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from the date the draft Rule Change Report is published.

- Within 20 Business Days after the end of the second Public Submission period, the IMO must publish a Final Rule Change report.

The key dates in processing this Rule Change Proposal are:

- The Rule Change Notice for this proposal was published on the IMO website on 11 May 2007
- The first Public Submission period on the Rule Change Proposal ended on 22 June 2007
- This draft Rule Change Report is published on 20 July 2007
- The second Public Submission period is from 20 July to 17 August 2007
- The Final Rule Change Report will be published by the IMO on 14 September 2007

Based on the submissions received, the IMO's draft decision is to accept the Rule Change described in the

## 2. THE RULE CHANGE PROPOSAL

### 2.1. *The Submission*

IMO received, on 3 May 2007, a Rule Change Proposal from System Management proposing changes to sections 3.16, 3.17, 3.18 and 3.19 of the Wholesale Electricity Market Rules.

#### 2.1.1. *Submission details*

Name: Alistair Butcher  
Phone: 08 9471 9127  
Email: [Alistair.butcher@westernpower.com.au](mailto:Alistair.butcher@westernpower.com.au)  
Organisation: System Management  
Date submitted: 03/05/2007  
Urgency:

## 2.4. Amending Rules Proposed by System Management

System Management proposed the follow changes to address this issue:

**a. Revision to clause 3.18.11(aA) from:**

The capacity of the total generation and Demand Side Management Facilities remaining in service must satisfy the Ready Reserve Standard described in clause 3.18.11A;

to

The total capacity of the generation Facilities remaining in service, which may at System Management's discretion include Demand Side Management, must satisfy the Ready Reserve Standard described in clause 3.18.11A;

**b. Revision to clause 3.19.6(a) from:**

The capacity of the generation and Demand Side Management Facilities remaining in service must be greater than the load forecast for the relevant time period.

to

The capacity of the generation Facilities remaining in service, which may at System Management's discretion include Demand Side Management, must be greater than the load forecast for the relevant time period.

**c. Deletion of clause 3.16.9(c) and inclusion of new clause 3.16.9A:**

**3.16.9(c)**

~~forecast total available Demand Side Management capacity by week and by constrained region;~~

**New 3.16.9A:**

In submitting the information described in clause 3.16.9, System Management may, but is not required to, include forecast total available Demand Side Management capacity by week and by constrained region.

**d. Revision to clause 3.16.9(d)(iii) from:**

the total available Demand Side Management capacity;

to

the total available Demand Side Management capacity, which may be included at System Management's discretion.



### 3. SUBMISSIONS

IMO received submissions from Alinta Sales and Synergy regarding this Rule Change Proposal. A summary of the submissions is provided below. IMO's response to the issues raised by the submissions can be found in chapter 4 of this document. The submissions, in their entirety, can be found on the IMO Website.

#### 3.1. *Market Advisory Committee*

The Market Advisory Committee (MAC) was invited to have preliminary discussions on the Rule Change Proposal at its meeting on 28 March 2007, before it was formally submitted by System Management.

MAC agreed with System Management that DSM is unsuitable for contingency planning to cover a sudden loss of generation. This is due to the limited availability of DSM over longer periods of time and the advance notice needed to activate a reduction in load through DSM.

MAC acknowledged, however, that DSM still had an important role in covering short term reliability issues and that it can potentially also have a role in long term outage planning.

To ensure that the Rules continue to place value on DSM, MAC suggested that, instead of removing the inclusion of DSM in the proposed changed rules, as originally







4.1.3. *The IMO's assessment*

According to clauses 2.4.2 of the Market Rules *“the IMO must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives”*.

The IMO' assessment against each of the Market Objectives is as follows:

*(e) to encourage the taking of measures to manage the amount of electricity used and when it is used*

Assessment: Notwithstanding the discretion provided to System Management to consider how much DSM to reasonably account for in its planning processes, the IMO considers that the proposed changes do not

## 5. CALL FOR SUBMISSIONS

The IMO wishes to receive submissions regarding this draft Rule Change Report.

The submission period is 20 Business Days from the publication date of this Report. Submissions must be delivered to the IMO by close of business on Friday, 17 August 2007.

The IMO prefers to receive submissions by email to **marketadmin@imowa.com.au** , using the submission form available on the IMO website:  
[http://www.imowa.com.au/10\\_5\\_1\\_a\\_v\\_open\\_rule\\_change\\_proposals.htm](http://www.imowa.com.au/10_5_1_a_v_open_rule_change_proposals.htm)

Submissions may also be sent to the IMO by fax or post, addressed to:

**Independent Market Operator**

Attn: Dora Guzeleva, Manager Market Administration  
PO Box 7096  
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

