



System Management

Procedure Change Report
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Protocol Power System Operation
Procedure

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INTRODUCTION

This document is the Procedure Change Report for System Management proposed amendments to the Power System Operating Procedure: Monitoring and Reporting Protocol

- 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 30 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

In pursuit of continuously improving the accuracy of the PSOP's, System Management facilitated the process of integrating commenced rule change 'RC_2009_22 The use of Tolerance levels by System Management', into the relevant Monitoring and Reporting Protocol PSOP.' This rule change commenced on December 2010.

Proposed amendments to the Monitoring and Reporting Protocol PSOP reflecting the abovementioned rule change have been subject to public consultation, consultation within the System Management Power System Operation Procedures Working Group (constituted under the auspices of the MAC) and with the Independent Market Operator,

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 8 April 2011.

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Monitoring and Reporting Protocol PSOP

SUBMISSIONS

System Management received two submissions regarding this procedure, from Landfill Gas and Power and the Independent Market Operator.

Landfill Gas and Power 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. Clause 5.3.2 should better distinguish between the “real time Tolerance Range” and the “ex post Tolerance Range” (noting the use of the lower case (undefined) terms). The procedure should also indicate somewhere why this is necessary.*
- 2. Clause 5.2.5 provides that if System Management believes that a Tolerance Range is unsuitable, then a (emphasis added) Market participant must apply to System Management for it to be changed. Having regard to the fact that System Management itself set the offending Tolerance Level and then went through the public consultation process to confirm it, the sense and intent of this is unclear.*
- 3. Clause 5.2.7 appears to say that System Management must consult with all Market Participants prior to determining a Tolerance Level for a single facility. Is this the intent?*
- 4. Clauses 5.2.8 and 5.2.9 appear to duplicate clauses 5.2.3 and 4.2.4.*
- 5. Clause 5.2.10 should be integrated with clause 5.2.2 to the extent that it duplicates it.*

While not part of the Rule Change proposal, we would also suggest consideration of the original procedure as follows:

- 6. Clause 5.3 should specify that only Market Rules requiring monitoring by System Management are listed in the Table. That said, Ideally, this clause would be integrated with clause 5.2 and 5.2's reference to priority included as new clause 2.4.*
- 7. Please clarify whether clause 5.4.3 applies only to EGC or to all participants.”*

System Management supports Landfill Gas and Power's suggestions indicated above, and provide reasons why the following amendments are applied:

- Item 1, Clause 5.3.2: System Management reviewed this concept and removed the terms ‘real time’ and ‘ex-post’ from the Procedure.
- Item 2, Clause 5.2.5: System Management has modified the Procedure to clarify the intent that System Management may initially determine and publish the Tolerance Range on the Market Web Site for public consultation. Following the outcome of the consultation

process, System Management must publish an agreed Tolerance Range to apply to all facilities. However if a Market Participant considers the agreed Tolerance Range is not suitable for a particular facility it may request System Management to apply a specific Facility Tolerance Range.

- Item 3, Clause 5.2.7: System Management has modified the Procedure to clarify System Management's intention of this clause. That is, to promote transparent and equitable measures in monitoring compliance of all Market Participants.
- Item 4, Clause 5.2.8, 5.2.9, 5.2.3, 5.2.4: System Management has modified these clauses to remove duplication.
- Item 5, Clause 5.2.2, 5.2.10: System Management has modified these clauses to remove duplication.

Although Landfill Gas and Power's suggestions Item 6 and 7 fall outside of the scope of the Procedure Change Proposal, System Management welcomes these suggestions in continuously improving the consistency and accuracy of the PSOP's.

- Item 6, clause 5.3: System Management has modified this clause to improve clarity.
- Item 7, clause 5.4.3: System Management has modified this clause to improve clarity.

The Independent Market Operator submitted:

"The IMO outlines its views below including its recommended amendments where appropriate.

