

The background of the lower section of the page is a blue-tinted photograph. On the left side, there are several wind turbines with their blades extending outwards. On the right side, there are several high-voltage electrical transmission towers (pylons) with power lines stretching across the frame. The overall scene is a landscape of renewable energy infrastructure.

Independent Market Operator

**Procedure Change Report Title: Amendments to
Market Procedure for Data and IT Interface**

PC_2012_05

Procedure Change Process

Date: 6 August 2012

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EXECUTIVE SUMMARY

Procedure Change Proposal

Due to the system changes resulting from the commence of the new Balancing and Load Following markets on 1 July 2012, a number of amendments to the Market Procedure for Data and IT Interface are required. In particular the proposed changes update the system overview, details of the market applications function and software requirements along with reflecting the new WEMS security policy.

Consultation

- The proposed amended Market Procedure was provided to the IMO Procedure Change and Development Working Group members for out of session comment on 23 May 2012. No comments were received by the IMO.
- The IMO formally submitted the Procedure Change Proposal and issued a notice calling for submissions on 11 June 2012.
- The submission period was held between 12 June and 9 July 2012. The IMO received no submissions.

The IMO's Assessment of the Proposal

The IMO considers that the amended Market Procedure, as a whole, is consistent with the Wholesale Market Objectives.

The IMO's Decision

The IMO's decision is to accept the Procedure Change Proposal.

Next steps

The amended Market Procedure for Data and IT Interface will commence at **8.00am** on **13 August 2012**.



1. PROCEDURE CHANGE PROCESS AND TIMELINE

On 11 June 2012, the Independent Market Operator (IMO) published a Procedure Change Proposal titled "Amendments to Market Procedure for Data and IT Interface".

The proposal has been processed according to the Procedure Change Process under clause 2.10 of the Wholesale Electricity Market Rules (Market Rules).

The key dates in processing this Procedure Change Proposal are:



2. PROCEDURE CHANGE PROPOSAL

The Rule Change Proposal: Balancing and Load Following Ancillary Services (RC_2011_10)¹ established the new Balancing and Load Following Ancillary Services (LFAS) markets. These new markets enable competition in the provision of both services and thereby improve the efficiency of the Wholesale Electricity Market (WEM). To support the functioning of the new markets, the IMO identified that amendments to the existing Market Procedures were required along with the creation of a number of new Market Procedures to outline details of new processes being proposed under RC_2011_10.

Due to the system changes resulting from the commencement of the new Balancing and Load Following markets, the IMO proposed a number of amendments to the Market Procedure for Data and IT Interface.

In particular the IMO proposed updates to implement the following changes:

- Update the System Overview (step 2) to include facilitating the Balancing and Load Following Ancillary Services markets as additional functions provided by the Wholesale Electricity Market Systems (WEMS).
- Update the details of the Market Applications function (step 3.2) to:
 - include computational models for the Balancing & LFAS Markets;

¹ For further details refer to the following webpage: www.imowa.com.au/RC_2011_10



- remove modules related to the previous markets structure (i.e. MCAP, UDAP and DDAP); and
- remove incorrect references to the functions calculating the Maximum Reserve Capacity Price and Energy Price Limits.
- Update the Software Requirements (step 4.3)
- Reflect the new WEMS Security Policy (step 4.6)

To improve the integrity of the Market Procedure, the IMO also proposed a small number of minor and typographical amendments.

Full details of the Procedure Change Proposal are available on the Market Web Site: http://www.imowa.com.au/PC_2012_05

3. CONSULTATION

3.1 Market Advisory Committee or Working Group

The Market Advisory Committee (MAC) has given delegation to the IMO Procedure Change and Development Working Group (clause 2.3.17(a)) to consider IMO Procedure Change Proposals and accordingly the MAC has not reviewed this Procedure Change Proposal. However, in accordance with clauses 2.10.8 and 2.10.9 the IMO notified the MAC once the Procedure Change Proposal had been published and noted that it would convene a meeting of the MAC should two or more members request it. No MAC member contacted the IMO in this regard.

The proposed amended Market Procedure was provided to the IMO Procedure Change and Development Working Group members for out of session comment on 23 May 2012. No comments were received by the IMO.

3.2 Submissions received during consultation period

The public consultation period for the proposed amended Market Procedure was between 11 June and 9 July 2012. The IMO received no submissions during the consultation period.

4. THE IMO'S ASSESSMENT

In determining whether to accept the Procedure Change Proposal, the IMO has undertaken an assessment in light of clauses 2.9.3 (a) of the Market Rules. Market Procedures must be:

- developed, amended or replaced in accordance with the process in the Market Rules;
- consistent with the Wholesale Market Objectives; and
- consistent with the Market Rules, the Electricity Industry Act and Regulations.

During the public consultation phase the IMO received no submissions on the proposed amended Market Procedure.



The IMO's assessment is outlined in the following sections.

4.1 Wholesale Market Objectives

The steps described in the proposed amended Market Procedure for Data and IT Interface Requirements specify the necessary technical details and standards, software and hardware specifications, and security standards required for Market Participants to operate in the WEM.

The IMO considers that the steps are drafted in a way that does not change the operation of objectives of the Market Rules, but rather supplements the Market Rules by outlining the necessary processes to be followed by the IMO and Market Participants. As a result the IMO considers that the amended Market Procedure, as a whole, is consistent with the Wholesale Market Objectives.

4.2 Wholesale Market Rules, the Electricity Industry Act and Regulations

The IMO considers that the proposed amended Market Procedure is consistent, as a whole, with the Market Rules, the Electricity Industry Act and Regulations.

The IMO also considers that the Market Procedure is consistent with all other Market Procedures.

4.3 Implementation of the Market Procedure

The proposed amendments to the Market Procedure will not require the IMO, System Management or Market Participants to implement any procedural or system amendments before it can commence. The IMO notes that the new functionality has already been implemented to support the commencement of the new Balancing and Load Following markets. The costs associated with the implementation of the proposed changes constitute part of the implementation of the new markets under RC_2011_10. As such the implementation costs for this Market Procedure have been incorporated into the overall implementation costs of the new markets².

The IMO considers that commencement at **8:00 AM on 13 August 2012** will allow Rule Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance with the amended Market Procedure.

5. THE IMO'S DECISION

The IMO's decision is to approve the amended Market Procedure for Data and IT interface as proposed in the Procedure Change Proposal.

The IMO has made its decision on the basis that the proposed amendments:

- are consistent with the Wholesale Market Objectives;
- are consistent with the Market Rules, Electricity Industry Act and Regulations; and
- require no procedural or system amendments prior to implementation.

² For further details of the implementation costs for the new market refer to the Final Rule Change Report for RC_2011_10.



Additional detail outlining the analysis behind the IMO's reasons is outlined in section 4 of this Procedure Change Report.

6. THE AMENDED MARKET PROCEDURE

6.1 Commencement

The amended Market Procedure for Data and IT Interface will commence at **8.00 AM** on **13 August 2012**.

6.2 The Amended Market Procedure

The amended Market Procedure for Data and IT Interface is attached to this report and is also available on the IMO's website: http://www.imowa.com.au/PC_2012_05