 of the Market Rules and include information on network topology, load limits of circuits et cetera. This type of information is by its very nature dynamic and to be of any value must be kept constantly up to date. System Management depends on having access to up to date data covering the items set out in Appendix 1 to operate the South West Interconnected System (SWIS) in a safe and reliable manner.

Although not required by the Market Rules, current practice is for Western Power to provide System Management with direct access to the most up to date version of this information via a direct access to Western Power's SCADA system.

Issues

The IMO has identified that the current requirement in the Market Rules relating to how to provide and keep up to date the information set out in Appendix 1 to be inadequate. In particular, the IMO considers the current requirement on Western Power to pass the information on to System Management indirectly via the IMO to be inadequate and inefficient. The IMO does not make any particular use of the information and would only act as “letter box” in the process. In addition, the current requirement to provide the data as part of the requirements for standing data does not reflect the dynamic nature of this data. The IMO therefore does not consider that the data should be provided as standing data but rather be kept up to date at all times.

The IMO has also identified that the use of the defined term “Network” within the current Market Rules does not align with the definition of Network within the Electricity Network Access Code 2004 (ENAC).

Change Proposal

The IMO submitted Rule Change Proposal RC_2014_10 “Provision of Network Information to System Management” on 13 January 2015.

The IMO proposed to amend the Market Rules by deleting the requirements in Appendix 1 relating to standing data provided by Network Operators to the IMO. The IMO has proposed that a new clause be inserted into the Market Rules to require System Management to include a requirement within its Power System Operations Procedure (PSOP) for Network Operators to provide the information currently covered off as standing data directly to System Management. The new clause in the Market Rules also places an obligation on System Management to set out the process and criteria to be applied when exchanging this type of data.

The IMO has also proposed to amend the definition of “Network” to be *“The electrical equipment that is used in order to transfer electricity within the SWIS, and between the relevant points of connection for a distribution system or transmission system registered under clause 2.29.3”*.

Perth Energy’s Views

Perth Energy supports the proposed amendments by the IMO subject to the comments we make below in relation to the proposed new definition of Network.

Perth Energy agrees that it is vital for System Management to have real time access to up to date and accurate information relating to the state of Western Power’s network. We understand that current practice is for Western Power to provide this information by way of providing System Management with direct access to its SCADA. This practice should be codified in the Market Rules and the current inefficient requirement to provide the information as standing data via the IMO should be removed from the Market Rules. Perth Energy considers that this will remove any ambiguity that may exist around the way in which System Management may access the most accurate and up to date information about the SWIS at all times to ensure it makes the most safe and efficient decisions in relation to the way it manages all resources on the system.

Perth Energy agrees in principle with the proposal to amend the definition of Network to more closely align with the definition in the ENAC. This would reduce the potential for confusion in interpretations in scenarios where both the Market Rules and the ENAC or any subsidiary legislative documents that flow from the ENAC are involved. Perth Energy also agrees that the proposed new definition of Network is more descriptive compared to the current definition within the Market Rules which defines a Network as “A *transmission system or distribution system registered as a Network under clause 2.29.3.*”

However, Perth Energy notes that definition of a Network under the ENAC and the proposed new definition in the Market Rules are not the same. The definition under the ENAC goes into more detail compared to the proposed new definition for the Market Rules¹. We also note that the definition in the ENAC is by way of referring to the definition of “network infrastructure facilities” within the Electricity Industry Act 2004. Perth Energy queries the rationale for adopting a shortened version of the definition of “Network” from the ENAC and the Electricity Industry Act 2004 to apply in the Market Rules. Adopting the same definition, either by reference to the Act or by copying the wording exactly, would ensure consistency and remove any possibility for confusion within the WEM as to what is meant by a “Network”.

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 better alignment of the definition of “Network” within the Market Rules with the definition of “Network” under the ENAC and the Electricity Industry Act 2004, Perth Energy considers the proposed changes to represent improvements over the current version of the Market Rules. By aligning the definition of “Network” within the Market Rules with other key industry legislative framework Perth Energy believes that transparency would be improved and potential for confusion between different legislative documents relevant to Market Participants would decrease. Perth Energy considers that the proposed changes would therefore aid in the achievement of Market Objectives² (a) and (d) improving efficiency and lowering the long term cost of energy in the SWIS.

¹The ENAC states that ““network” has the meaning given to “network infrastructure facilities” in the Act.” The Act in the ENAC refers to the Electricity Industry Act 2004. Section 103 of the Act defines “network infrastructure facilities” as:

“network infrastructure facilities means —

(a) the electrical equipment that is used only in order to transfer electricity to or from an electricity network at the relevant point of connection including any transformers or switchgear at the relevant point or which is installed to support or to provide backup to that electrical equipment as is necessary for that transfer; and

(b) the wires, apparatus, equipment, plant and buildings used to convey, and control the conveyance of, electricity,

which together are operated by a person (a network service provider) for the purpose of transporting electricity from generators of electricity to other electricity networks or to end users of electricity”

² (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;

Codifying current practice with regard to providing System Management with direct access to network information by enabling access to Western Power's SCADA would ensure that the Market Rules reflect a current practice which we consider to be the most efficient way for System Management to access this vital data. Perth Energy considers the proposed amendments to the Market Rules to codify current practice would also aid in the achievement of Market Objectives (a) and (d) by improving efficiency and lowering the long term cost of energy in the SWIS.

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.

(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.