

An aerial photograph of a city with a prominent grid street pattern. A large, semi-transparent blue rectangle is centered over the city, serving as a background for the text. The city's layout includes several blocks and a central area that appears to be a park or a different type of urban development.

**Independent Market Operator**

**Rule Change Notice**  
**Title: Curtailable Load Dispatch**  
**for NCS and Changes to the**  
**RCOQ for Curtailable Loads**  
**under certain circumstances**

Ref: RC\_2011\_08

Standard Rule Change Process

Date: 18 July 2011







activations per Capacity Year. A Curtailable Load, however, may be called for various purposes, such as a Reserve Capacity test or a Network Control Service. These requirements are additional to the need to have the Curtailable Load available to meet system supply shortfalls.

System Management suggests that the dispatch of a Curtailable Load should only count towards the annual limit of activations if it was called for system security purposes, that is, only for the reason given in clause 7.6.6(e).

Clauses 4.12.4 and 4.12.8 define the Reserve Capacity Obligations at any time for a Curtailable Load:

- 4.12.4. *Subject to clause 4.12.5, the IMO must apply the following principles in establishing the initial Reserve Capacity Obligation Quantity to apply for a Facility for a Trading Interval: ...*
- (c) *for Interruptible Loads, Curtailable Loads and Dispatchable Loads, except where otherwise precluded by this clause 4.12.4, the Reserve Capacity Obligation Quantity for each block:*
- i. must be required to be available for a number of hours per year that does not exceed the maximum number of hours per year as specified in accordance with clause 4.10.1(f)(ii);*
  - ii. must be required to be available for a number of hours per day that does not exceed the maximum number of hours per day as specified in accordance with clause 4.10.1(f)(iii);*
  - iii. must be specified as dropping to zero once the capacity from the block has been called the maximum number of times per year as specified in accordance with clause 4.10.1(f)(iv); and*
  - iv. must account for staffing and other restrictions on the ability of the Facility to provide energy upon request.*
- 4.12.8. *Where a Curtailable Load is dispatched to a level equal to its Reserve Capacity Obligation Quantity on two consecutive days the Reserve Capacity Obligation Quantity for the following day shall be zero.*

System Management considers that the current Market Rules amend the RCOQ for any reason, not just those relating to system supply shortfall events.

### **Proposal**

System Management proposes to amend the Market Rules to:

- ensure that System Management's ability to dispatch a Curtailable Load under any of clauses 7.6.6(a)-(d) is not restricted by the Reserve Capacity Obligations of the Facility;
- ensure that only dispatches under clause 7.6.6(e) are considered when assessing whether a Curtailable Load has reached its availability limits under clauses 4.12.4 and 4.12.8; and

- ensure that Capacity Shortfalls are only calculated under clause 4.26.2D for dispatches of Curtailable Loads under clause 7.6.6(e).

### **1.3. The Proposal and the Wholesale Market Objectives**

System Management considers that the proposed Rule Change would better address Wholesale Market Objective (a). The change as submitted would promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West Interconnected System.

## **2. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER**

The IMO has decided to proceed with this proposal on the basis that Market Participants should be given an opportunity to provide submissions as part of the rule change process.

This Rule Change Proposal will be processed using the Standard Rule Change Process, described in section 2.7 of the Market Rules.

The projected timelines for processing this proposal are:

Please note that the commencement date is provisional and may be subject to change in both the Draft Rule Change Report and the Final Rule Change Report.

## **3. CALL FOR SUBMISSIONS**

The IMO is seeking submissions regarding this proposal. The submission period is 30 Business Days from the publication date of this Rule Change Notice. Submissions must be delivered to the IMO by 5:00pm on **Monday, 29 August 2011**.

The IMO prefers to receive submissions by email to [market.development@imowa.com.au](mailto:market.development@imowa.com.au)

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

Independent Market Operator  
Attn: Group Manager, Market Development  
PO Box 7096  
Cloisters Square, Perth, WA 6850  
Fax: (08) 9254 4399

#### **4. PROPOSED AMENDING RULES**

System Management proposes

4.12.8. Where a Demand Side Programme is dispatched under clause 7.6.6(e) to a level equal to its Reserve Capacity Obligation Quantity on two consecutive days the Reserve Capacity Obligation Quantity for the third consecutive day will be zero.

4.26.2D. The IMO must determine the capacity shortfall in Reserve Capacity (“Capacity Shortfall”) supplied by each Market Participant p holding Capacity Credits associated with a Demand Side Programme in each Trading Interval t of Trading Day d and Trading Month m relative to its Reserve Capacity Obligation Quantity as:

(a) where System Management has issued a Dispatch Instruction under clause 7.6.6(e) to the Demand Side Programme for the Trading Interval as advised to the IMO by System Management under clause 7.13.1:

$$\max(0, \min(\text{RCOQ}, \text{DIMW}) - \max(0, \text{RD} - \text{DSPLMW}))$$

where

RCOQ is the Reserve Capacity Obligation Quantity of the Demand Side Programme for Trading Interval t (in MW), determined in accordance with clause 4.12.4;

DIMW is the quantity by which the Demand Side Programme was instructed by System Management to reduce its consumption in Trading Interval t as specified by System Management in accordance with clause 7.13.1(eC), multiplied by two to convert to units of MW;

RD is the Relevant Demand of the Demand Side Programme for Trading Day d, determined by the IMO in accordance with clause 4.26.2CA; and

DSPLMW is the Demand Side Programme Load of the Demand Side Programme in Trading Interval t, multiplied by two to convert to units of MW; and

(b) zero, where System Management has not issued a Dispatch Instruction under clause 7.6.6(e) to the Demand Side Programme for Trading Interval t as advised to the IMO by System Management under clause 7.13.1.

7.6.10. Where a Market Participant has Capacity Credits granted in respect of a Demand Side Programme:

(a) the IMO must provide System Management with the details of the Reserve Capacity Obligations to enable System Management to dispatch the Demand Side Programme; and



