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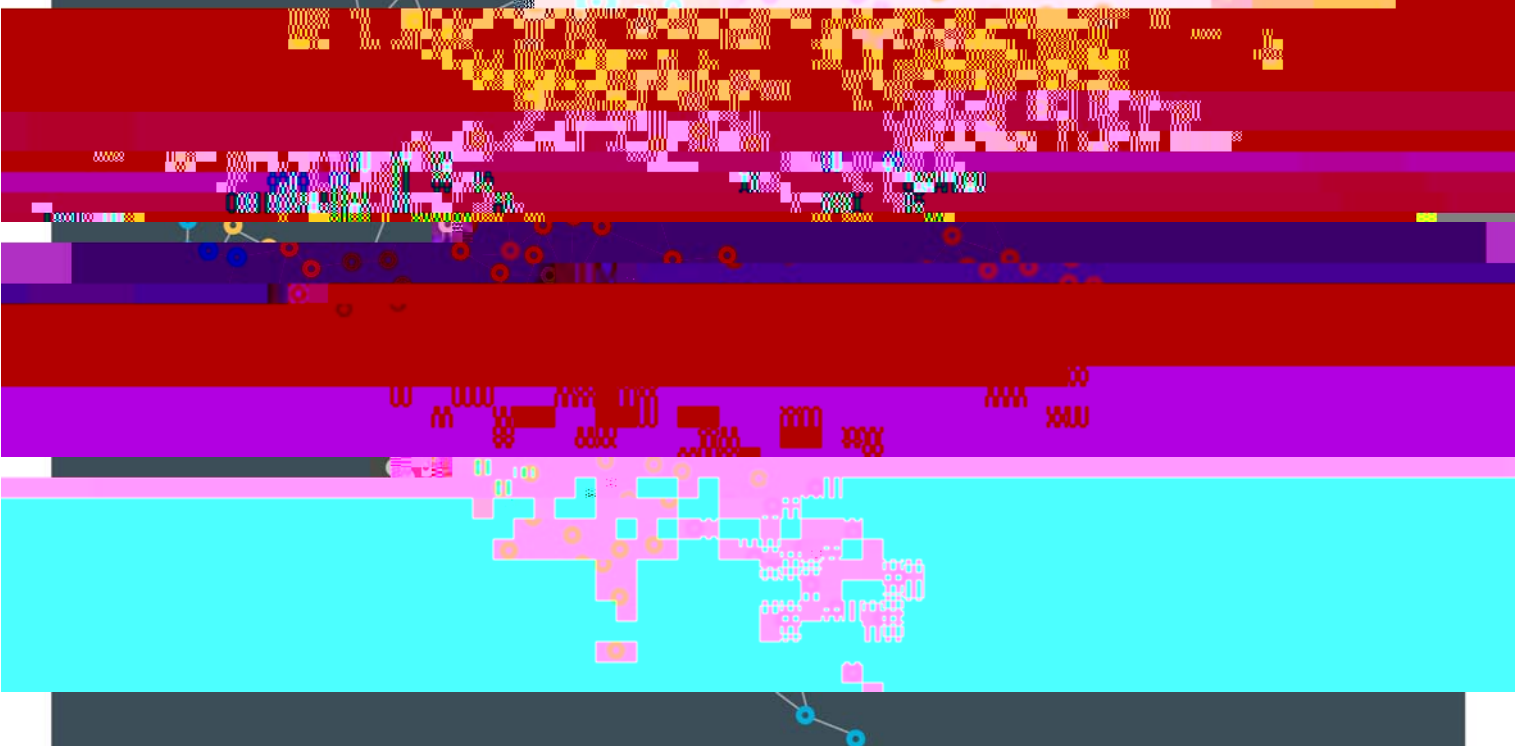
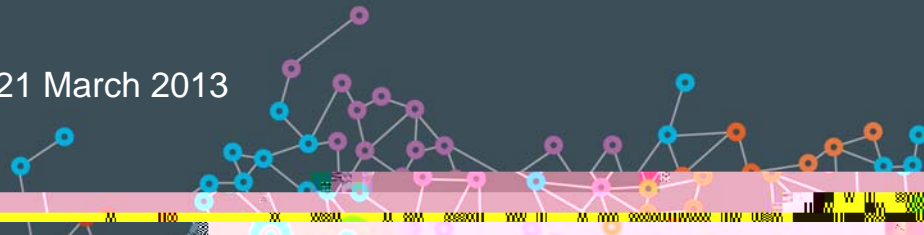
# Draft Rule Change Report

## Title: Commitment and De-commitment Notification Requirements

RC\_2012\_22

Standard Rule Change Process

Date: 21 March 2013



**TABLE OF CONTENTS**

**1. Rule Change Process and Timetable .....5**

**2. Call for Second Round Submissions .....5**

**3. Proposed Amendments.....5**

    3.1. The Rule Change Proposal .....5

    3.2.