In respect of section 5.2 of the Monitoring and Reporting Protocol headed "Initial determination and subsequent annual review of tolerance range and relevant facility tolerance ranges":

Step 5.2.2

- *These comments apply also to Steps 5.2.7 and 5.2.10 below.*
- *The IMO considers that the reference to the 'IMO's website' is more appropriately expressed as the Market Web Site, which is defined in the Market Rules. This should be the website specified.*
- *The IMO considers System Management should publish its responses and that the "may" should be "must". The rationale is similar to that expressed under Step 5.2.4 below.*
- *Additionally, the IMO suggests rewriting some parts of this step for a clearer statement of the intent, as follows:*

*"System Management must consult with Rule Participants prior to setting the Tolerance Range. **[MR 2.13.6D]** System Management must initiate consultation by publishing a proposed ~~through displaying suggested~~ Tolerance Range(s) for public comments for six weeks on either the System Management website or the IMO Market Web Site, whichever source it considers is suitable at the time, and inviting Rule Participants to provide submissions within six weeks. System Management must publish its responses to each issue raised in submissions received from Rule Participants,*

on the Market Web Site where the proposed Tolerance Range was published. by publishing its via the nominated consultation medium.”

- The comments above apply also to Steps 5.2.7 and 5.2.10 below.

Step 5.2.3

- The IMO queries whether an ex-post Tolerance Range is contemplated by the Amending Rules and requests System Management’s confirmation of this.
- The IMO notes that the term ‘Power System’ is not a defined term in the Market Rules and considers that ‘SWIS’ would be a more appropriate term.
- The IMO suggests additional wording to clarify the meaning of the second sentence of this section. In particular, the IMO suggests the following amendments:

“System Management may determine a real time Tolerance Range and an ex-post Tolerance Range to apply to all facilities. In making that determination System Management must consider the following elements:

- a. the variability of generation/load movement in aggregate on:
(i) the SWIS Power System at any point in time; and
(ii) the overall effect on system frequency;*
- b. the Load Following requirement;*
- c. Facility ramping behaviours;*
- d. the proportion of Facilities required to comply with Resource Plans synchronised on the system during an average Trading Day; and*
- e. any other factors ~~which~~ that may influence real time operation of the SWIS Power System. [MR 2.13.6K]”*

Step 5.2.4

- The IMO considers that System Management should be required to provide responses to all submissions to reflect that the required consultation has been conducted in good faith. Clause 2.21.4 of the Market Rules provides support for this view.

Step 5.2.5

- The IMO considers that, to clarify the obligations, this step should be split to reflect two separate processes:
 - steps for System Management to undertake if it considers that a Tolerance Range is not suitable for a particular Facility; and
 - steps for a Market Participant to undertake if it considers that a Tolerance Range is not suitable for a particular Facility.

Under System Management’s proposed amendment the IMO considers that the Market Participant would be required to anticipate what System Management considers regarding a Tolerance Range and then apply to have it changed.

- The IMO suggests the following changes (splitting Step 5.2.5 into new Steps 5.2.5A and 5.2.5B):

~~5.2.5A “In instances where either~~ If System Management considers that a Tolerance Range for all facilities is not suitable for a particular facility it may determine a Facility Tolerance Range for that particular facility in accordance with section 5.2.6 of this procedure. The Facility Tolerance Range will apply to the particular facility in place of the Tolerance Range.”

~~5.2.5B “If or a Market Participant does not~~ considers that believe the a Tolerance Range in for all facilities is not suitable for a particular facility, a the Market Participant is required to may submit an application by via email to System Management stating the reasons why a the Tolerance Range is less suitable for the particular facility concerned. System Management may, in accordance with the process in section 5.2.6 of this procedure, determine a specific Facility Tolerance Range for the facility. The is-Facility Tolerance Range will apply to a-the-specific particular generation facility in place of the Tolerance Range.”

Step 5.2.6

- The IMO suggests a small grammatical amendment, as follows

The circumstances ~~by~~ in which System Management may exercise its discretion to determine a specific Facility Tolerance Range include:

- a. first time entry of small loads into the SWIS;
- b. generators with excessively variable output; or
- c. any other exceptional circumstances which System Management considers reasonable.

Step 5.2.7

- Refer to the IMO's comments under Step 5.2.2. The IMO's suggests the following amendments:

~~“System Management must consult with the Market Participants prior to determining a Facility Tolerance Range [IMR 2.13.6E]. System Management must initiate consultation by publishing a proposed through displaying suggested Facility Tolerance Range(s) for public comments for six weeks on either the System Management website or the IMO Market Web Site, whichever source it considers is suitable at the time, inviting Rule Participants to provide submissions within six weeks. System Management must publish its responses to each issue raised in submissions received from Rule Participants, on the Market Web Site where the proposed Facility Tolerance Range was published. by publishing its via the nominated consultation medium.”~~

Step 5.2.9

- The IMO considers that System Management should be required to provide responses to all submissions to reflect that the required consultation has been conducted in good faith. Clause 2.21.4 of the Market Rules provides support for this view.
- The IMO suggests the following amendment for clarification:

At least 14 Business Days prior to the date from which a change to the Facility Tolerance Range becomes effective, System Management must submit to the

IMO for publication on the Market Web Site:

- a. the reasons for System Management's decision to change the Facility Tolerance Range;
- b. any submissions received from Market Participants;
- c. the applicable Facility Tolerance Range; and
- d. an effective date for the commencement of the applicable Facility Tolerance Range. **[MR 2.13.6E]**

Where appropriate, System Management may provide responses to each issue raised in the submissions received from Market Participants.

