

ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY - MARKET)
REGULATIONS 2004
Wholesale Electricity Market Rules

IMO AMENDING RULES RC_2010_11 MADE ON 8 April 2011
These Amending Rules commence at 08.00am on 1 July 2011

The following clauses are amended (~~deleted wording~~, new wording):

2.1.2. The functions of the IMO are:

...

- (e) ~~to administer tender processes for Network Control Services where required by these Market Rules and to enter into Network Control Service Contracts;~~ [Blank]

...

2.8.13. The following clauses are Protected Provisions:

- (a) clauses 1.1 to 1.3 and 1.5 to 1.9 ;
- (b) clauses 2.1 to 2.24, 2.28, 2.31.1, 2.31.3, 2.31.5(a), 2.31.6, 2.34.1 and 2.36.1;
- (c) clauses 3.15, 3.18.18 and 3.18.19;
- (d) clauses 4.1.4 to 4.1.12, 4.1.15 to 4.1.19, 4.1.21, 4.1.22, 4.1.24, 4.1.27, 4.5.10, 4.5.11, 4.5.15 to 4.5.20, 4.13.10, 4.13.10A, 4.13.11, 4.13.11A, 4.13.11B, 4.16, 4.24.1, 4.24.2 and 4.24.12;
- (e) ~~clauses 5.2.3, 5.2.7 and 5.5.1;~~ [Blank]
- (f) clauses 9.16.3, 9.16.4 and 9.20.2; and
- (g) clauses 10.1.1, 10.1.2, 10.2.1, 10.3 and 10.4.

2.17.1. Decisions by the IMO made under the following clauses are Reviewable Decisions:

...

- (h) clauses 2.37.1 to 2.37.3;
- (i) ~~clause 2.37.6 and 2.37.7;~~ [Blank]
- (j) clause 4.9.9;
- (k) clause 4.15.1;
- (l) clause 4.27.7;
- (m) clause 4.28.7; and
- (n) ~~clauses 5.2.6 and 5.2.7;~~ [Blank]
- (o) ~~clause 5.3.6; and~~ [Blank]

- (p) clause 10.2.1.
- 2.22.1. For the purposes of this clause 2.22, the services provided by the IMO are:
- (a) market operation services, including the IMO's operation of the Reserve Capacity market, STEM and Balancing and the IMO's settlement and information release functions;
 - (b) system planning services, including the IMO's performance of the Long Term PASA function and functions under Chapter 5; and
 - (c) market administration services, including the IMO's performance of the Market Rule change process, Market Procedure change process, the operation of the Market Advisory Committee and other consultation, monitoring, enforcement, audit, registration related functions and other functions under these Market Rules.
- 2.37.6. ~~The IMO must determine a Credit Limit for each Network Operator that is required under these Market Rules to fund a Network Control Service Contract, where this Credit Limit is the dollar amount determined by the IMO as being equal to maximum possible amount payable over a 70 day period under the Network Control Service Contracts relating to the Network Operator. [Blank]~~
- 2.37.7. ~~The IMO must review the Network Operator's Credit Limit when a Network Control Services Contract relating to the Network Operator commences or terminates. [Blank]~~
- 2.37.8. ~~The IMO must notify each Market Participant, and each Network Operator required to fund a Network Control Service Contract, of their Credit Limit, and provide details of the basis for the determination of the Credit Limit.~~
- 2.38.1. ~~Where at any time a Market Participant, or Network Operator that is required to fund a Network Control Service Contract, does not meet the Acceptable Credit Criteria set out in clause 2.38.6, then the Market Participant, or Network Operator required to fund a Network Control Service Contract, must ensure that~~

~~(b) — in the case of a Network Control Service Contract to apply from Energy Market Commencement, with the approval of the Minister. [Blank]~~

5.1.4. ~~The IMO must seek to carry out the expression of interest, certification and tender processes in this Chapter 5 in a way that minimises its costs of doing so. [Blank]~~