Draft Rule Change Report:

***Next steps***

The IMO now invites interested stakeholders to make submissions on this Draft Rule Change Report by **5:00 pm on Monday, 22 April 2013.**

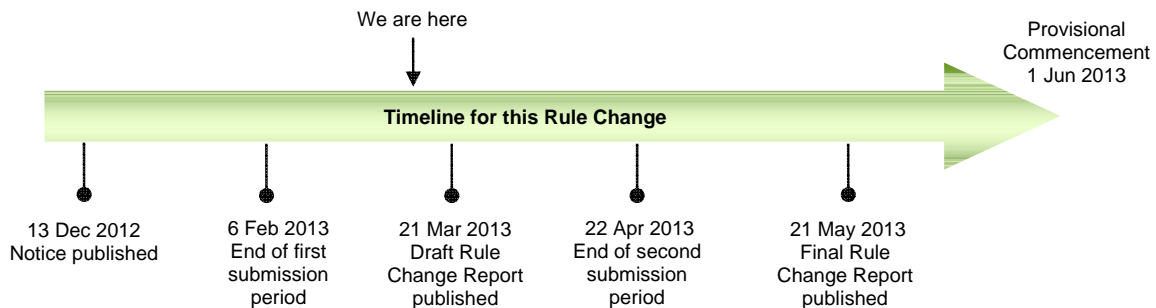


## 1. Rule Change Process and Timetable

On 11 December 2012 System Management submitted a Rule Change Proposal regarding amendments to clauses 7.9.1, 7.9.5 and new clauses 7.9.2A and 7.9.6B of the Wholesale Electricity Market (WEM) Rules (Market Rules).

This proposal is being processed using the Standard Rule Change Process, described in section 2.7 of the Market Rules. In accordance with clause 2.5.10 of the Market Rules, the IMO decided to extend the timeframe for preparation of the Draft Rule Change Report. Further details of the extension are available on the Market Web Site: [http://www.imowa.com.au/rc\\_2012\\_22](http://www.imowa.com.au/rc_2012_22).

The key dates in processing this Rule Change Proposal are:



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

## 2. Call for Second Round Submissions

The IMO invites interested stakeholders to make submissions on 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 **5.00pm on Monday, 22 April 2013**.

The IMO prefers to receive submissions by email (using the submission form available on the Market Web Site: <http://www.imowa.com.au/rule-changes>) 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, Development Capacity  
PO Box 7096  
Cloisters Square, PERTH, WA 6850  
Fax: (08) 9254 4399

## 3. Proposed Amendments

### 3.1. The Rule Change Proposal

System Management submitted this Rule Change Proposal to address an issue in the Market Rules where an unnecessary obligation of notification is placed on Market Participants that have a

Scheduled Generator connected to a distribution network.

Under clauses 7.9.1 and 7.9.5, Market Participants intending to synchronise or desynchronise a Scheduled Generator must confirm the expected time of synchronisation or desynchronisation with System Management. This is required so that equipment ratings are not exceeded and there is no possibility of energising a system being worked on.

For Scheduled Generators connected to a transmission network, this notification is typically provided by telephone to enable a check of the impact of the synchronisation or desynchronisation by the generator.

For Scheduled Generators connected to a distribution network, this notification is provided automatically via an electrical signal from Western Power Networks that allows the generator to synchronise or desynchronise without the need for a manual notification. However, in accordance with clauses 7.9.1 and 7.9.5, the generator would still be required to provide a separate confirmation to System Management. Market Participants are subjected to civil penalties for contravening these clauses.

System Management has proposed that Market Participants that have Scheduled Generators connected to a distribution network and are able to satisfy System Management that safe equipment and operating procedures exist for synchronisation or desynchronisation should be able to be exempt from the requirement to notify System Management.

