



**Independent Market Operator**

**IMO's decision: Power System  
Operation Procedure:**

**Communications and  
Control Systems**

**Ref: PPCL0011**

**Date: 18 August 2009**

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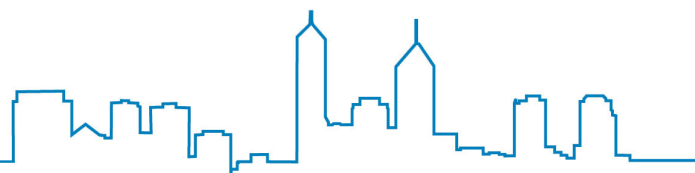
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### Independent Market Operator

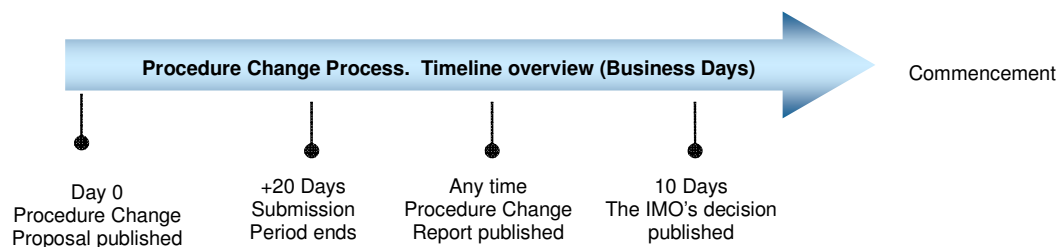
Level 3, Governor Stirling Tower  
197 St George's Terrace, Perth WA 6000  
PO Box 7096, Cloisters Square, Perth WA 6850  
Tel. (08) 9254 4300  
Fax. (08) 9254 4399  
Email: [imo@imowa.com.au](mailto:imo@imowa.com.au)  
Website: [www.imowa.com.au](http://www.imowa.com.au)



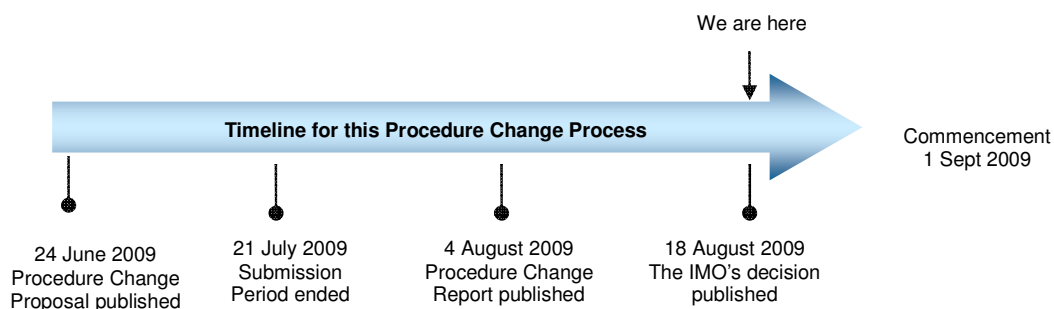
## 1. INTRODUCTION

On 24 June 2009, the Independent Market Operator (IMO) published a Procedure Change Proposal from System Management regarding the proposed amended Power System Operation Procedure (PSOP): Communications and Control Systems. The proposal has been processed according to the Procedure Change Process under clause 2.10 of the Wholesale Electricity Market Rules (Market Rules).

This process adheres to the following timelines:



The key dates in processing this Procedure Change Proposal are:



Clause 2.10.14 of the Market Rules requires the IMO to make a decision whether to approve a proposed PSOP or amendment to or replacement for the PSOP published by System Management.<sup>1</sup> This approval is required within 10 Business Days of a Procedure Change Report being published.

This document, containing the IMO's decision on the proposed PSOP: Communications and Control Systems (PPCL0011) is published as required under clause 2.10.15 of the Market Rules.

<sup>1</sup> Market Procedures include the PSOP's developed by System Management. Refer to Chapter 11 of the Market Rules for further details.

The IMO's decision is to accept the proposed PSOP. The details of the IMO's assessment are set out in section 4 of this report.

All documents related to this proposed PSOP can be found on the IMO website: [http://www.imowa.com.au/Attachments/MarketProcedures/ProcedureChange\\_PPCL0011.htm](http://www.imowa.com.au/Attachments/MarketProcedures/ProcedureChange_PPCL0011.htm)

## **2. THE PROCEDURE CHANGE PROPOSAL**

### **2.1 Details of the Proposal**

In its proposal System Management noted that the PSOP's were originally prepared prior to the commencement of the Wholesale Electricity Market (Market). Now with several years experience in performing market functions, System Management has taken the opportunity to initiate a review process with the objective of amending the procedures to more accurately reflect System Management's performance of its functions.

In addition, the original PSOP's included significant overlaps with the Market Rules and attempt to paraphrase rule requirements. Consequently, System Management has reviewed the operation of PSOP: Communications and Control Systems and amended it to better reflect both the performance of market functions and changes to the Market Rules which have occurred since the commencement of the Market on 21 September 2006.

The amendments have been subject to public consultation, consultation with the System Management PSOP Working Group (constituted under the auspices of the Market Advisory Committee (MAC)) and with the IMO.

It is the view of System Management that the amended procedure represents both a consensus outcome and a procedure which is consistent with the requirements of the Market Rules.