Step 5.2.10

- Refer to the IMO's comments under Step 5.2.2. The IMO suggests the following amendments:

~~As required by the The Market Rules, require that System Management must review the Tolerance Range and all Facility Tolerance Ranges at least annually **[MR 2.13.6G]**. System Management must initiate consultation by publishing a proposed through displaying suggested Tolerance Range and Facility Tolerance Ranges(s) for public comments for six weeks on either the System Management website or the IMO Market Web Site, whichever source it considers is suitable at the time, and inviting Rule Participants to provide submissions within six weeks. System Management must publish its responses to each issue raised in submissions received from Rule Participants, on the Market Web Site. by publishing its via the nominated consultation medium.~~

Step 5.2.11

- The IMO considers that as currently drafted this step is unclear. The Tolerance Range or Facility Tolerance Range will not be effective from the date that IMO publishes the information received from System Management under clauses 2.13.6D and 2.13.6E, but rather from the date that System Management specifies under clauses 2.13.6D(b)iii. and 2.13.6E(b)iv..
- The IMO suggests the following amendments:

Following a review, System Management may vary the Tolerance Range or Facility Tolerance Range **[MR 2.13.6G]**. Varied Tolerance Ranges and Facility Tolerance Ranges are effective from the date specified by System Management, as published by the IMO on the Market Web Site in accordance with the Market Rules **[MR2.13.6D and MR2.13.6E]**.

In respect of section 9.2 of the Monitoring and Reporting Protocol headed "Alleged Breaches":

Step 9.2

- The IMO considers this section is unclear and inaccurate. Breaches are not required to be reported by System Management under clause 7.10.1 of the Market Rules. System Management is required to monitor Rule Participants for breaches of clause 7.10.1 but this clause itself does not expressly require System Management to report a failure to comply with this clause. A breach report is required by System Management under clause

2.13.8(b), but not if the conditions outlined in clause 2.13.6B are relevant. The IMO considers that this should be clarified in section 9.2. Therefore, the IMO suggests that section 9.2 be reviewed by System Management to ensure its intent and purpose is accurately reflected.”

System Management supports the Independent Market Operator’s suggestions above, and provides reasons why the following amendments are applied:

- Step 5.2.2: System Management has substantively adopted this suggested amendment.
- Step 5.2.3: System Management has conducted a thorough analysis of the Market Rules in light of section 5.2.3, and has adopted the suggested amendment.
- Step 5.2.4: System Management addressed this concern by including two new sections 5.2.3 and 5.2.10.
- Step 5.2.5A and 5.2.5B: System Management has adopted these suggested amendments.
- Step 5.2.6: System Management has adopted this suggested amendment.
- Step 5.2.7: System Management has adopted this suggested amendment whilst removing duplication.
- Step 5.2.9: System Management has substantively adopted this suggested amendment.
- Step 5.2.10: System Management has adopted this suggested amendment whilst removing duplication.
- Step 5.2.11: System Management has adopted this suggested amendment.

Although the suggested amendment under the ‘alleged breaches’ section of the Monitoring and Reporting Protocol PSOP did not form part of the Procedure Change Proposal [PPCL0019], System Management welcomes all suggestions to improve the consistency and accuracy of the PSOP’s.

- Step 9.2: System Management have incorporated amendments to improve the clarity and intent of the ‘alleged breaches’ section of the Monitoring and Reporting Protocol PSOP.

AMENDMENT TO THE POWER SYSTEM OPERATION PROCEDURE FOLLOWING PUBLIC CONSULTATION

System Management has not implemented any substantive amendments to the Facility Outages Power System Operation Procedure, other than to enhance consistency within the document by integrating minor and typographical amendments.

For convenience, System Management has appended a tracked changed version of the Monitoring and Reporting Protocol PSOP illustrating amendments since the most recent commenced version of 1 October 2009.

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.