
Wholesale Electricity Market – Procedure Change Proposal

Procedure Change No: PC_2008_05

Change requested by

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Procedure change title:	Amendments to the Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction
Market Procedure(s) affected:	Declaration of Bilateral Trades and the Reserve Capacity Auction

Introduction

The IMO or System Management, as applicable, may initiate the Procedure Change Process by developing a Procedure Change Proposal. Rule Participants may notify the IMO or System Management, as applicable, where they consider an amendment or replacement of a Market Procedure would be appropriate.

If an Amending Rule requires the IMO or System Management to develop new Market Procedures or to amend or replace existing Market Procedures, then the IMO or System Management, as applicable, is responsible for the development of, amendment of or replacement for, Market Procedures so as to comply with the Amending Rule.

Market Procedures:

- (a) must:
 - i. be developed, amended or replaced in accordance with the process in the Market Rules;
 - ii. be consistent with the Wholesale Market Objectives; and
 - iii. be consistent with these Market Rules, the Electricity Industry Act and Regulations; and

- (b) may be amended or replaced in accordance with clause 2.10 and must be amended or replaced in accordance with clause 2.10 where a change is required to maintain consistency with Amending Rules.

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 Procedure Change Requested

1. Provide a reason for the proposed new, amended or replacement Market Procedure:

The procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction has been developed to support the processes and practices required under the Market Rules.

The procedure describes the processes required of Market Participants when submitting bilateral trade declarations and Reserve Capacity Auction submissions and the steps required of the IMO when accepting and assessing the declarations and submissions.

The proposed procedure has been assessed by the IMO Market Procedure Development Group, a group of Industry Representatives set up by the Market Advisory Committee to assist the IMO in developing Market Procedures.

2. Provide the wording of the new or amended Procedure

The proposed new Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction is provided as an attachment to this proposal.
