



System Management

Procedure Change Report
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Title: Dispatch Power System
Operation Procedure

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CONTENTS

INTRODUCTION.....	1
THE MARKET ADVISORY COMMITTEE.....	2
SUBMISSIONS.....	2
IMPLEMENTATION	3

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INTRODUCTION

This document is the Procedure Change Report for System Management proposed amendments to the Power System Operating Procedure: Facility Outages

- This proposal was first published on the IMO website on 11 March 2011.
- A request for submissions to the proposal was published on 14 March 2011 with a deadline of 8 April 2011.
- This Procedure Change Report is submitted to the IMO for publication on 28 June 2011.
- This proposed amended procedure is to commence at 8 am on 1 August 2011.
- Commencement is pending approval by the IMO. Market Rule 2.10.14 requires the IMO to make its decision within 10 Business days of this Report being published.

THE WORDING OF THE AMENDMENT TO THE POWER SYSTEM OPERATING PROCEDURE

The amended procedure is attached to this Report.

THE REASON FOR THE AMENDMENT TO THE POWER SYSTEM OPERATING PROCEDURE

On March 2011, System Management submitted a Procedure Change Proposal suggesting all operators of Independent Power Producer generators use reasonable endeavours to provide System Management either a daily dispatch profile or a predetermined daily algorithm. This was proposed to allow System Management System Operators greater visibility of a generator's expected real time behaviour to more accurately anticipate threats to Power System Security and Reliability.

In addition, System Management has integrated rule change, '*RC_2009_22 The use of tolerance levels by System Management*', which commenced on 1 December 2010 into the relevant Dispatch PSOP.

The above proposal coupled rule change '*RC_2009_22 The use of tolerance levels by System Management*' allows System Management to incorporate a degree of tolerance to more effectively manage its real time monitoring obligations under the Market Rules.

System Management continuously seeks to improve the integrity and accuracy of the Power System Operation Procedures, and has incorporated some minor and typographical amendments.

THE MARKET ADVISORY COMMITTEE

The Market Advisory Committee (MAC) did not meet regarding this procedure change proposal.

However, these proposed amendments have been subject to formal public consultation which concluded on 13 January 2011.

SUBMISSIONS

System Management received one submission regarding this procedure, from Landfill Gas and Power whom submitted:

“LGP supports the procedure change proposal on the grounds that it improves and clarifies the existing procedure, conditional on consideration of the following comments.

We consider that the proposed changes would be benefit from an editorial read-through to improve the logical flow and consistency. In particular:

- 1. The clause labels in clause 13.1 appear to duplicate following clauses.*
- 2. Clause 13.1 part 1 needs to emphasis that the interpolation applies to each Trading Interval.*
- 3. In clause 13.1.1.1, suggest delete the word “may” and replace it by words to the effect of, “If the Market Participant wishes to submit a Demand Profile, it must do so by 3pm...”*
- 4. Clause 13.1.5 appears to say that despite a participant having lodged a Demand Profile, System Management can ignore it and use the interpolation method that is intended to apply as a default if they don't lodge either a Demand profile or an Algorithm. Is this the intent, and if so, it seems unreasonable or in need of justification?*
- 5. Clause 13.1.2.1 refers to times of Synchronisation and Re-Synchronisation, but not to De-synchronisation – should it?*
- 6. Clause 13.1.2.5. In similar vein to point 4 above, this appears to say that despite a participant having lodged an Algorithm, System Management can ignore it and use the interpolation method that is intended to apply as a default if they don't lodge either a Demand profile or an Algorithm. Is this the intent, and if so, it seems unreasonable or in need of justification?”*

System Management notes the views expressed by Landfill Gas and Power. System Management welcomes all suggestions and have provided explanations as to how we addressed Landfill Gas and Power's concerns in the Dispatch PSOP:

Item 1: Removed duplication within clauses 13.1.1 and 13.1.2 in respective of 13.1

Item 2: System Management has addressed this suggestion

Item 3: System Management has adopted this suggested amendment.

Item 4: Firstly clause 13.1.1(5) appears to be a duplication of clause 13.1(2) and has therefore been deleted. In respect of Landfill Gas and Power's question of intention, as System Management is required to monitor real time compliance of a Market Participant's facility and

effectively manage Power System Security and Reliability in the SWIS, it is required to plan movement of Verve Energy facilities on the Trading Day. Therefore if either a daily Dispatch Profile or daily Algorithm is not provided by a Market Participant to System Management by 3pm each Scheduling Day prior to the Trading Day (following confirmation of resource plans via the settlement mechanism), System Management must assume that the Facility intends to operate in line with its commercially determined resource plan. However, following the 3pm window closure Market Participants are still able to provide System Management with adjusted dispatch profiles given the new requirements in clause 13.1.1(5) are met.

Item 5: System Management agrees with this suggestion and has adopted this suggested amendment.

Item 6: See explanation for Item 4.

AMENDMENT TO THE POWER SYSTEM OPERATION PROCEDURE FOLLOWING PUBLIC CONSULTATION

To enhance consistency, System Management has also incorporated several minor and typographical amendments within this Power System Operation Procedure following the conclusion of the public submission period.

For clarity, System Management has appended a tracked changed version of the Dispatch PSOP illustrating amendments since the most recent commenced version of 1 April 2010.

IMPLEMENTATION

System Management recommends this amended procedure commence at 8 am 1 August 2011.

The above date, in System Management's opinion, allows sufficient time after the date of publication of the IMO's approval of the Procedure Change Proposal under clause 2.10.14, for Rule Participants to implement changes required by this Proposal.

Commencement is pending approval by the IMO. Market Rule 2.10.14 requires the IMO to make its decision within 10 Business days of this Report being published. This decision will include the final commencement date.