

Memorandum



Date:	16 March 2012
To:	Suzanne Frame Group Manager Market Development Independent Market Operator
From:	Phil Kelloway Branch Manager Planning & Market Operations System Management Western Power
Subject:	Notice of further consultation in relation to Procedure Change Proposals PPCL0021, PPCL0022 and PPCL 0023

This notice details amendments System Management (SM) seeks to make to the draft Power System Operating Procedures (PSOPs) that are the subject of the following Procedure Change Proposals:

- PPCL0021, covering the Dispatch and Communication and Control Systems PSOPs
- PPCL0022, covering the Power System Security and Ancillary Services PSOPs
- PPCL0023, covering the Commissioning and Testing, Facility Outages and Monitoring and Reporting PSOPs.

SM acknowledges that, because this notice is not contained in the Procedure Change Proposal, it has no formal standing. SM also notes that the public consultation process for the above Procedure Change Proposals has, in all cases, closed. SM considers however that further informal consultation with the industry and other interested parties is warranted.

SM has therefore requested that the Independent Market Operator (IMO):

- Allow interested parties to make submissions on the revised PSOPs presented as Appendix 1 to this notice.
- Allow time for discussion of the proposals at the Rules Development Implementation Working Group (RDIWG) meeting scheduled to be held on 22 March 2012.

IMO confirmed its agreement with SM's request at the Market Advisory Committee of 14 March 2012. Interested parties are therefore invited to discuss the amendments to the draft PSOPs at the RDIWG of 22 March 2012, and if desired to make informal submissions on the revised PSOPs. Any informal submissions must be delivered to the IMO by 5:00pm on 29 March 2012.

Background

Following feedback from Market Participants and the findings of the Verve Energy Review, a proposal to establish competition in the provision of both the balancing and load-following ancillary service markets has been developed. The resulting amendments to the Market Rules have been documented in the Rule Change Notice: Competitive Balancing and Load Following Market RC_2011_10.

It has therefore been necessary for SM to make related and relevant changes to the PSOPs which are impacted by the proposed Rule changes in RC_2011_10.

Since the closure of the formal consultation process on the above Procedure Change Proposals, issues have arisen that SM considers necessitate changes to the Proposals. The key elements of the changes are summarised below. SM also seeks to continuously improve the integrity and accuracy of the PSOPs, and has made various minor amendments in pursuit of that objective. Such changes are not elaborated in this notice.

Refer PPCL0021

Dispatch

- Amendments proposed to the sections 5.1 and 5.3 to clarify SM's obligations with respect to load forecasts, consistent with RC_2011_10.
- Clarification proposed to section 5.4 (significant discrete loads), which is now blank. RC_2011_10 does not provide the requisite heads of power for SM to implement this section.
- Deletions from Sections 6.3 and 6.4 reflecting the fact that RC_2011_10 does not envisage SM issuing Operating Instructions to Verve Energy with respect to ancillary services sourced from the Verve Balancing Portfolio.
- Section 6.6, extending Market Participant obligations with respect to response to Dispatch Instructions and Dispatch Orders to include Operating Instructions,
- Section 6.6, clarifying response requirements for Facilities under SMs operational control.

Communications and control systems

- Section 2.1 (communications requirements for balancing facilities not having special conditions imposed) amended to reflect SM requirements for the final (post-December 2012) market, with an explicit derogation for a transitional period. This change is proposed to ensure market participants are fully apprised of the ultimate communications requirements, and to remove the need for SM to advance a separate Procedure Change Proposal during the transitional period. The substance of this change was communicated to participants at SMs Generator Forum held on 29 February 2012.
- Section 2 (all sub-sections) amended to clarify the requirements for Participants' voice communications.

Refer PPCL0022

Power System Security

- Section 4.1 (equipment limits) amended to reflect the final text of RC_2011_10 with respect to the interaction of Standing Data Equipment Limits and Balancing Submissions.

Ancillary Services

- Section 2.1 (facility requirements for LFAS facilities) amended to include a minimum 20MW offer tranche size. This requirement is added to limit the number of facilities that may be scheduled to provide LFAS at any one time, and thereby to reduce the possibility of dead-band issues adversely affecting LFAS performance.

Refer PPCL00023

Facility Outages

- Section 6.2 (adequacy criteria for assessing the acceptability of outage plans) amended to clarify the demand assumptions to be used by SM.
- Section 12 amended to set out the process SM will follow with respect to the determination of whether an outage is a Consequential Outage. This amendment is in response to the addition of Clause 3.21.12 resulting from RC_2010_23.

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