



Rule Change Notice

LFAS Facility definition (RC_2013_03)

This notice is given under clause 2.5.7 of the Market Rules.

Submitter: Allan Dawson, IMO

Date Submitted: 10 April 2013

The Proposal

The defined term “LFAS Facility” is used throughout the Market Rules. In most cases it is clear that the term is intended to cover the Verve Energy Balancing Portfolio (in addition to any applicable Stand Alone Facilities or independent power producer (IPP) Facilities that provide Load Following Service (LFAS)). However, the definition of LFAS Facility in the Glossary specifically excludes the VEBP, which leads to a number of absurd outcomes. The definition of LFAS Facility is a manifest error in the Market Rules. It should be noted that clause 7B.1.6 already extends the definition of LFAS Facility to include the VEBP, but only for the purposes of Chapter 7B Load Following Service Market.

The IMO proposes to amend the Glossary definition of LFAS Facility to include the VEBP. The IMO also proposes a number of minor amendments to related definitions and clauses to ensure they align with the extended definition.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

- the proposed amendments to the Market Rules;
- relevant references to clauses of the Market Rules and any proposed specific amendments to those clauses; and
- the submitter’s description of how the proposed amendments would allow the Market Rules to better address the Wholesale Market Objectives.

Decision to Progress the Rule Change

The IMO has decided to progress the Rule Change Proposal on the basis that Rule Participants should be given an opportunity to provide submissions as part of the rule change process.





Rule Change Notice :
RC_2013_03



Wholesale Electricity Market Rule Change Proposal

Rule Change Proposal ID: RC_2013_03
Date received: 10 April 2013
Change requested b 2013Tw 1

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In order for the proposal to be progressed, all fields below must be completed and the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the wholesale electricity 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 in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

Details of the P



provide these quantities to the IMO for a Trading Day by noon on the first Business Day following the day on which the Trading Day ends. This data is then used by the IMO to calculate the LFAS payments to Market Participants in accordance with clause 9.9.2.

Clause 7B.2.15 prohibits a Market Participant with market power from offering LFAS prices in excess of the Market Participant's reasonable expectation of the incremental change in short run marginal cost incurred by the relevant Facilities.

Issue

The defined term "LFAS Facility" is used throughout the Market Rules. In most cases it is clear that the term is intended to cover





