

ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for: Procedure Administration

Version 2

Commencement: This Market Procedure is to have effect from 8:00am (WST) on the same date as the Wholesale Electricity Market Rule, in accordance with which this procedure is made, commences.

Version history

21 September 2006	Market Procedure for Procedure Administration
11 September 2009	IMO proposed changes to the procedure (PC_2009_02) as a result of RC_2009_04

1. Procedure Administration Market Procedure

The Procedure Administration Market Procedure (Procedure) outlines the process by which Market Procedures are to be developed and amended.

1.1 Relationship with Market Rules

This Procedure has been developed in accordance with, and should be read in conjunction with clause 2.9.5 of the Wholesale Electricity Market (WEM) Rules (Market Rules)

Reference to particular Market Rules within the Procedure in bold and square brackets **[MR XX]** are current as of 21 July 2009. These references are included for convenience only, and are not part of this Procedure.

1.2 Interpretation

In this Procedure, unless the contrary intention is expressed:

- Terms used in this Procedure have the same meaning as those given in the Market Rules (made pursuant to the Electricity Industry WEM Regulations 2004);
- Where this Procedure is contrary or inconsistent with the Market Rules, the Market Rules shall prevail to the extent of the inconsistency;
- Words expressed in the singular include the plural or vice versa.

1.3 Purpose

The purpose of this Procedure is to provide the processes to be followed by:

- the IMO in developing and approving Procedure Change Proposals;
- System Management in developing Procedure Change Proposals; and
- Rule Participants where participating in the Procedure Change Process.

1.4 Initiating a Procedure Change

Who May Initiate

Only the IMO and System Management may initiate procedure changes **[MR 2.10.1]**.

- The IMO may initiate the process to develop and amend Market Procedures required to be developed by the IMO under the Market Rules.
- System Management may initiate the process to develop and amend Market Procedures required to be developed by System Management under the Market Rules.

The IMO or System Management, as applicable, is required to develop new Market Procedures or to amend or replace existing Market Procedures where an amendment to the Market Rules requires the development of, amendment of or replacement for a Market Procedure [MR 2.10.3]. This must be done as soon as practicable after the Amending Rules commence.

Rule Participants may notify the IMO or System Management, as applicable, if they consider that an amendment or replacement of a Market Procedure would be appropriate [MR 2.10.2]. Any such notification must be in writing, by email, to the following:

- The IMO: as outlined in Notices and Communications Procedure
- System Management: by email to market.development@westernpower.com.au

The IMO or System Management has the discretion as to whether to initiate any Procedure Change Process arising from a Rule Participant's notification.

Procedure Change Proposal

The IMO or System Management commences the Procedure Change Process by drafting a Procedure Change Proposal. The proposal must include the details outlined in clause 2.10.6 of the Market Rules.

1.5 Publication of Procedure Change Proposals

The IMO is required to publish on its website all Procedure Change Proposals, whether initiated by the IMO or System Management that are open for public comment. The IMO must also call for submissions on the proposal and provide a due date for the submissions, being 20 Business Days following the call for submissions [MR 2.10.7].

System Management will provide any Procedure Change Proposal it develops to the IMO for publication and the IMO must publish the proposal [MR 2.10.4].

System Management will assign to the Procedure Change Proposal a reference number to be quoted on submissions related to its Procedure Change Proposals.

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1.6 Submissions on Procedure Change Proposals

Any person may make a submission on a proposed procedure change using the Procedure Change Submission form **[MR 2.10.7]**. This is available on the IMO website (www.imowa.com.au). Details of the contents of a Procedure Change Submission form appear in Appendix A.

A submission on a Procedure Change Proposal must be made to the IMO, by email, by the due date published by the IMO for the submission.

Comments in the submission should be consistent with:

- the Wholesale Market Objectives; and
- the Market Rules, Electricity Industry Act 2004 and any applicable regulations.

1.7 Market Advisory Committee

The Market Advisory Committee (MAC) is an advisory body to the IMO comprised of industry representatives. The MAC is established pursuant to clause 2.3.1 of the Market Rules and one of its roles is to advise the IMO and System Management regarding Procedure Change Proposals. The MAC does not vote on issues, but provides a forum for views to be heard and advice to be offered to the IMO on Procedure Change Proposals.

