
Wholesale Electricity Market Submission to Procedure Change

PSOPC_2009_15 Dispatch Power System Operating Procedure

Submitted by

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Submission

Clause 2.10.7 of the Wholesale Electricity Market Amending Rules provides that any person may make a submission for a Procedure Change Proposal by filling in this Procedure Change Submission form.

Submissions for Procedure Changes that relate to the Power System Operation Procedures should be submitted to:

Western Power Networks - System Management Division

Attn: Alistair Butcher, Market Strategic Development Manager
GPO Box L921
Perth WA 6842
Fax: (08) 9427 4228
Email: market.development@westernpower.com.au

Submissions for Procedure Changes that relate to IMO Market Procedures should be submitted to:

Independent Market Operator

Attn: Manager Market Development & System Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4399
Email: market.development@imowa.com.au

1. Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions.

Procedure Change Proposal

By PSOPC_2009_15, System Management proposes to amend the Dispatch Power System Operating Procedure (PSOP) to eliminate perceived ambiguity in the interpretation and application of the Independent Market Operator's (IMO) role in arbitrating disagreements that may arise between System Management and Verve Energy under Market Rule 7.6A.5(b).

Alinta's views

Firstly, it is unclear to Alinta whether Market Rule 7.6A.5(b) provides a head of power for System Management to develop a procedure to govern the arbitration process to be followed by the IMO.

Specifically, Alinta notes that the procedures that may be developed by System Management under Market Rule 7.6A appear to relate only to:

1. the format and time resolution of data to be provided by Verve Energy to System Management under Market Rules 7.6A.2(a);
2. the format and time resolution of data to be provided by System Management to Verve Energy under Market Rule 7.6A.2(b) and (c); and
3. the information required to be provided by Verve Energy under Market Rule 7.6A.2(d) to support System Management develop the information in Market Rule 7.6A.2(c).

Secondly, it appears that the use of word 'agreement' in the second sentence of Market Rule 7.6A.5(b) may not be consistent with the intent of the first sentence of that rule, or with the general operation of Market Rule 7.6A to which Market Rule 7.6A.5(b) refers.

Specifically, the first sentence in Market Rule 7.6A.5(b) requires only that both System Management and Verve use reasonable endeavours to address any issues arising from the 'application' of the procedures developed by System Management.

No other part of Market Rule 7.6A suggests that System Management must obtain Verve's agreement to either the procedures that System Management may develop under Market Rule 7.6A or to the application of these procedures (assuming there was ambiguity in procedures, which appears unlikely given their scope).

Therefore, it appears that the role of the IMO under Market Rule 7.6A.5(b) should only be to determine whether System Management and/or Verve Energy have used reasonable endeavours to address any issues arising from the application of the procedures operating under Market Rule 7.6A.

Consequently, Alinta considers that rather than amending the Dispatch PSOP, it may be appropriate for Market Rule 7.6A.5(b) to be amended along the following lines:

At the meetings described in (a), System Management and the Electricity Generation Corporation must use best endeavours to address any issues arising from the application of the procedures operating under this clause 7.6A. ~~Where agreement cannot be reached either party may seek arbitration by the IMO~~ If System Management or the Electricity Generation Corporation consider that the other has not used best endeavours to address an issue, System Management or the Electricity Generation Corporation, as applicable, may request that the IMO review whether the actions of each were reasonable.

2. Please provide an assessment whether the Procedure Change Proposal is consistent with the Market Objectives and the Wholesale Electricity Market Amending Rules.

Market Rule 2.9.3 states that Market Procedures must be consistent with the Wholesale Market Objectives and the Market Rules. The Wholesale Market Objectives are as follows.

- (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.
- (e) To encourage the taking of measures to manage the amount of electricity used and when it is used.

As discussed above, it is unclear to Alinta whether Market Rule 7.6A.5(b) provides a head of power for System Management to develop a procedure to govern the arbitration process to be followed by the IMO. For this reason, the amendments proposed by PSOP_2009_15 (and the existing clause 10 of the Dispatch PSOP) may not be consistent with the Market Rules.

3. Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

The changes to Dispatch PSOP contemplated by PSOPC_2009_15 would not require Alinta to change its IT or business systems, and hence there are no IT or business costs associated with the rule change proposal.

4. Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.

The changes to Dispatch PSOP contemplated by PSOPC_2009_15 would not require Alinta to change its IT or business systems, and hence there is no specific period of time that would be required to implement the changes arising from the rule change proposal.