For full details of the Rule Change Proposal please refer to the Market Web Site: [http://www.imowa.com.au/rc\\_2012\\_22](http://www.imowa.com.au/rc_2012_22)

### **3.2. The IMO's Initial Assessment of the Rule Change Proposal**

The IMO decided to proceed with the proposal on the basis that Rule Participants should be given an opportunity to provide submissions on the Rule Change Proposal.

## **4. Consultation**

### **4.1. The Market Advisory Committee**

Mr Brendan Clarke presented an overview of System Management's Pre Rule Change Proposal at the Market Advisory Committee (MAC) at its 14 November 2012 meeting. The following points were raised during the ensuing discussion:

Mr Nenad Ninkov queried whether it was equitable to treat transmission and distribution generators differently. Mr Clarke responded that the two were already treated differently in the Technical Rules.

Mr Ninkov queried what the maximum sized generator was which could connect to the distribution network. Mr Clarke responded that the generators which are currently connected are around 10 MW although there is one large alumina refinery connected to the distribution network as well.

Ms Jenny Laidlaw queried whether the permission to synchronise without prior notification given by System Management could ever be reversed. Mr Clarke agreed that it could.

Mr Peter Huxtable queried whether there was a penalty if a generator's control system fails. Mr Clarke responded that there was no penalty under the Market Rules but that they may exist under the Access Code.

Mr Ninkov queried what the motivation was for this proposal. Mr Clarke responded that the motivation was to remove a superfluous requirement that exists for both Market Participants and System Management. Mr Andrew Stevens noted that any instances where System Management removes unnecessary compliance obligations should be encouraged and supported.

Ms Jenny Laidlaw noted that minor amendments to the drafting were required, for example, to provide System Management with the ability to withdraw its permission for a Facility to commit or de-commit without prior notification.

The MAC agreed that the Rule Change Proposal should be submitted into the formal process after making changes to the drafting of the Amending Rules.

Further details are available in the MAC meeting minutes available on the Market Web Site: <http://www.imowa.com.au/MAC>

#### **4.2. Submissions received during the first submission period**

The first submission period for this Rule ruan20 notif perio7-7( (n)-8usubmisa su)4.9(n)-8g1338 dings.





Submitter	Comment/Change Requested	IMO's Response
1. Alinta	Alinta queries whether the proposed ability for System Management to exempt a generator from the requirement to provide notification of synchronisation/ de-synchronisation could be extended to transmission connected generation. The new Balancing market operates via System	





Draft Rule Change Report:



#### 4.4. Public Forums and Workshops

No public forums or workshops were held with regard to this Rule Change Proposal.

### 5. The IMO's Draft Assessment

In preparing its Draft Rule Change Report, the IMO must assess the Rule Change Proposal in light of clauses 2.4.2 and 2.4.3 of the Market Rules.

Clause 2.4.2 outlines that 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”*.

Additionally, clause 2.4.3 states, when deciding whether to make Amending Rules, the IMO must have regard to the following:

- any applicable policy direction from the Minister regarding the development of the market;
- the practicality and cost of implementing the proposal;
- the views expressed in submissions and by the MAC; and
- any technical studies that the IMO considers necessary to assist in assessing the Rule Change Proposal.

The IMO notes that there has not been any applicable policy direction from the Minister or any technical studies commissioned in respect of this Rule Change Proposal. A summary of the views expressed in submissions and by the MAC is available in section 4 of this report.

