
Wholesale Electricity Market – Procedure Change Proposal

Change requested by

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Organisation:	System Management
Address:	
Date submitted:	27 November 2009
Urgency:	Clause 2.10 of the Market Rules
Procedure change title:	Revised PSOP: Dispatch
Market Procedure(s) affected:	Amendments to PSOP: Dispatch (attached to PPCL0013) due to commence on 1 February 2010

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 of, amendment of or replacement for, 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 these 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 objectives of the market 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.

Submissions on the Procedure Change Proposal can be posted, faxed or emailed to:

Independent Market Operator

Attn: Manager Market Administration
 PO Box 7096
 Cloisters Square, Perth, WA 6850
 Email: marketadmin@imowa.com.au

However, the IMO prefers to receive submissions by email using the submission form available on the IMO website:

http://www.imowa.com.au/10_5_1_b_procedure%20change%20proposal.htm

Details of Procedure Change Requested

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

System Management initiated a formal procedure change process to amend and combine the Power System Operation Procedure: Dispatch (**Dispatch PSOP**) and the Power System Operation Procedure: Scheduling and Dispatch of Electricity Generation Corporation Facilities on 20 August 2009. The formal procedure change process concluded on 14 October 2009 and the amended procedure is due to commence on 1 February 2010.

During the procedure change process System Management identified two significant amendments, which upon reflection, imposed undesirable implications upon Market Participants, System Management, the IMO and associated generation operational personnel.

First amendment

The Dispatch PSOP to commence on 1 February 2010 contains the following provision:

“13.1 Dispatch Trajectory

Operators of Non-EGC Scheduled Generators must ensure their facility generates a constant linear trajectory between the previous and following target megawatt output end points of each Trading Interval and is consistent with the Resource Plan for the relevant Trading Day”

System Management’s original intention was to provide its operational staff with greater visibility over how Market Participants intend to operate their facilities within a particular trading interval (ie activity between two adjacent target MW end points of trading intervals).

The provision mandates strict requirements for a generator to ensure their facility generates in accordance with a constant linear trajectory, where any such deviation away from the straight line trajectory between end of interval MW points would constitute a breach of the procedure. The amendment does not allow for any tolerance deviation levels.

However, the amended section above may present operational difficulties for both a participant and System Management.

System Management difficulties

Clause 2.13.6 of the Market Rules requires that System Management monitor Rule Participants’ behaviour for compliance with the provisions of the Market Rules referred to in clause 2.13.9 and Market Procedures developed by System Management. For real time monitoring, operational staff would bear an additional burden of monitoring deviations not just from resource plans but also the linear trajectory. This is undesirable (and not feasible) as this would detract from the operation of the power system.

Section 13.1 as drafted would add significant compliance obligations to System Management, and, inevitably, the IMO.

Participant difficulties

Participants would be significantly affected by the provision. There are two immediate difficulties:

- it might be difficult to achieve the half hour average output in each Trading Interval were a participant constrained to a linear trajectory; and
- facilities may be unable to physically ramp quickly enough to comply with this requirement.

Solution

System Management convened the Power System Operation Procedure Working Group (constituted under the auspices of the MAC) to present the operational implications underlying the amendments and opened discussions to seek agreement on possible suggestions to simultaneously achieve a desired outcome and minimise operational difficulties.

It was recognised as important that System Management has greater visibility of a participant’s intended ramping behaviour.

Amendment to the obligation in section 13.1 of the Dispatch PSOP has therefore been proposed. The replacement provision will read as follows:

13.1 Provision of daily dispatch profile

1. *Operators of Non-EGC Scheduled Generators must use reasonable endeavours to provide System Management their intended dispatch profiles on a minute by minute resolution for each facility by 3pm each Scheduling Day prior to the Trading Day via email to an address nominated by System Management or as otherwise directed.*
2. *When creating an intended dispatch profile Operators of Non-EGC Scheduled Generators must use reasonable endeavours to incorporate a 6MW average ramping limit into the dispatch profiles where operationally possible.*
3. *Operators of Non-EGC Scheduled generators must use reasonable endeavours to adhere to the internal dispatch profile prescribed in subsection (1) & (2) above.*
4. *Furthermore, Operators of Non-EGC Scheduled Generators must use reasonable endeavours to provide System Management early notification (five minutes) of expected deviations from intended dispatch profiles where such deviations exceed 20 MW and timing of 5 minutes, via telephone and then must be logged in SMMITS.*

Second amendment

The Dispatch PSOP to commence on 1 February 2010 contains the following provisions:

6 Standing Data

1. *In proposing a ramp rate pursuant to item (b)(v) of Appendix 1 to the Market Rules, a Market Participant must not propose a rate in excess of 6 MW per minute*
2. *Market Participants must not ramp their facility above the ramp rate prescribed in subsection (1) above, unless directed by System Management.*
3. *When facilities move in response to situations provided in section 13.5 of this procedure, the ramp rate restriction will not be applied.*

and

- 13.5 Dispatch instructions associated with Standing Data ramp rates*
System Management may issue a Dispatch Instruction with a ramp rate that exceeds the maximum ramp rate set out in section 6 of this Procedure."

System Management is of the view that by limiting all generation ramp rates to 6 MW per minute, this may operate to limit a facility's ability to generate in accordance with its resource plan.

System Management has proposed amendments to clauses 6 and 13.5 of the Dispatch PSOP consistent with the requirement that participants use reasonable endeavours to not ramp their facility at rates in excess of 6MW/minute.

2. Provide the wording of the new or amended Procedure *(as applicable)*

The amended Procedure, Power System Operating Procedure: Dispatch is attached.

Procedure Change No.: PPCL0014

Received date: _____
