



Market Operator

Procedure Change Report

**Title: Changes to Market
Procedure for Notices and
Communications**

Ref: PC_2010_02

Date: 1 November 2010

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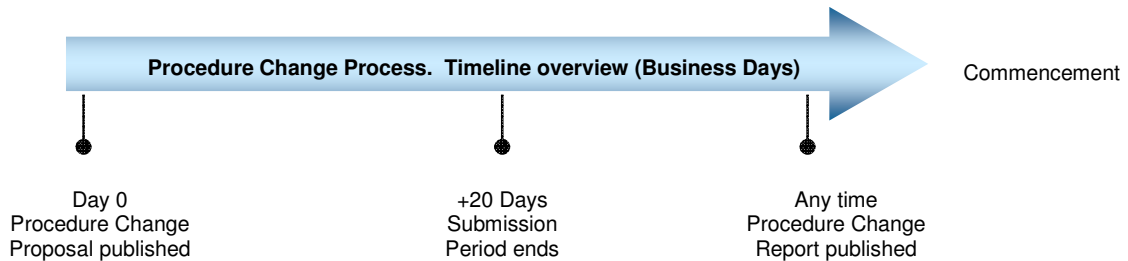
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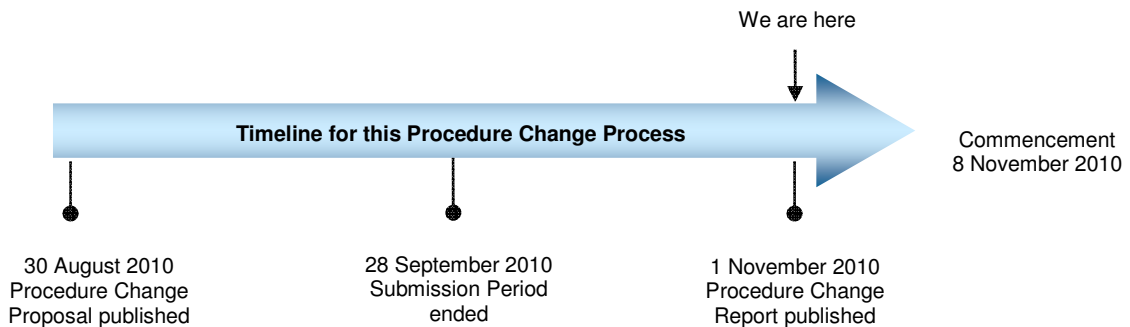


1. INTRODUCTION

On 30 August 2010, the Independent Market Operator (IMO) published a Procedure Change Proposal titled “Changes to Market Procedure for Notices and Communications”. The proposal has been processed according to the Procedure Change Process under clause 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:



2. THE PROCEDURE CHANGE PROPOSAL

2.1 Details of the Proposal

In its Procedure Change Proposal the IMO noted that the updates to the Market Procedure were to reflect the IMO's new format resulting from its Market Procedure Project and implement the following:

- Provide details of the specific email addresses for each of the IMO teams; and
- Specify that Business Hours are from Monday to Friday.

To improve the integrity of the Market Procedure, the IMO also proposes a number of minor and typographical amendments.

The proposed amended Market Procedure was discussed by the IMO Market Procedures Working Group at its 28 July 2010 meeting. Minutes from the meeting are available: <http://www.imowa.com.au/IMO-Procedures-Working-Group>

3. PUBLIC CONSULTATION PERIOD

3.1 Submissions received

The public submission period was between 31 August 2010 and 28 September 2010. The IMO received a submission from Landfill Gas & Power (LGP) during this period.

LGP's submission is summarised below. The full text of the submission is available on the IMO website.

3.1.1 Submission from Landfill Gas & Power

LGP supports the proposed the Procedure Change on the grounds that it improves the integrity of the Market Procedure through improved presentation and minor and typographical corrections that do not materially change the procedure.

Wholesale Market Objectives

LGP supports the proposed changes as being consistent with the Wholesale Market Objectives in general in a manner that does not materially change the content.

4. THE IMO'S ASSESSMENT

In determining whether to accept the Procedure Change Proposal, the IMO has undertaken an assessment in light of clauses 2.9.3 (a) of the Market Rules. Market Procedures must be:

- developed, amended or replaced in accordance with the process in the Market Rules;
- consistent with the Wholesale Market Objectives; and
- consistent with the Market Rules, the Electricity Industry Act and Regulations.