5.2. Network Control Service Procurement Requirements [Blank]

5.2.1. ~~Where required by the Access Code to submit a major augmentation, as defined in the Access Code, to the tender process set out in the Market Rules, a Network Operator must notify the IMO of the opportunity for network support generation or Demand Side Management to compete with a transmission or distribution upgrade. The notification must include:~~

~~(a) — a specification of the services that would be required from the facility, including:~~

~~i. — the maximum active and reactive power quantities required, specified in MW and MVAR;~~

~~ii. — the estimated number of hours per year that the services would be required; and~~

~~iii. — the required period of notice to call upon the services;~~

~~(b) — the location at which the facility would need to connect to the relevant network;~~

~~(c) — the Network Operator's estimate of the costs involved in connecting a generation facility that could provide the services specified in paragraph (a) from the location specified in paragraph (b);~~

~~(d) — the date by which the facility is required to be in service;~~

~~(e) — the Network Operator's estimate of the cost of an augmentation to the Network that would provide the services; and~~

~~(f) — the minimum period over which the services would be required, from the date specified in paragraph (d). [Blank]~~

5.2.2. ~~The minimum period over which the Network Control Service is required is the period specified under clause 5.2.1(f). The IMO may at any time extend the length of the contracted period. [Blank]~~

5.2.3. ~~The IMO must call for expressions of interest from potential service providers to identify whether any other person could provide the required Network Control Service. [Blank]~~

- ~~(a) — the approximate quantity of the Network Control Service that the potential service provider would be able to supply;~~
 - ~~(b) — whether the Network Control Service will be provided by a generation facility or Demand Side Management option ;~~
 - ~~(c) — indicative arrangements for activating the Network Control Service;~~
 - ~~(d) — the approximate cost of the Network Control Service; and~~
 - ~~(e) — other material terms and conditions which the potential service provider proposes would apply to the provision of the Network Control Service.~~
- [Blank]

5.2.5. ~~An expression of interest is not binding on the potential service provider. A person is not required to have submitted an expression of interest to submit a tender response for any Network Control Service tender under clause 5.4.~~

[Blank]

5.2.6. ~~Where, after considering the responses to the expression of interest, the IMO identifies that no person could provide the required Network Control Service for a cost that is less than 50% above the Network Operator's estimate referred to in clause 5.2.1(e), then the IMO must:~~

- ~~(a) — notify that Network Operator that there are no other alternative providers; and~~
- ~~(b) — notify each person that submitted an expression of interest that no tender will be held.—~~[Blank]

5.2.7. ~~Where the IMO identifies that a person other than the Network Operator described in clause 5.2.1 could provide the required Network Control Service, for a cost that is less than 50% above the Network Operator's estimate referred to in clause 5.2.1(e), then the IMO must:~~

- ~~(a) — make the announcement in clause 5.4.1 within 10 Business Days of the closing date for expressions of interest; and~~
- ~~(b) — carry out the tender process described in clause 5.4.—~~[Blank]

5.2A Registration and Certification

5.2A.1. Where a Market Participant enters into a Network Control Service Contract for a Facility, the Market Participant must ensure that the Facility is registered as a Registered Facility during the period for which Network Control Services are to be provided under the Network Control Service Contract.

5.2A.2. Where a Market Participant enters into a Network Control Service Contract for a Facility then the Market Participant must apply to the IMO for Certified Reserve Capacity in respect of the Facility, in respect of each Reserve Capacity Cycle that the Facility would be eligible to participate in over the period for which Network Control Services will be provided under the relevant Network Control

Service Contract.