## **3. PUBLIC CONSULTATION PERIOD**

### **3.1 Submissions received**

The public submission period was between 24 June 2009 and 21 July 2009. During this time System Management received a submission from Synergy.

### **3.2 Submission from Synergy**

Synergy submitted that to avoid any existing or future conflict with the Technical Rules, including any provisions for non-scheduled generators being exempted from providing voice and data communication systems, Sections 5.1 and 5.2 of the amended PSOP should be deleted, and the introduction to Section 5 be replaced with the following:

*"Scheduled and Non-Scheduled Generators must adhere to the Technical Rules on the provision of data communication systems in order for System Management to issue Dispatch Instructions, Dispatch Orders or directions, and for the subsequent acknowledgement of these back to System Management by the Market Generator."*

Subject to the aforementioned change, Synergy submitted that they agree that the amended procedure provides better clarity and consistency with the Market Rules.

### **3.3 System Managements Response to Synergy's Submission**

As a result of the submission received from Synergy during the public consultation process System Management made the following changes:

- removing the introduction to section 5 and section 5.2; and
- replacing section 5.1 of the PSOP with drafting based on Synergy suggestion and including a reference to "...any applicable PSOP".

The specific drafting adopted by System Management for section 5.1 of the PSOP is as follows:

*"Scheduled and Non-Scheduled Generators must adhere to the Technical Rules and any applicable PSOP on the provision of data communication systems in order for System Management to issue Dispatch Instructions, Dispatch Orders or directions, and for the subsequent acknowledgement of these back to System Management by the Market Generator."*

The IMO does not consider that further consultation on this change is required. This is because the issue of requiring non-scheduled generators to have voice and data communication systems was raised initially by Synergy at the 19 June 2009 System Management PSOP Working Group (Working Group) meeting. No members expressed any concerns with Synergy's suggestion and agreed that Synergy and System Management would discuss this further out of session.

## **4. THE IMO'S ASSESSMENT**

In determining whether to approve the PSOP: Communications and Control Systems, the IMO has assessed the proposed amended PSOP for consistency with the provisions outlined in clause 2.9.3 of the Market Rules.

In particular, clause 2.9.3 outlines that PSOP's must:

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

In accordance with clause 2.10.15(c) the IMO has also reviewed the commencement date proposed by System Management to ensure that it will allow sufficient time after the date of publication of the Procedure Change Report for Rule Participants to implement changes required by it.

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

### **3.1 Wholesale Market Objectives**

The description provided in the proposed PSOP: Communications and Control Systems provide the necessary details to support the dispatch process described in the Market Rules.

The IMO considers that the steps are drafted in such a way that does not change the operation or objectives of the Market Rules. As a result the IMO considers that the proposed amended PSOP: Communications and Control Systems as a whole is consistent with the Wholesale Market Objectives.

### **3.2 Market Rules, the Electricity Industry Act and Regulations**

The IMO considers that the proposed PSOP: Communications and Control Systems is consistent, as a whole, with:

- the Market Rules,
- the Electricity Industry Act; and
- Regulations.

The IMO also considers that the proposed amended PSOP is consistent with all other Market Procedures.

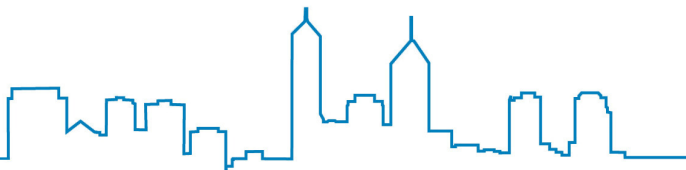
### **3.3 Implementation of the amended Power System Operation Procedure**

From submissions received and discussions held with System Management and at the Working Group there is no evidence to suggest that the proposed amended PSOP: Communications and Control Systems will require Rule Participants, Network Operators, or System Management to implement any procedural or system amendments before it can commence. Consequently, the IMO considers commencement at 08.00am on 1 September 2009 will allow Rule Participants sufficient time from the date of publication of System Management's Procedure Change Report to ensure compliance with the amended PSOP.

### **3.4 Power System Operation Procedures Working Group**

In making its decision, the IMO has noted the process involved in producing the PSOP. In particular, the proposed amended PSOP: Communications and Control Systems was discussed by the Working Group at the 19 June 2009 meeting. The Working Group is a group appointed by the MAC to develop, consider and assess changes to System Management PSOP's which the Market Rules require System Management to develop.

The Working Group was in general support of the proposed amended PSOP. Synergy did raise some concerns during the Working Group meeting regarding the inclusion of non-scheduled generators in section 5.1 of the PSOP. It was noted that Synergy was strongly opposed to non-scheduled generators having to have communications systems. This point was resolved following the submissions process.



## 4. THE IMO'S DECISION

The IMO's decision is to approve the amended PSOP: Communications and Control Systems as proposed by System Management in its Procedure Change Report.

### 4.1 *Reasons for the decision*

The IMO's decision is based on its assessment that the amended PSOP:

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

Additional detail outlining the analysis behind the IMO's reasons is outlined in section 3 of this report.

## 5. THE AMENDED POWER SYSTEM OPERATION PROCEDURE

### 5.1 *Commencement*

The amended PSOP: Communications and Control Systems will commence at 08.00am on 1 September 2009.

### 5.2 *Wording of the amended Power System Operation Procedure*

The wording of the amended PSOP: Communications and Control Systems, as proposed by System Management, is available on the IMO's website.