The Procedure Change Report prepared by the IMO must contain:

- the wording of the proposed Market Procedure or amendment to or replacement for the Market Procedure;
- the reason for the proposed Market Procedure or amendment to or replacement for the Market Procedure;
- all submissions received before the due date, a summary of those submissions and the response of the IMO or System Management, as applicable, to any issues raised;
- a summary of the views of the Market Advisory Committee (MAC), and if the MAC has delegated its role to consider the Procedure Change Proposal to a Working Group, a summary of the views expressed by that Working Group; and

- a proposed date and time for the Market Procedure or amendment to or replacement to commence, which must allow sufficient time, in the IMO's opinion, after the date of publication for Rule Participants to implement changes required by it (clause 2.10.13).

The IMO's assessment is outlined in the following sections.

4.1 Wholesale Market Objectives

Market Procedures must be consistent with the Wholesale Market Objectives (clause 2.9.3(a) ii).

The IMO considers that the Market Procedure, as a whole, if amended will be consistent with the Wholesale Market Objectives.

Wholesale Market Objective	Consistent with objective
(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system	Yes
(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors	Yes
(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	Yes
(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system	Yes
(e) to encourage the taking of measures to manage the amount of electricity used and when it is used	Yes

4.2 Wholesale Market Rules, the Electricity Industry Act and Regulations

The IMO considers that the proposed amended Market Procedure is consistent, as a whole, with the Market Rules, the Electricity Industry Act and Regulations.

The IMO also considers that the Market Procedure is consistent with all other Market Procedures.

4.3 Views expressed in submissions

During the consultation period the IMO received one submission, from LGP, which supported the proposed amendments.

4.4 Implementation of the Market Procedure

The Market Procedure will not require Rule Participants or the IMO to implement any procedural or system amendments before it can commence. Consequently, the IMO considers that commencement at 8:00am on 8 November 2010 will allow Rule



Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance with the amended Market Procedure.

4.5 Views of the Market Advisory Committee or a Working Group delegated to consider the Procedure Change Proposal

The MAC has delegated the role of considering IMO Procedure Change Proposals to the IMO Procedure Change and Development Working Group (Working Group) (clause 2.3.17(a)). Therefore the MAC has not reviewed the Procedure Change Proposal. However, in accordance with clauses 2.10.8 and 2.10.9 the IMO notified the MAC once the Procedure Change Proposal had been published and noted that it would convene a meeting of the MAC to discuss should two or more members request it. No MAC member contacted the IMO in this regard.

The Working Group discussed the Procedure Change Proposal at its 28 July 2010 meeting. The Working Group noted the following points:

- Step 1.5: Verve Energy questioned whether the specified Business Hours were seven days a week. The IMO agreed to clarify that the Business Hours are Monday to Friday (excluding public holidays); and
- Steps 2.1.1 and 2.2.1: LGP suggested the steps be updated to consistently refer to "... properly provided using the ...".

Once the agreed changes had been made by the IMO, the amended Market Procedure was submitted directly into the public consultation process.

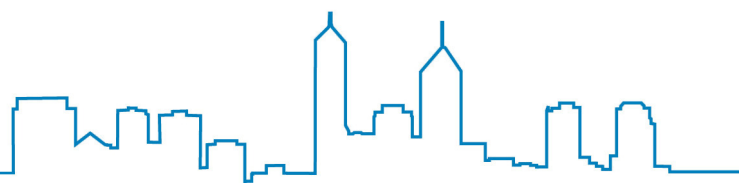
5. THE IMO'S DECISION

The IMO's decision is to approve the proposed Market Procedure for Notices and Communications as proposed in the Procedure Change Proposal.

The IMO has made its decision on the following basis. The amended Market Procedure for Notices and Communications:

- is consistent with the Wholesale Market Objectives;
- is consistent with the Market Rules, Electricity Industry Act and Regulations;
- had the support of the Working Group; and
- requires no system changes prior to implementation.

Additional detail outlining the analysis behind the IMO's reasons is outlined in section 4 of this Procedure Change Report.



6. THE AMENDED MARKET PROCEDURE

6.1 *Commencement*

The amended Market Procedure for Notices and Communications will commence at 8.00am on 8 November 2010.

6.2 *The Amended Market Procedure*

The amended Market Procedure for Notices and Communications is attached to this report and is also available on the IMO's website: http://www.imowa.com.au/PC_2010_02