



## **Procedure Change Report**

# **Title: Amendments to the Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction**

Ref: PC\_2008\_05

Date: 15 July 2008

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## Independent Market Operator

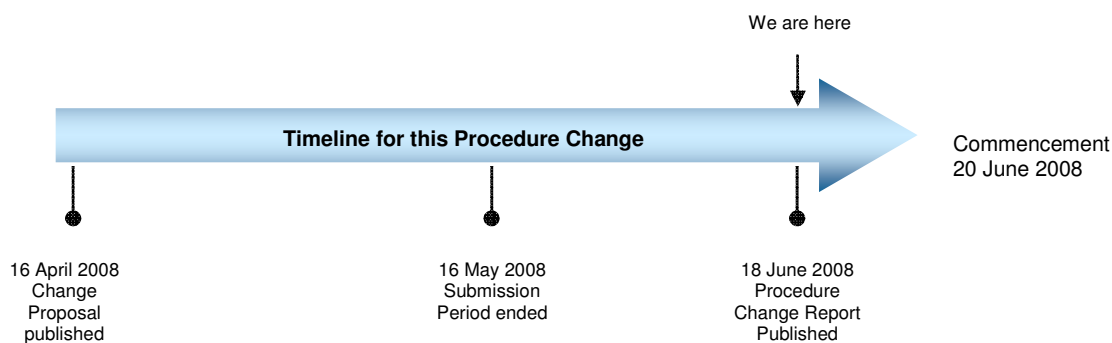
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## INTRODUCTION

On 16 April 2008, the IMO published a Procedure Change Proposal titled Amendments to the Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction. The proposal has been processed according to the Procedure Change Process under section 2.10 of the Wholesale Electricity Market Rules (Market Rules). This process adheres to the following timelines:



The key dates in processing this Procedure Change Proposal are:



This Procedure Change Report is published by the IMO in accordance with clause 2.10.12 of the Market Rules

## THE PROPOSED AMENDMENTS

The procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction was developed to support the processes and practices required under the Market Rules.

The procedure describes the processes required of Market Participants when submitting bilateral trade declarations and Reserve Capacity Auction submissions and the steps required of the IMO when accepting and assessing the declarations and submissions.

## THE WORDING OF THE PROPOSED AMENDMENTS

The wording of the procedure, as proposed by the IMO, is available on the IMO's web site:

[http://www.imowa.com.au/Attachments/MarketProcedures/ProcedureChange\\_PC200804.htm](http://www.imowa.com.au/Attachments/MarketProcedures/ProcedureChange_PC200804.htm).

## SUBMISSIONS RECEIVED

The IMO did not receive any submissions during the public submission period. Consequently, the IMO has concluded that Participants support the proposed Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction.

## THE MARKET ADVISORY COMMITTEE

The proposed procedure has been assessed by the IMO Market Procedure Development Group, a group of Industry Representatives set up by the Market Advisory Committee to assist the IMO in developing Market Procedures. The group met to discuss the proposed amendments to the procedure on 13 December 2007.

After publishing the Procedure Change Proposal, the IMO invited all MAC members to contact the IMO if they considered the proposal to be significant enough to require convening MAC to assess it. No MAC member contacted the IMO in this regard.

## THE PROPOSAL AND THE WHOLESALE MARKET OBJECTIVES

The procedure will enable the procedure to be better aligned with the requirements of the Market Rules. The IMO considers that the amended procedure, therefore, will have the following impact on the market objectives:

Impact	Wholesale Market Objectives
Allow the Market Rules to better address objective	-
Consistent with objective	a, b, c, d and e
Inconsistent with objective	-

## THE IMO'S DECISION

No party expressed any concerns regarding the proposed amendments to the Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction. The IMO therefore finds it appropriate to amend the procedure as proposed in its Procedure Change Proposal.

The amended procedure is published on the IMO's website, together with this Procedure Change Report.

## COMMENCEMENT

The procedure is of an administrative nature and will not require Rule Participants or the IMO to implement any procedural or system amendments before it can commence.

The Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction will commence at 08.00am on 15 July 2008.

## GENERAL ABOUT PROCEDURES AND PROCEDURE CHANGES

Clause 2.9.3 of the Market Rules states that Market Procedures:

- (a) must be:
  - i. developed, amended or replaced in accordance with the process in the Market Rules;
  - ii. consistent with the Wholesale Market Objectives; and
  - iii. consistent with these Market Rules, the Electricity Industry Act and Regulations; and
- (b) may be amended or replaced in accordance with clause 2.10 of the Market Rules and must be amended or replaced in accordance with clause 2.10 where a change is required to maintain consistency with Amending Rules.

The IMO or System Management, as applicable, may initiate a Procedure Change Process by developing a Procedure Change Proposal. Rule Participants may notify the IMO or System Management, as applicable, where they consider an amendment or replacement of a Market Procedure would be appropriate.

If Amending Rules require the IMO or System Management to develop new Market Procedures or to amend or replace existing Market Procedures, then the IMO or System Management, as applicable, is responsible for the development of amendments to or replacement for Market Procedures so as to comply with the Amending Rules.