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## Wholesale Electricity Market – Procedure Change Proposal

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Procedure Change No: PC\_2009\_02

### Change requested by:

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<b>Date submitted:</b>	27 July 2009
<b>Procedure change title:</b>	Amendments to the Market Procedure for Procedure Administration
<b>Market Procedure(s) affected:</b>	Market Procedure for Procedure Administration

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### Introduction

The Independent Market Operator (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.

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## Details of Procedure Change Requested

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

Clause 2.10.3 of the Wholesale Electricity Market Rules (Market Rules) states that the IMO or System Management, as applicable, is responsible for the development of, amendment of or replacement for, Market Procedures so as to comply with an Amending Rule.

The Rule Change Proposal, "Approval of proposed new, amended and replacement Market Procedures" (RC\_2009\_04), amended the Market Rules to clarify that the IMO's role is to approve the wording of the proposed Market Procedure, or amendment to or replacement for the Market Procedure, contained in the Procedure Change Report.

The Rule Change Proposal also:

- corrected the patently incorrect reference to Proposals 'published' by System Management in clause 2.10.14 and in the glossary definition of Procedure Change Report; and
- improved the language surrounding proposed amendments to Market Procedures by the IMO or by System Management to read "...an amendment to" rather than "...an amendment of".

Further details of the Rule Change Proposal are available on the IMO's web page: [http://www.imowa.com.au/Attachments/RuleChange/RuleChange\\_2009\\_04.html](http://www.imowa.com.au/Attachments/RuleChange/RuleChange_2009_04.html)

The purpose of this Procedure Change Proposal to amend the Market Procedure for Procedure Administration is to:

- improve the process description for the development and amendment of Market Procedures; and
- ensure consistency with the Amending Rules resulting from RC\_2009\_04 and any Market Procedure related Market Rule changes that have occurred since this procedure was last updated.

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## **2. Provide the wording of the Procedure**

The amended Market Procedure for Procedure Administration is provided as an attachment to this proposal.

For ease of review, both a clean version and a tracked change version of the proposed amended Market Procedure have been provided.

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## **3. Describe how the proposed changes to the Market Procedure would be consistent with the Market Rules, the Electricity Industry Act and Regulations**

The proposed amended Market Procedure for Procedure Administration has been reviewed as a whole by the IMO, and amended accordingly, to ensure compliance of the Market Procedure with the relevant provisions in the:

- Market Rules;
- Electricity Industry Act; and
- Regulations.

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## **4. Describe how the proposed changes to the Market Procedure would be consistent with the Wholesale Market Objectives**

The steps described in the proposed amended Market Procedure for Procedure Administration outlines the processes for amending and developing Market Procedures as described in section 2.10 of the Market Rules.

The IMO considers that the steps are drafted in such a way that does not change the operation or objectives of the Market Rules.

As a result the IMO considers that the amended Market Procedure for Procedure Administration as a whole is consistent with the Wholesale Market Objectives.