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## Wholesale Electricity Market – Procedure Change Proposal

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Procedure Change No: PC\_2008\_10

### Change requested by

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<b>Date submitted:</b>	1 August 2008
<b>Procedure change title:</b>	Amendments to the Market Procedure: Monitoring Protocol
<b>Market Procedure(s) affected:</b>	Market Procedure: Monitoring Protocol

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### Introduction

The IMO or System Management, as applicable, may initiate the 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 an Amending Rule requires 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, amendment, or replacement of Market Procedures so as to comply with the Amending Rule.

Market Procedures:

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

The Wholesale Market Objectives are:

- (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.

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## **Details of Procedure Change Requested**

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### **1. Provide a reason for the proposed new, amended or replacement Market Procedure:**

The current Market Procedure: Monitoring Protocol was developed before the start of energy trade in the Wholesale Electricity Market in September 2006.

The Monitoring Protocol covers the processes by which the IMO monitors Rule Participants' compliance with the Market Rules and Market Procedures. The Monitoring Protocol is a Market Procedure pursuant to Market Rule 2.15.7.

The IMO proposes to update the procedure to reflect the rule change 'Discretion of IMO to Decide Whether to Issue Warning' RC\_2007\_07, which was made on 23 October 2007. This rule change provides the IMO with a discretion whether to issue a warning to a Rule Participant under clause 2.13.10 of the Market Rules.

The IMO also proposes to update the list "Categories of Rule Breaches and the Primary Mechanisms to Identify the Breaches", Appendix A in the Monitoring Protocol, with relevant clauses in the Market Rules which are not included in the current Market Procedure but intended in the Electricity Industry (Wholesale Electricity Market) Regulations.

The proposed amendments will enable the procedure to be better aligned with the requirements of the Market Rules and the Regulations.

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### **2. Provide the wording of the amended Procedure**

The proposed amendments to the current Market Procedure: Monitoring Protocol are provided as an attachment to this proposal.