5.3. ~~Network Control Service Certification [Blank]~~

5.3.1. ~~A person must be registered as a Market Participant before applying for a Facility to be certified under clause 5.3.2. [Blank]~~

5.3.2. ~~A Market Participant wishing to submit a Network Control Service tender under clause 5.4 must apply to the IMO for certification that the IMO considers that the Facility can provide the relevant Network Control Service and of the level of that service that the IMO considers the Facility can reliably provide (“~~

5.3A Information required from the Network Operator

5.3A.1. When a Network Operator has entered into a Network Control Service Contract with a Market Participant, the Network Operator must as soon as practicable and not less than 20 Business Days prior to a Network Control Service Contract taking effect, provide the IMO with:

- (a) the identity of the Market Participant;
- (b) the identity of the Facility providing the service;
- (c) a unique identifier for the Network Control Service Contract;
- (d) the period over which the services are to be provided by the Network Control Service Contract; and
- (e) whether the Network Control Service Contract requires that the Facility not be part of an aggregated Facility.

5.3A.2 When any change occurs to the details of a Network Control Service Contract listed in clause 5.3A.1 the Network Operator must inform the IMO as soon as practicable.

5.3A.3. When a Network Operator has entered into a Network Control Service Contract with a Market Participant, the Network Operator must provide System Management with the details of the Network Control Services Contract to enable System Management to dispatch the services provided under it.

5.3A.4 When any change occurs to the details of a Network Control Service Contract provided to System Management under clause 5.3A.3 the Network Operator must inform System Management as soon as practicable.

5.4. ~~Network Control Service tenders [Blank]~~

- 5.4.1. Where it is required to carry out a tender process for Network Control Service, the IMO must publish details of the tender process and timelines, including:
- (a) the date by which Network Control Service Certification must be obtained for a tender to be submitted;
 - (b) the date on which the invitation to tender will be published;
 - (c) the last date on which the tenders may be submitted; and
 - (d) —

~~Certified Reserve Capacity in respect of each of the Facilities set out in the selected tender response, in respect of each Reserve Capacity Cycle that each Facility would be eligible to participate in over the period for which Network Control Services will be provided under the relevant Network Control Service Contract. [Blank]~~

- 5.4.13. ~~Where a Market Participant executes a Network Control Service Contract pertaining to a Facility, the Market Participant must ensure that the Facility is registered as a Registered Facility during the period for which Network Control~~

2. ~~a maximum number of times which the relevant Facility can be called on to provide the service, in a week, or in a year, as applicable;~~
 3. ~~the maximum duration of each occasion when the relevant Facility can be called on to provide the service; and~~
 4. ~~a maximum cumulative duration for which the relevant Facility can be called on to provide the Network Control Service in a day, or in a week, or in a year, as applicable.~~
- iii. ~~availability of the service, including arrangements when Planned Outages of the Facility are scheduled; and~~
 - iv. ~~the notice period for calling on the relevant Facility to provide the service.~~
- (d) ~~the Facility that will provide the service, and a requirement that the Facility is registered as a Registered Facility during the period for which Network Control Service are to be provided;~~
 - (e) ~~any conditions required to ensure that if the relevant Facility is transferred or disposed of, the transferee will be bound by the contract obligations (for example, by requiring the execution of a deed of assumption or novation);~~
 - (f) ~~the technical standards which the relevant Facility must comply with;~~
 - (g) ~~the Monthly Availability Payment and monthly payment terms, which must be in accordance with clause 5.8;~~
 - (h) ~~_____~~

contract, as advised to it by the Network Operator in accordance with clause 5.3A.3 and amended in accordance with clause 5.3A.4.

Payments and Settlement Data

5.8. ~~Network Control Service Contracts Payments [Blank]~~

5.8.1. ~~The monthly Network Control Service Contract payment to a Market Participant that has a Network Control Service Contract with the IMO in respect of a Facility is to be the greater of zero and:~~

~~(a) —~~

determined as the product of the values specified in clauses 5.9.3(b) and 5.9.3(c).

