



Procedure Change Report

Title: Amendments to the Market Procedure for Certification of Reserve Capacity

Ref: PC_2008_04

Date: 15 July 2008

CONTENTS

INTRODUCTION	2
THE PROPOSED AMENDMENTS	2
THE WORDING OF THE PROPOSED AMENDMENTS.....	3
SUBMISSIONS RECEIVED.....	3
THE MARKET ADVISORY COMMITTEE	3
THE PROPOSAL AND THE WHOLESALE MARKET OBJECTIVES	3
THE IMO'S DECISION.....	3
COMMENCEMENT	4
GENERAL ABOUT PROCEDURES AND PROCEDURE CHANGES.....	4

DOCUMENT DETAILS

IMO Notice No.: PC_2008_04
Report Title: Procedure Change Report: Amendments to the Market Procedure for
Certification of Reserve Capacity
Release Status: Public
Confidentiality Status: Public domain
Published in accordance with Market Rule 2.10.12

Independent Market Operator

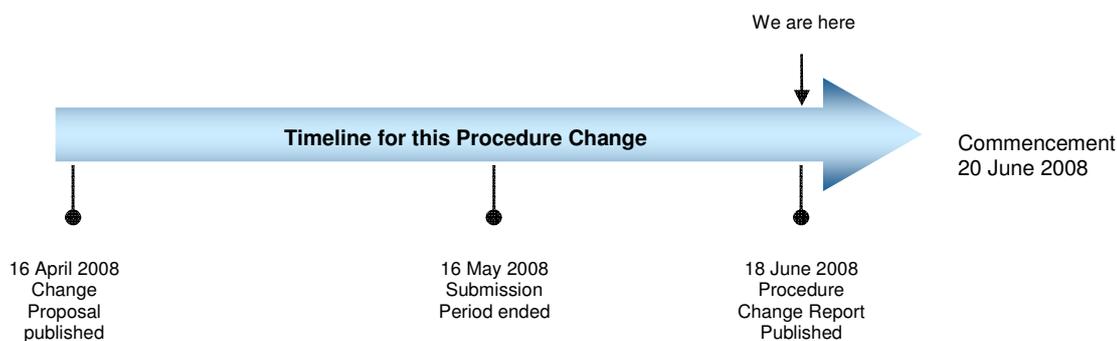
Level 3, Governor Stirling Tower
197 St George's Terrace, Perth WA 6000
PO Box 7096, Cloisters Square, Perth WA 6850
Tel. (08) 9254 4300
Fax. (08) 9254 4399
Email: imo@imowa.com.au
Website: www.imowa.com.au

INTRODUCTION

On 16 April 2008, the IMO published a Procedure Change Proposal titled Amendments to the Market Procedure for Certification of Reserve Capacity. The proposal has been processed according to the Procedure Change Process under section 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:



This Procedure Change Report is published by the IMO in accordance with clause 2.10.12 of the Market Rules

THE PROPOSED AMENDMENTS

The Market Procedure for Certification of Reserve Capacity was developed before the start of the Wholesale Electricity Market in September 2006. Practical experience, together with the implementation of the Wholesale Electricity Market System (WEMS) required that the procedure be updated to reflect the way in which Certified Reserve Capacity applications are submitted, assessed and approved in practice.

The procedure was proposed to be amended in order to reflect the actual steps taken by Market Participants and the IMO when progressing through the Certified Reserve Capacity process. The amendments would enable the procedure to be better aligned with the requirements of the Market Rules and the functionality of the WEMS.

THE WORDING OF THE PROPOSED AMENDMENTS

The wording of the amended procedure, as proposed by the IMO, is available on the IMO's web site:

http://www.imowa.com.au/Attachments/MarketProcedures/ProcedureChange_PC200804.htm.

SUBMISSIONS RECEIVED

The IMO did not receive any submissions during the public submission period. Consequently, the IMO has concluded that Participants support the proposed amendments to the Market Procedure for Certification of Reserve Capacity.

THE MARKET ADVISORY COMMITTEE

The proposed amendments to the procedure have been assessed by the IMO Market Procedure Development Group, a group of Industry Representatives set up by the Market Advisory Committee to assist the IMO in developing Market Procedures. The group met to discuss the proposed amendments to the procedure on 13 December 2007.

After publishing the Procedure Change Proposal, the IMO invited all MAC members to contact the IMO if they considered the proposal to be significant enough to require convening MAC to assess it. No MAC member contacted the IMO in this regard.

THE PROPOSAL AND THE WHOLESALE MARKET OBJECTIVES

The amendments will enable the procedure to be better aligned with the requirements of the Market Rules. The IMO considers that the amended procedure, therefore, will have the following impact on the market objectives:

Impact	Wholesale Market Objectives
Allow the Market Rules to better address objective	-
Consistent with objective	a, b, c, d and e
Inconsistent with objective	-

THE IMO'S DECISION

No party expressed any concerns regarding the proposed amendments to the Market Procedure for Certification of Reserve Capacity. The IMO therefore finds it appropriate to amend the procedure as proposed in its Procedure Change Proposal.

The amended procedure is published on the IMO's website, together with this Procedure Change Report.

COMMENCEMENT

The amendments to the procedure are of an administrative nature and will not require Rule Participants or the IMO to implement any procedural or system amendments before it can commence.

The amended Market Procedure for Certification of Reserve Capacity will commence at 08.00am on 15 July 2008.

GENERAL ABOUT PROCEDURES AND PROCEDURE CHANGES

Clause 2.9.3 of the Market Rules states that Market Procedures:

- (a) must be:
 - i. developed, amended or replaced in accordance with the process in the Market Rules;
 - ii. consistent with the Wholesale Market Objectives; and
 - iii. consistent with these Market Rules, the Electricity Industry Act and Regulations; and
- (b) may be amended or replaced in accordance with clause 2.10 of the Market Rules and must be amended or replaced in accordance with clause 2.10 where a change is required to maintain consistency with Amending Rules.

The IMO or System Management, as applicable, may initiate a Procedure Change Process by developing a Procedure Change Proposal. Rule Participants may notify the IMO or System Management, as applicable, where they consider an amendment or replacement of a Market Procedure would be appropriate.

If Amending Rules require the IMO or System Management to develop new Market Procedures or to amend or replace existing Market Procedures, then the IMO or System Management, as applicable, is responsible for the development of amendments to or replacement for Market Procedures so as to comply with the Amending Rules.