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## Wholesale Electricity Market Submission to Procedure Change

### PSOPC\_2009\_14 Dispatch Power System Operating Procedure

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#### Submitted by

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<b>Date submitted:</b>	30 December 2009

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#### Submission

Clause 2.10.7 of the Wholesale Electricity Market Amending Rules provides that any person may make a submission for a Procedure Change Proposal by filling in this Procedure Change Submission form.

Submissions for Procedure Changes that relate to the Power System Operation Procedures should be submitted to:

**Western Power Networks - System Management Division**

Attn: Alistair Butcher, Market Strategic Development Manager  
GPO Box L921  
Perth WA 6842  
Fax: (08) 9427 4228  
Email: market.development@westernpower.com.au

Submissions for Procedure Changes that relate to IMO Market Procedures should be submitted to:

**Independent Market Operator**

Attn: Manager Market Development & System Capacity  
PO Box 7096  
Cloisters Square, Perth, WA 6850  
Fax: (08) 9254 4399  
Email: market.development@imowa.com.au

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**1. Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions.**

**Procedure Change Proposal**

By PSOPC\_2009\_14, System Management proposed to amend the Dispatch Power System Operating Procedure (PSOP) to require Scheduled Generators (other than Verve Energy) to:

1. use reasonable endeavours to provide their intended dispatch profiles on a minute by minute resolution by 3pm on each Scheduling Day for the following Trading Day;
2. incorporate an average 6 megawatt (MW) ramping rate into the dispatch profile; and
3. notify System Management where deviations from intended dispatch profiles exceed 20MW and 5 minutes.

In addition, PSOPC\_2009\_14 would amend clause 6 of the Dispatch PSOP to require that Market Participant use reasonable endeavours to not exceed a ramp rate of 6MW during normal operation, unless otherwise directed by System Management.

**Alinta's views**

Alinta has been advised by Mitsubishi Heavy Industries and Alstrom that changing the ramping rates of its Pinjarra and Wagerup Facilities would require changing the programming logic as each units' current ramp rate (of 9.4 MW and 8 MW respectively) is 'hardwired'. The information provided to Alinta suggests that the direct cost of making this change is likely to be in the order of \$10,000 to \$20,000 in total.

However, adjusting the programming logic to reflect ramp rates of 6MW for each Facility would also prevent Alinta's Facilities from complying with a request from System Management to ramp up (or down) at higher (or lower) rates.

Alinta notes that its Wagerup Facility operates predominantly as a peaking unit, and it is possible that 'hardwiring' the lower ramp up rate of 6MW may potentially impede the ability of System Management to manage power system reliability and security.

Alinta supports Scheduled Generators (other than Verve Energy) being required to:

1. use reasonable endeavours to provide their intended dispatch profiles on a minute by minute resolution by 3pm on each Scheduling Day for the following Trading Day; and
2. notify System Management where deviations from intended dispatch profiles exceed 20MW and 5 minutes.

However, Alinta is not persuaded that it is either necessary or desirable to require that Market Participants incorporate an average 6 MW ramping rate into their dispatch profile, or to require that reasonable endeavours be used to not exceed a ramp rate of 6MW during normal operation. Instead, Alinta suggests that it may be preferable to allow the dispatch profile of Market Participants to incorporate the (single) dispatch profile included in a Facility's standing data.

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**2. Please provide an assessment whether the Procedure Change Proposal is consistent with the Market Objectives and the Wholesale Electricity Market Amending Rules.**

Market Rule 2.4.2 states that the IMO must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives. The Wholesale Market Objectives are as follows.

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

Alinta is not convinced that System Management can be satisfied that PSOP\_2009\_14 is consistent with the Wholesale Market Objectives, and believes it is potentially inconsistent with the Wholesale Market Objectives (a) and (d).

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**3. Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.**

As noted above, information provided to Alinta suggests that the direct cost of changing the ramping rates of its Pinjarra and Wagerup Facilities is likely to be in the order of \$10,000 to \$20,000 in total.

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**4. Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.**

Changing the ramp rates for the Pinjarra Facility would require specialist technical support that would be provided by Mitsubishi Heavy Industries in Japan. At this stage, Alinta is unable to advise as to the notice that might be required to secure this support and make travel arrangements to Australia.

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