exempt distribution-connected Scheduled Generators must be published on System



## **5.4. Practicality and cost of implementation**

### **5.4.1. Cost:**

- 7.9.1. Subject to clauses 7.9.1A and 7.9.2, if a Market Participant intends to synchronise a Scheduled Generator, then unless it is exempt in accordance with clause 7.9.14, it must confirm with System Management the expected time of synchronisation:
- (a) at least one hour before the expected time of synchronisation; and
  - (b) must update this advice immediately if the time confirmed pursuant to clause 7.9.1(a) changes.
- 7.9.1A. Clause 7.9.1(a) does not apply where a Market Participant intends to synchronise a Scheduled Generator within an hour of desynchronisation, in which case it must:-
- ...
- 7.9.5. Subject to clause 7.9.6A, if a Market Participant intends to desynchronise a Scheduled Generator, then unless it is exempt in accordance with clause 7.9.14, it must:
- (a) confirm with System Management the expected time of desynchronisation at least one hour before the expected time of desynchronisation; and
  - (b) update this advice immediately if the time confirmed pursuant to clause 7.9.5(a) changes.
- 7.9.13. If a Scheduled Generator connected to a distribution network has operating equipment and processes which enable it to synchronise and desynchronise only when it is safe to do so, then the Market Participant for that Scheduled Generator may apply to System Management for an exemption from the requirements in clauses 7.9.1 and 7.9.5.
- 7.9.14. Where System Management receives an application under clause 7.9.13 and is satisfied that the relevant Scheduled Generator has operating equipment and processes which enable it to synchronise and desynchronise only when it is safe to do so, System Management may exempt the Market Participant from the requirements in clauses 7.9.1 and 7.9.5 for that Scheduled Generator.
- 7.9.15. System Management must notify a Market Participant, in writing, of its decision under clause 7.9.14 to grant an exemption or not and provide written reasons for its decision.
- 7.9.16. A Market Participant that is exempt from the requirements in clauses 7.9.1 and 7.9.5 must notify System Management as soon as it becomes aware of any matter or thing which might prevent the Scheduled Generator that is the subject of the exemption from synchronising and desynchronising safely.
- 7.9.17. System Management may, at any time, by notice in writing, revoke an exemption granted by it under clause 7.9.14 if it is no longer satisfied that the Scheduled Generator for which the exemption was granted has operating equipment and processes which enable it to synchronise and desynchronise only when it is safe to do so. The notice must include:

(a) the decision of System Management to revoke the exemption and written reasons for its decision; and

(b) the date on which the exemption ceases to apply.

7.9.18. System Management must maintain, on its website, a list of Scheduled Generators for which the relevant Market Participant is exempt from the requirements in clauses 7.9.1 and 7.9.5.

7.9.19. System Management must document in the Power System Operation Procedure for Dispatch the processes to be used:

(a) for applications under clause 7.9.13;

(b) by System Management in determining whether or not to grant an exemption under clause 7.9.14;

(c) by System Management in determining whether or not to revoke an exemption under clause 7.9.17;

(d) for notification of any exemptions granted or revoked by System Management; and

(e) publishing and maintaining on System Management's website any information and details with respect to any exemptions.



## Appendix 1. Further Amendments to the Proposed Amending Rules

The IMO has made some amendments to the Amending Rules following the first submission period. These changes are as follows (~~deleted text~~, added text):

- 7.9.1. Subject to clauses 7.9.1A and 7.9.2, ~~and 7.9.2A~~ if a Market Participant intends to synchronise a Scheduled Generator, then unless it is exempt in accordance with clause 7.9.14, it must confirm with System Management the expected time of synchronisation:
- (a) at least one hour before the expected time of synchronisation; and
  - (b) must update this advice immediately if the time confirmed pursuant to clause 7.9.1(a) changes.
- 7.9.1A. Clause 7.9.1(a) does not apply where a Market Participant intends to synchronise a Scheduled Generator within an hour of desynchronisation, in which case it must:  
...
- ~~7.9.2A. System Management may advise in writing that a Market Participant that owns a Scheduled Generator connected to a distribution network is not required to confirm the expected time of synchronisation with System Management under clause 7.9.1, in respect of that Scheduled Generator, if System Management is satisfied that safe operating equipment and procedures are in place. If System Management is no longer satisfied that safe operating equipment and procedures are in place, then it must advise in writing that a Market Participant is required to confirm the expected time of synchronisation under clause 7.9.1 in respect of that Scheduled Generator..~~
- 7.9.5. Subject to clause 7.9.6A, if a Market Participant intends to desynchronise a Scheduled Generator, then unless it is exempt in accordance with clause 7.9.14, it must:
- (a) confirm with System Management the expected time of desynchronisation at least one hour before the expected time of desynchronisation; and
  - (b) update this advice immediately if the time confirmed pursuant to clause 7.9.5(a) changes.
- ~~7.9.6B. System Management may advise in writing that a Market Participant that owns a Scheduled Generator connected to a distribution network is not required to confirm the expected time of desynchronisation with System Management under clause 7.9.5, in respect of that Scheduled Generator, if System Management is satisfied that safe operating equipment and procedures are in-~~

