
Wholesale Electricity Market – Procedure Change Proposal

Change requested by

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Organisation:	System Management
Address:	
Date submitted:	6 December 2010
Urgency:	Procedure change process, clause 2.10 of the Market Rules
Procedure change title:	Revised PSOP: Commissioning and Testing
Market Procedure(s) affected:	PSOP: Commissioning and Testing (effective 1 September 2009)

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 of, amendment of or replacement for, 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 these 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 objectives of the market 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.

Submissions on the Procedure Change Proposal can be posted, faxed or emailed to:

Independent Market Operator

Attn: Manager Market Administration
 PO Box 7096
 Cloisters Square, Perth, WA 6850
 Email: marketadmin@imowa.com.au

However, the IMO prefers to receive submissions by email using the submission form available on the IMO website:

http://www.imowa.com.au/10_5_1_b_procedure%20change%20proposal.htm

Details of Procedure Change Requested

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

Since System Management completed the first suite of amendments to the Commissioning and Testing PSOP (which commenced on 1 September 2009), one rule change impacting this PSOP is effective and another is expected to become effective 1 February 2011. Namely, these rule changes are RC_2009_08 '*Updates to Commissioning Provisions*' and RC_2009_37 '*Equipment Tests*' respectively.

In summary, RC_2009_08 '*Updates to Commissioning Provisions*' highlighted that the Market Rules precluded System Management from approving a Commissioning Test for a new generator if that test occurs after 30 November of the year where the new Generator is required to adhere to capacity obligations. Therefore this requirement served to prevent new generators from completing their commissioning requirements, which appeared to preclude additional capacity from being available.

The rule change proposed to eliminate the inconsistency relating to the treatment of facilities in respect of commissioning.

To that end, although the rule change was substantial, the impact of these amendments on the Commissioning and Testing PSOP' was minor.

Evidently, RC_2009_37 ' *Equipment Tests*' raised the issue that there is no ability under the Market Rules for a Market Participant to undertake a test of equipment except via a Resource Plan or an accepted Commissioning Test Plan.

The rule change proposed to provide an option to Market Participants to request an Equipment Test, which requires seeking System Management's approval of a deviation from Resource Plan in advance. This serves to relieve System Management's obligation to direct a Market Participant's facility back to resource plan and a Market Participant's obligation to respond to this direction. However, the market rules still imposes commercial penalties upon Market Participants for real time deviations from resource plan.

This new concept described above has been incorporated into the Commissioning and Test PSOP with an appending Generation Equipment Test Template.

System Management continuously seeks to improve the integrity and accuracy of the Power System Operation Procedures, and has proposed some minor and typographical amendments.

The amendments have been subject to consultation within the System Management Power System Operation Procedure Working Group (constituted under the auspices of the MAC) and with the Independent Market Operator.

It is the view of System Management that the amended procedure is consistent with the Market objectives.

2. Provide the wording of the new or amended Procedure (as applicable)

The amended Procedure, Power System Operating Procedure: Commissioning and Testing is attached.

Procedure Change No.: PPCL0016

Received date: _____