The IMO will notify all members of the MAC as to whether the IMO considers that the Committee should be convened in relation to the Procedure Change Proposal and the reasons why. This notification must be in writing within one Business Day of publishing the Procedure Change Proposal **[MR 2.10.8]**.

The IMO is required to convene a meeting of the MAC, prior to close of submissions, in relation to the Procedure Change Proposal if:

- the IMO considers that advice on the Procedure Change Proposal is required from the MAC; or
- two or more members of the MAC have written to the IMO indicating they consider that advice on the Procedure Change Proposal is required from the MAC **[MR 2.10.9]**.

1.8 Procedure Change Report

Following the closing date of submissions, the IMO or System Management, as applicable, will prepare a Procedure Change Report **[MR 2.10.10]**.

Prior to preparing a Procedure Change Report proposing the approval of a procedure change, the IMO or System Management, as applicable, will conduct an impact analysis on the Market Rules and other Market Procedures.

The IMO is required to publish the Procedure Change Reports prepared by the IMO **[MR 2.10.12]** and by System Management **[MR 2.10.11]**. The Procedure Change Report must contain **[MR 2.10.13]**:

- the wording of the proposed Market Procedure or amendment to or replacement for the Market Procedure;
- the reason for the proposed Market Procedure or amendment to or replacement for the Market Procedure;
- all submissions received by the due date for submissions, a summary of the submissions, and the IMO or System Management's (as applicable) response to issues raised;
- a summary of the views of the MAC (where applicable) or Working Group established under clause 2.3.17;
- for a procedure change proposed by the IMO the proposed date and time for the procedure change to commence; and;
- for a procedure change proposed by System Management the date and time for the procedure change to commence as recommended by the IMO or System Management.

In proposing a date and time for procedure changes to commence, the IMO or System Management, as applicable, must be of the view that Rule Participants will have sufficient time between publication of the Procedure Change Report and commencement of the Market Procedure to implement any changes required **[MR 2.10.13]**.

1.9 IMO Approval of System Management Procedure Change Proposals

Market Procedures developed by System Management require IMO approval.

Within 10 Business Days of the publication of a Procedure Change Report prepared by System Management, the IMO must decide whether to approve or reject the proposed Market Procedure or amendment to, or replacement for, the Market Procedure **[MR 2.10.14]**.

Where the IMO approves the proposed Market Procedure or amendment to, or replacement for, the Market Procedure, it will notify System Management in writing and publish on its website the following **[MR 2.10.15]**:

- that the proposed Market Procedure or amendment to, or replacement for, the Market Procedure is approved;
- the IMO's reasons for approval; and
- the date and time for the Market Procedure or amendment to, or replacement for, the Market Procedure, to commence. This must, in the IMO's opinion, allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it.

Where the IMO rejects the procedure change, it will notify System Management in writing and publish on its website the following **[MR 2.10.16(a)]**:

- that the proposed Market Procedure or amendment to, or replacement for, the Market Procedure is rejected; and
- the IMO's reasons for rejection.

Where the IMO rejects a proposed procedure change required by an Amending Rule, System Management is required to prepare and submit a new Procedure Change Proposal that complies with the Amending Rule and is acceptable to the IMO. The new Procedure Change Proposal must go through the same procedure change process as all other Procedure Change Proposals **[MR 2.10.16(b)]**.

Where the IMO rejects a proposed procedure change not required by an Amending Rule, System Management has the discretion to prepare and submit a new Procedure Change Proposal or to abandon the procedure change.

1.10 Commencement of Procedure Changes

A procedure change will commence on the date set out by the IMO:

- in the IMO's Procedure Change Report, for IMO initiated procedure changes; or
- on the date published by the IMO with its decision to accept a Procedure Change Proposal, for procedure changes initiated by System Management **[MR 2.11.3]**.

The IMO may extend the time and date for commencement of procedure changes if it develops the view that Rule Participants will not have sufficient time to implement any necessary changes required. The IMO will publish a notice of extension, including a revised time and date for commencement of the procedure change **[MR 2.11.4]**.

Appendix A – Contents of Procedure Change Submission Form

A Procedure Change Submission form must include the following information.

- Contact details of the person submitting the form, including details of the organisation they represent, if applicable.
- Reference details for the Procedure Change Proposal.
- Comments regarding the Procedure Change Proposal.

A copy of the appropriate form for making submission on Procedure Change Proposals is available at <http://www.imowa.com.au/Procedure-Changes>