



Procedure Change Report
Title: Market Procedure: Monitoring Protocol

Ref: PC_2008_10

Date: 17 October 2008

CONTENTS

INTRODUCTION	2
THE PROPOSED AMENDMENTS TO THE PROCEDURE.....	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

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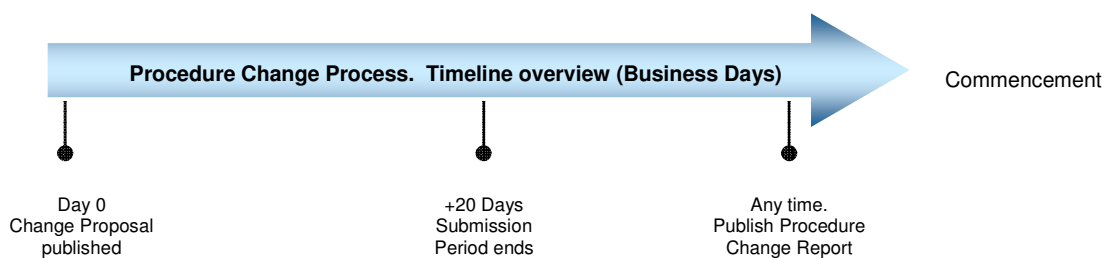
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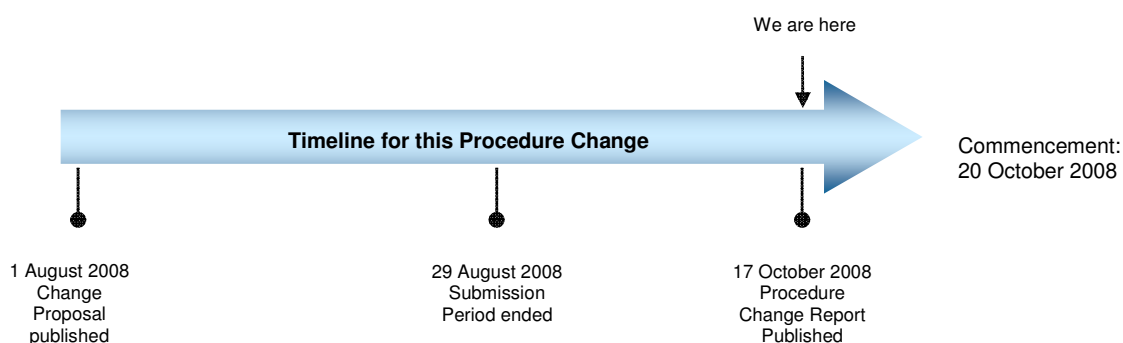
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INTRODUCTION

On 1 August 2008, the IMO published a Procedure Change Proposal titled Amendments to the Market Procedure: Monitoring Protocol. 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 TO THE PROCEDURE

The current Market Procedure: Monitoring Protocol was developed before the start of energy trade in the Wholesale Electricity Market in September 2006. The Monitoring Protocol covers the processes by which the IMO monitors Market Participants' compliance with the Market Rules and Procedures.

The IMO proposed to update the procedure to reflect the rule change "Discretion of IMO to Decide Whether to Issue Warning" RC_2007_07, which was made on 23 October 2007. This rule change provided the IMO with discretion whether to issue a warning to a Market Participant under clause 2.13.10 of the Market Rules.

The IMO also proposed to update the list titled "Categories of Rule Breaches and the Primary Mechanisms to Identify the Breaches", contained within Appendix A in the Monitoring Protocol, to include relevant clauses in the Market Rules which are not included in the current Market Procedure but listed in the Electricity Industry

(Wholesale Electricity Market) Regulations. The amendments enable the procedure to be better aligned with the requirements of the Market Rules and the Regulations.

THE WORDING OF THE PROPOSED AMENDMENTS

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

http://www.imowa.com.au/Attachments/MarketProcedures/ProcedureChange_2008_10.htm

SUBMISSIONS RECEIVED

The IMO did not receive any submissions during the public submission period. Consequently, the IMO has concluded that Market Participants support the proposed amendments to the Market Procedure: Monitoring Protocol.

THE MARKET ADVISORY COMMITTEE

The proposed amendments to the procedure were of an administrative nature and, as requested by the Market Advisory Committee at its 14 May 2008 meeting, were submitted directly into the public consultation process and not discussed by the IMO Market Procedure Development Group.

THE PROPOSAL AND THE WHOLESALE MARKET OBJECTIVES

The amendments will enable the procedure to be better aligned with the requirements of the Market Rules. IMO considers that the amendments to the procedure 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: Monitoring Protocol. The IMO therefore finds it appropriate to adopt the amendments to 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 they can commence.

The amendments to the Market Procedure: Monitoring Protocol will commence at 08.00am on 20 October 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.