- 6.17.6. The Dispatch Instruction Payment, $DIP(p,d,t)$, for Market Participant p and Trading Interval t of Trading Day d equals the sum of:
- (a) zero, if Market Participant p :
 - ...
 - (d) the sum over all Curtailable Loads registered by the Market Participant of the amount that is the product of:
 - i. the quantity by which the Curtailable Load was instructed by System Management to reduce its consumption, excluding any instructions given under a Network Control Service Contract; and
 - ii. the price defined in clause 6.11A.1(d)(ii) that was current at the time of the Trading Interval for the Curtailable Load (accounting for whether the Trading Interval is a Peak Trading Interval or an Off-Peak Trading Interval); and
 - (e) if the participant is given an instruction under a Network Control Service Contract then the sum over all Network Control Service Contract f Facilities registered by the Market Participant of the amount that is the product of:
 - i. the quantity by which the f Facility was instructed by System Management to increase its output as specified by System Management in accordance with clause 7.13.1(dB) (where for the purpose of this calculation a Loss Factor adjustment is to be applied to the quantity specified by System Management so that the result is measured at the Reference Node) or reduce its consumption as specified by System Management in accordance with clause 7.13.1(dB); and
 - ii. the price defined as: as applicable under the relevant Network Control Service Contract for the facility as specified in clause 5.9.1(b).
 - 1. MCAP for Trading Interval t , if the Facility was instructed to increase its output; or
 - 2. zero, if the Facility was instructed to reduce its consumption.

- 7.1.1. System Management must maintain the following data set, and must use this data set when determining which Dispatch Instructions it will give:

...

- (m) Network Control Service Contract data, if any, received from ~~the IMO~~ a Network Operator in accordance with clauses ~~5.7.4~~ 5.3A.3 and 5.3A.4.

7.6.1A Notwithstanding clauses 7.6.2 and 7.6.3, System Management must give priority to the dispatch of a Registered Facility under a Network Control Service Contract over the dispatch of a Registered Facility under any other arrangement, if the Network Control Service provided under that contract would assist System Management to meet the criteria in clause 7.6.1.

7.6.6. System Management may issue Dispatch Instructions to Market Participants other than the Electricity Generation Corporation:

- (a) in accordance with any Ancillary Service Contract;
- (b) in accordance with any Balancing Support Contract;
- (c) in accordance with the details of any Network Control Service Contract, as advised to System Management by a Network Operator in accordance with clause 5.3A.3 or updated by a Network Operator in accordance with clause 5.2A.4;
- (d) in connection with any test of equipment allowed under these Market Rules; or
- (e) under clause 7.6.3 or clause 7.6.4.

7.13.1. System Management must provide the IMO with the following data for a Trading Day by noon on the first Business Day following the day on which the Trading Day ends:

...

- (dB) The MWh quantity by which the Facility was instructed by System Management to increase its output or reduce its consumption energy dispatched under a Network Control Service Contract for each Trading Interval in the Trading Day by Facility;

...

9.12. ~~Network Control Service Calculations for a Trading Month~~ [Blank]

9.12.1. ~~The Market Participant Network Control Service settlement amount for Market Participant p for Trading Month m is:~~

$$\text{MPNCSA}(p,m) = \text{Sum}(f \in \text{N, Network Control Service Contract} \\ \text{Payment}(p,m,f,n))$$

Where

~~Network Control Service Contract Payment (p,m,f,n) is the net payment to be made by the IMO under a Network Control Service Contract to Market Participant p, for Trading Month m for Registered Facility f as specified by the IMO under clause 5.9.1 which relates to Network Operator n;~~

(vD) reports providing the MWh quantities of energy dispatched under Network Control Service Contracts by Facility and Trading Interval, as specified by System Management in accordance with clause 7.13.1(dB), for each Trading Month which has been settled;

...

Credit Limit: In respect of a Market Participant, the amount determined by the IMO in accordance with clause 2.37.4. In respect of a Network Operator, the amount determined

Operator in accordance with clause 5.3A.1(c)the Monthly Availability Payment for the facility; and

3. whether the Facility is subject to a Network Control Service Contract that requires the Facility not to part of an aggregated Facilitythe identity of the Network Operator required to fund the Monthly Availability Payment; and
- iii. the Facility Dispatch Tolerance;