



INDEPENDENT
MARKET
OPERATOR

Wholesale Electricity Market Submission to Rule Change Proposal

RC_2015_03 Formalisation of the Process for Maintenance Applications

Submitted by

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Submission

Submissions for Rule Changes should be submitted to:

Independent Market Operator

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

EnerNOC supports the Independent Market Operator's (IMO) objective of introducing a formal process and standardised set of principles to guide maintenance applications. In addition to the improvements afforded to the IMO, it will provide further clarity to industry in understanding the application requirements, and improve the efficiency in collating and presenting the information to the IMO.

While this Rule Change will create the necessary heads-of-power, it is the corresponding



Market Procedure that EnerNOC is most keen to review. The formalisation of principles governing the application process, clarity on the supporting evidence requirements and a set of criteria by which applications will be assessed will be the key in ensuring a successful implementation.

In light of this, it is imperative that the heads of power provides the IMO the ability to draft and consult on the maintenance process without undue restriction. As currently drafted, EnerNOC believes that there is the risk that the proposal will restrict the IMO's ability in two key areas.

1) Maintenance as the sole driver

As referenced in clauses 4.26.2CB (a) ii and 4.28.9A, EnerNOC is concerned with the stipulation that the load reduction must be "solely attributable" to maintenance.

In practice, maintenance can include both preventative and non-scheduled/unexpected activities. In the case of preventative maintenance, it may be easier to establish it as the primary driver of the load reduction; however, non-scheduled maintenance will (most likely) not be the driver of the load reduction. For example, if the site were to experience a mechanical failure, the maintenance activity is secondary to the driver of the load reduction. It is important to note that the maintenance activity may not commence immediately after the load is reduced.

EnerNOC proposes that the test for whether a substitution event should be allowed should consider whether the event that caused the need for maintenance, and the subsequent maintenance activity, are likely to reoccur during next year's peak trading intervals. This is consistent with the purpose of the whole exercise: to estimate the likely demand during peak trading intervals. If the maintenance activity coincided with peak intervals purely at random, and it is unlikely to do so in future, then it should be accepted as the basis for an application.

EnerNOC's concern is that the proposed drafting will limit the IMO's ability to accept and assess applications that relate to non-scheduled or unexpected maintenance activity.

We would also like to clarify with the IMO the intent of the term "was reduced" (in clauses 4.26.2CB (a) ii and 4.28.9A). The term seems to imply that there must be an actual drop in load in order to submit an application. We believe that the term should cover both an actual reduction in load, as well a deviation from where the load should be. The distinction is apparent in the following example: if maintenance occurs at the time when a plant typically commences production, there will not be a reduction in load; rather, the site will be operating at a level lower than it normally would have.

2) Application timeframe

There are a number of complexities that arise with setting a fixed end date for Consumption Deviation Applications:

- a. **Publishing the peak 32 intervals:** Placing a firm deadline for submitting Relevant Demand (RD) applications without placing a corresponding deadline for publication of the 32 peak trading intervals may lead to significant timing issues. A delay in publishing the intervals will limit the ability for the applicant to submit the necessary documentation by the proposed deadline. This will particularly affect aggregators with a large number of participating loads.
- b. **NMI changes:** Western Power occasionally upgrades or replaces electricity

connections at customer premises. The practical outcome is that the new NMI will have no consumption data for the previous summer's peak trading intervals. To overcome this, the IMO has historically transferred the 32 readings from the old NMI to the new NMI. EnerNOC would like to clarify with the IMO whether this class of application would require a Consumption Deviation Application or would fall under market rule 4.26.2C (b) ii. If it is the former, then any deadline would prove problematic.

- c. Mid-year enrollments:** The proposed deadline does not allow for newly associated loads – enrolled after the deadline – to submit a consumption deviation application.
- d. Revision of peak intervals:** A mid-year revision of the 32 peak trading intervals may impact a Demand Side Programme's (DSP) RD. This would especially be an issue if it resulted in a new day forming part of the 32 intervals. In this instance, the DSP would have no recourse to submit an application, which may have considerable impact on the DSPs RD.

Recommendations and exemptions

With regard to item a, we suggest that the proposed date be replaced with a clause that sets the deadline at the later of 31 October and a fixed number of weeks from the official publication date of the peak trading intervals.

To address items b, c and d, we suggest that a list of exceptions be drafted that will allow the IMO to accept applications outside of the initial acceptance window.

Application Fee

EnerNOC would like to seek clarification how the charge will be applied in instances when the IMO requests follow-up information from the applicant: will this require an additional fee or will it be classed as a single application?

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

If the issues raised above are addressed, EnerNOC agrees with the IMO's assessment that the proposed changes will support Wholesale Market Objectives (c) and (d).

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.

We do not anticipate any material implementation costs, as no systems changes should be needed.

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

EnerNOC can comply with the timeline proposed.