
Wholesale Electricity Market – Procedure Change Proposal

Procedure Change No: PC_2008_11

Change requested by

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Procedure change title:	Amendments to the Market Procedure: Network Control Service
Market Procedure(s) affected:	Market Procedure: Network Control Service

Introduction

The IMO or System Management, as applicable, may initiate the 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 an Amending Rule requires 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, amendment, or replacement of Market Procedures so as to comply with the Amending Rule.

Market Procedures:

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

The Wholesale Market Objectives are:

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

Details of Procedure Change Requested

1. Provide a reason for the proposed new, amended or replacement Market Procedure:

Network Control Services are services provided by generation and/or Demand Side Management that can be substituted for an upgrade to the transmission or distribution network. Market Procedure: Network Control Service is a Market Procedure pursuant to Market Rule 5.2.

The IMO proposes to update the procedure to reflect the rule change “Network Control Service Procurement Requirements” RC_2007_22, which was made on 1 December 2007. This rule change enabled the Network Operator to determine the minimum period over which Network Control Services are required, while previously the Market Rules had prescribed a minimum period of 10 years for all Network Control Service Contracts.

The proposed amendments will enable the procedure to be better aligned with the requirements of the Market Rules.

2. Provide the wording of the amended Procedure

The proposed amendments to the current Market Procedure: Network Control Service are provided as an attachment to this proposal.
