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DOCUMENT DETAILS

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INTRODUCTION

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the Independent Market Operator) may make a Rule Change Proposal by completing a Rule Change Proposal Form and submit this to the Independent Market Operator (IMO).

The IMO will assess the proposal and, within 5 Business Days of receiving the Rule Change Proposal Form, will notify the proponent whether the Rule Change Proposal will be progressed further.

In order for the proposal to be progressed the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the Wholesale Market Objectives. The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services

Details of the Proposal

The outage planning process (clauses 3.18 and 3.19 of the Market Rules) and the Projected Assessment of System Adequacy (PASA) (clauses 3.16 and 3.17) provisions require System Management to take Demand Side Management (DSM) into account in these processes. System Management submits that it is not practicable to adhere to these requirements in the outage planning and PASA processes, due to the level of uncertainty surrounding DSM (e.g. limitations on frequency of its availability) and the inherent danger for system security of overstating system margins.

System Management considers that there should be some discretion in the inclusion of DSM when determining available capacity, and thus the requirement to take DSM into account should not be mandatory.

System Management proposes 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.

WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER

The IMO has decided to proceed with this proposal on the basis that the IMO's preliminary assessment indicated that the proposal is consistent with the Market Objectives.

The proposal will be progressed according to the Standard Rule Change Process, described in section 2.6 of the Market Rules.

The projected timelines for processing this proposal are: