
Wholesale Electricity Market – Procedure Change Proposal

Procedure Change No: PC_2010_03

Change requested by:

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Procedure change title:	Changes to Market Procedure: Monitoring Protocol
Market Procedure affected:	Market Procedure: Monitoring Protocol

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.

Details of Procedure Change Requested

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

The proposed amended Market Procedure: Monitoring Protocol updates the IMO's Monitoring Protocol to reflect the IMO's new format resulting from the IMO current Market Procedure Project. The proposal will also implement the following changes:

- replacing "Energy Review Board" with "Electricity Review Board", consistent with the Amending Rules resulting from the Rule Change Proposal: Change of Review Board name (RC_2010_18); and
- allowing for the party who alleges that there has been a breach of the Market Rules to be identified.

To improve the integrity of the Market Procedure, the IMO also proposes:

- a shorter, condensed version of the procedure which only includes additional information to that presented in the Market Rules. The IMO considers that this will remove the risk of an inconsistency between the Market Procedure and Market Rules; and
- a number of minor and typographical amendments.

The proposed amended Market Procedure was discussed by the IMO Market Procedures Working Group at the 28 July 2010 and the 27 October 2010 meeting. Minutes from the meetings are available on the following webpage: <http://www.imowa.com.au/IMO-Procedures-Working-Group>

2. Call for Submissions

The IMO is seeking submissions regarding this proposal. The submission period is 20 Business Days from the publication of this Procedure Change Proposal. Submissions must be delivered to the IMO by **Thursday, 16 December 2010**.

The IMO prefers to receive submissions by email to market.development@imowa.com.au using the submission form available on the IMO website: <http://www.imowa.com.au/procedure-changes>.

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator
Attn: General Manager Development
PO Box 7096
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

3. Provide the wording of the Procedure

The proposed amended Market Procedure: Monitoring Protocol is provided as an attachment to this proposal.

4. 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: Monitoring Protocol has been reviewed as a whole by the IMO to ensure compliance of the Market Procedure with the relevant provisions in the:

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

5. 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: Monitoring Protocol outlines how the IMO will monitor Rule Participants' compliance with the Market Rules and Market Procedures.

The IMO considers that the steps are drafted in 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: Monitoring Protocol, as a whole, is consistent with the Wholesale Market Objectives.