



Independent Market Operator

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

**Monitoring and Reporting
Protocol**

Ref: PPCL0012

Date: 25 September 2009

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Independent Market Operator

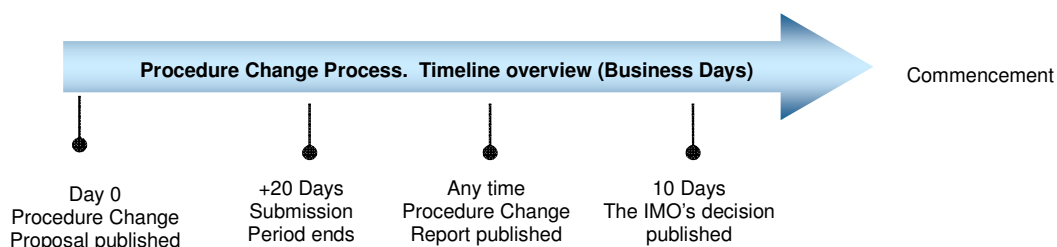
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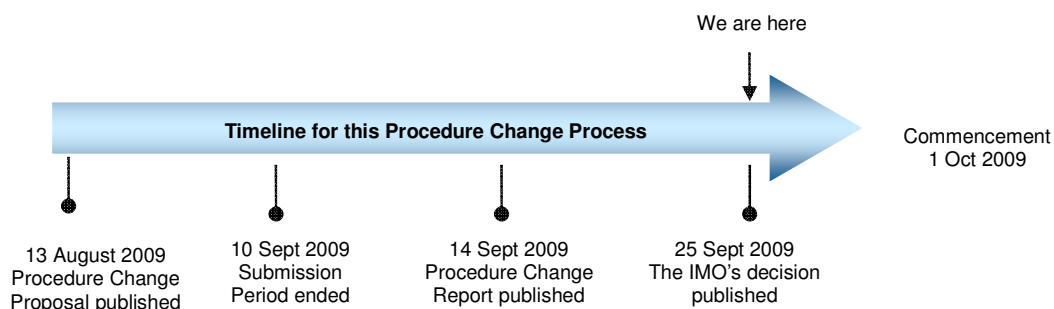
1. INTRODUCTION

On 13 August 2009, the Independent Market Operator (IMO) published a Procedure Change Proposal from System Management regarding the proposed amended Power System Operation Procedure (PSOP): Monitoring and Reporting Protocol. 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 a PSOP published by System Management.¹ This approval is required within 10 Business Days of a Procedure Change Report being published.

The IMO's decision is to accept the proposed PSOP as proposed by System Management and amended during the consultation process. The details of the IMO's assessment are set out in section 4 of this report.

This document, containing the IMO's decision on the proposed PSOP: Monitoring and Reporting Protocol (PPCL0012) is published as required under clause 2.10.15 of the Market Rules.

¹ Market Procedures include the PSOPs developed by System Management. Refer to Chapter 11 of the Market Rules for further details.

All documents related to this proposed PSOP can be found on the IMO website:
<http://www.imowa.com.au/PPCL0012>

2. THE PROCEDURE CHANGE PROPOSAL

2.1 *Details of the Proposal*

In its proposal, System Management noted that the PSOPs 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 PSOPs to more accurately reflect System Management's performance of its functions.

In addition, the original PSOPs included significant overlaps with the Market Rules and also attempt to paraphrase Market Rules requirements. Consequently, System Management has reviewed the operation of PSOP: Monitoring and Reporting and amended it to better reflect both the performance of market functions and changes to the Market Rules that have occurred since the commencement of the Market on 21 September 2006.

System Management notes that the amendments have been subject to consultation with the public, within 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 that is consistent with the requirements of the Market Rules.

3. PUBLIC CONSULTATION PERIOD

3.1 *Submissions received*

The public submission period was between 14 August 2009 and 10 September 2009. No submissions were received during this time.

3.2 *Additional Amendments*

During the public consultation process System Management considered that an amendment was required to section 5.2(4). This change is as follows (added text, ~~deleted text~~):

Section 5.2(4)

~~System Management may not enter details of Forced Outages into SMMITS unless requested by Participants where that request is in accordance with the timeframe indicated in the Market Rules. The SMMITS system will not accept Forced Outages notified outside the timeframe indicated in the Market Rules.~~

In its Procedure Change Report, System Management noted that it considers that the amendments do not have a significant impact on the substance of the PSOP, nor do they necessitate a further period of consultation. The IMO agrees that the substance of the PSOP is not changed by the amendments and therefore considers that further consultation is not necessary.

Further, the IMO considers that the amendment removes the previous ambiguity as to whether the clause meant either:

- System Management may or may not enter details; or
- System Management is prohibited from entering details.

Given that the second interpretation was not intended, the IMO considers that this amendment improves the clarity of section 5.2(4).

4. THE IMO'S ASSESSMENT

In determining whether to approve the PSOP: Monitoring and Reporting Protocol, 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 PSOPs 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: Monitoring and Reporting Protocol details the processes that System Management will follow to monitor Rule Participants compliance with the Market Rules and PSOPs, and to provide information about breaches, or other information the IMO may request, to the IMO.

The IMO considers that the steps are drafted in 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: Monitoring and Reporting Protocol 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: Monitoring and Reporting Protocol 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 discussions held with System Management and at the Working Group, there is no evidence to suggest that the proposed amended PSOP: Monitoring and Reporting Protocol will require Rule Participants, the IMO or System Management to implement any procedural or system amendments before it can commence. Consequently, the IMO considers commencement at 08.00am on 1 October 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: Monitoring and Reporting Protocol was sent to Working Group members for out of session consideration on 16 July 2009 (due to the relatively minor amendments that it contained). The Working Group is a group appointed by the MAC to develop, consider and assess changes to System Management PSOPs that the Market Rules require System Management to develop.

System Management noted in its Procedure Change Report that it had incorporated all comments by Working Group members into the PSOP.

4. THE IMO'S DECISION

The IMO's decision is to approve the amended PSOP: Monitoring and Reporting Protocol 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
- requires no procedural or system changes 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: Monitoring and Reporting Protocol will commence at 08.00am on 1 October 2009.

5.2 Wording of the amended Power System Operation Procedure

The wording of the amended PSOP: Monitoring and Reporting Protocol, as proposed by System Management, is available on the IMO's website.