



System Management

Procedure Change Report  
Ref: PPCL0023  
Title: Replaced PSOPs: Competitive Balancing  
and Load Following Market (Package 3)

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## DOCUMENT DETAILS

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## INTRODUCTION

This document is the Procedure Change Report for System Management proposed amendments to the Power System Operating Procedures: Facility Outages; Monitoring and Reporting Protocol; and Testing and Commissioning.

- A Power System Operating Procedures Working Group Meeting was held on 12 December 2011
- This proposal was first published on the IMO website on 20 January 2012.
- A request for submissions to the proposal was published on 23 January 2012 with a deadline of 20 February 2012.
- Notice of a further consultation period was published on the IMO website on 19 March 2012 with a deadline of 29 March 2012.
- This Procedure Change Report is submitted to the IMO for publication on 7 May 2012.
- This proposed amended procedure is to commence on the Balancing Market Commencement Day.
- Commencement is pending approval by the IMO. Market Rule 2.10.14 requires the IMO to make its decision within 10 Business days of this Report being published.

## THE WORDING OF THE AMENDMENT TO THE POWER SYSTEM OPERATING PROCEDURE

The amended procedures are attached to this Report.

## THE REASON FOR THE AMENDMENT TO THE POWER SYSTEM OPERATING PROCEDURE

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 System Management to make related and relevant changes to the Power System Operating Procedures which are impacted by the proposed Rule changes in RC\_2011\_10.

System Management continuously seeks to improve the integrity and accuracy of the Power System Operation Procedures.

## THE MARKET ADVISORY COMMITTEE

The Market Advisory Committee (MAC) did not meet regarding this procedure change proposal. However, these proposed amendments were considered in the Rules Development Implementation Working Group meeting held on 22 March 2012.

## SUBMISSIONS

System Management received two submissions regarding these procedures, from Landfill Gas and Power and the Independent Market Operator. The Independent Market Operator's submission summarised the matters raised in the Rules Development Implementation Working Group meeting of 22 March 2012.

### LANDFILL GAS AND POWER

Landfill Gas and Power submitted:

*"LGP is a member of the Rules Development Implementation Working Group and the Power System Operating Procedures Working Group.*

*LGP supports the Change Procedure Proposals in respect of the changes to the following PSOPs:*

- *Commissioning and Testing*
- *Facility Outages*
- *Monitoring and Reporting*

*We generally advise an editorial read-through of the documents to remove duplication and improve consistency and clarity.*

#### *Facility Outages*

*Clause 2.1 (Participant Contacts) provides that:*

*"Depending on the circumstances, System Management may communicate directly with participants or request participants to seek resolution amongst themselves."*

*We note that it is unclear exactly what is to be resolved and how a participant is to identify a party with which it is to achieve resolution. Furthermore, we suggest that this provision more properly belongs in Clause 6 (Acceptance of Outage Plans)"*

System Management's response to the submission from Landfill Gas and Power:

### Consistency and clarity

System Management has undertaken an editorial review of the PSOPs covered by PPCL0023 and has made numerous minor amendments to improve the consistency and clarity of the documents in line with LGP's recommendation.

### **Facility Outages Clause 2.1 (Rule Participant Contacts)**

System Management has amended Clause 2.1 of the Facility Outages procedure to clarify System Management's intention that this clause should apply to the resolution of Outage Plan conflicts.

System Management intends that it will identify instances of Outage Plan conflicts and provide each participant with the contact details of the other affected participant(s). System Management considers that clauses 2.1.1 and 2.1.3 adequately communicate that intent.

System Management considers that the placement of these clauses within the document does not materially affect the clarity of the document.

### **THE INDEPENDENT MARKET OPERATOR**

The Independent Market Operator submitted a log of issues relating to PPCL0021, PPCL0022 and PPCL0023. The issues relevant to PPCL0023 are set out below:

#### Facility Outages

*PSOP should provide further details of the process that System Management follows in determining Forced and Consequential Outages for consistency with the heads of power provided under clause 3.21.12. For example how does System Management determine a partial Forced or Consequential Outage has occurred and how do they work out what the quantity of the Forced/Consequential outage is? How will Market Participants be informed as to whether System Management has determined that a Consequential Outage has or has not occurred? To whom to Market Participants provide their signed declaration that a Consequential Outage occurred to? Currently there is very limited process detail provided in the Market Procedure.*

#### Commissioning and Testing

*The concepts of test windows and how it relates to the rigid test plan outlined in appendix A is uncertain.*

*It is not clear how SM plans to issue Operating Instructions in regards to Commissioning Tests*

System Management's response to the submission by the Independent Market Operator:

#### **Facility Outages: process detail**

System Management accepts the IMO's view that the PSOP should provide additional process detail. The PSOP has been amended to provide additional detail in line with the heads of power provided under clause 3.21.12.

### **Commissioning and Testing: “test window” concept**

System Management accepts the IMO's view that the PSOP requires clarification. The PSOP has been amended to include definitions of the Test Window and Commissioning Test Schedule.

### **Commissioning and Testing: Operating Instructions for Commissioning Tests**

System Management believes that section 2.5 of the PSOP, plus the relevant sections of the PSOP: Dispatch covered by PPCL0021, adequately cover the use of Operating Instructions in relation to commissioning tests.

## **ISSUES RAISED BY THE RULES DEVELOPMENT IMPLEMENTATION WORKING GROUP**

### Facility Outages

*Verve/Synergy do not come under the Corporations Act. May need to state or equivalent”.*

*Section 6.2.2 restricts SM's ability to assess the outage plan to a narrower scope than that in the rules*

System Management's response to the issues raised by the Rules Development Implementation Working Group:

### **Verve Energy and Synergy in relation to the Corporations Act**

System Management has amended the PSOP in accordance with this recommendation.

### **Assessment of outage plans**

System Management do not agree that clause 6.2.2 restricts the criteria on which it may assess an outage plan. The clause does not state that System Management must *only* consider the load criterion mentioned.

## **AMENDMENT TO THE POWER SYSTEM OPERATION PROCEDURE FOLLOWING PUBLIC CONSULTATION**

System Management has made numerous amendments to the PSOPs covered by PPCL0023 in response to the feedback received during public consultation. The changes are identified in the attached documents. Deleted wording is shown in “strike through” and new wording has been underlined.

## **IMPLEMENTATION**

System Management recommends this amended procedure commence on the Balancing Market Commencement Day.

The above date, in System Management's opinion, allows sufficient time after the date of publication of the IMO's approval of the Procedure Change Proposal under clause 2.10.14, for Rule Participants to implement changes required by this Proposal.