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## Wholesale Electricity Market – Submission to Procedure Change Proposal PPCL0017 Power System Operation Procedure: Facility Outages

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### Submitted by

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<b>Date submitted:</b>	13 January 2011

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### Submission

Clause 2.10.7 of the Wholesale Electricity Market Rules (Market 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 and IMO Market Procedures should be submitted to:

#### Independent Market Operator

Attn: General Manager Development  
PO Box 7096  
Cloisters Square, Perth, WA 6850  
Fax: (08) 9254 4339  
Email: [market.development@imowa.com.au](mailto: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:

#### Background

On 13 December 2010 the Independent Market Operator (IMO) published, on behalf of System Management, a proposed amended Power System Operation Procedure (PSOP): Facility Outages (PPCL0017). System Management's proposed amendments are required for consistency with the following Rule Change Proposals:

- Confidentiality of Accepted Outages (RC\_2009\_05), which commenced 17 August 2009 ; and
- Equipment Tests (RC\_2009\_37), which commences 1 February 2011.

## IMO's views

The proposed amended PSOP specifies the methodology for calculating the Planned Outage rate, Forced Outage rate and Equipment Test rate (section 18 and Appendix 1) to be taken into account by the IMO when determining whether to assign Certified Reserve Capacity (CRC) to a Facility in accordance with clause 4.11.1(h) of the Market Rules. The IMO considers that, as currently drafted, both section 18 and Appendix 1 are unclear and contain a number of unnecessary specifications. Specific details of the IMO's concerns with the proposed amendments are outlined below along with the IMO's recommended amendments (shown as: new text, ~~deleted text~~) where appropriate:

- **Section 18** fails to clarify the relationship between the IMO and System Management with regard to decisions by the IMO to assign CRC to a Facility. The IMO considers that to improve the clarity of this section System Management could include the following sub-step:

"In deciding whether or not to refuse to grant Certified Reserve Capacity under clause 4.11.1(h) of the Market Rules, the IMO may consult with System Management."

- **Sub-step 18.2** places an obligation on the IMO to the extent that it must take into account the Planned Outage, Forced Outage and Equipment Test rates determined by System Management. The IMO considers that this requirement is currently unclear and creates a new obligation on the IMO that does not exist in the Market Rules. Clause 4.11.1(h) of the Market Rules states that the IMO may decide to not assign CRC to a Facility based on the Forced Outage, Planned Outage and Equipment Test rates. The IMO also recommends minor amendments to clarify that System Management will determine the required rates; to ensure consistency with the wording of clause 4.11.1(h) of the Market Rules; and to remove the non-specific and redundant reference to "the Reserve Capacity Cycle". The IMO considers that sub-step 18.2 could be updated as follows:

"In considering ~~setting-assigning~~ a quantity of Certified Reserve Capacity to a Facility ~~for the Reserve Capacity Cycle~~, the IMO ~~must~~ may take into account the Planned Outage, Forced Outage and Equipment Test rates determined by System Management in accordance with Appendix 1."

- **Appendix 1** contains details of the how the Equivalent Forced Outage Factor used by the North American Electricity Reliability Council (NERC) is determined. While the IMO agrees that this information is valuable to interested stakeholders in assessing the proposed calculations for the Forced Outage, Planned Outage and Equipment Test rates in the Wholesale Electricity Market (WEM), the IMO considers that this information is only relevant to the creation of the calculations and should not be contained in the PSOP: Facility Outages. The IMO considers that this information would have been better presented in System Management's Procedure Change Proposal as background information to the proposed changes.

The IMO considers that the PSOP: Facility Outages should be a stand alone document and notes that the inclusion of details of the NERC calculations are unnecessary and are likely to impact on the integrity of the PSOP at a later date. For example, as currently drafted, it would be unclear in the PSOP where a copy of the document "Generating Availability Data System Reporting Instructions" could be found for the purposes of reviewing the definitions. Additionally the IMO notes that a substantial change to the NERC's document would impact on the integrity of the PSOP: Facility Outages. As such the IMO recommends removing the references to the NERC and including full details of any relevant definitions for the WEM in the PSOP: Facility Outages.

- The Forced Outage, Planned Outage and Equipment Test rate calculations in **Appendix 1** are proposed to be multiplied by 100 percent. The IMO notes that this is the same as multiplying by 1. To improve the integrity of the calculations the IMO recommends multiplying by 100 and stating that the rate is expressed as a percentage. For example:

**Forced Outage Rate (%):**

$$\frac{(\text{FOH} + \text{EFDH})}{\text{PH}} \times 100\%$$

- The period hours variable (PH) used in each of the calculations contained in **Appendix 1** references the number of hours “as required under clause 4.11.1(h)”. Clause 4.11.1(h) makes no reference to a number of hours, so the IMO considers that there would be benefit in clarifying that the period hours would be either:
  - Where the Facility has been operating over the preceding 36 months, the number of Trading Intervals that occurred within the last 36 months; or
  - Where the Facility has been operating for less than 36 months, the number of Trading Intervals that occurred since the Facility commenced operation,

The IMO considers that by amending the PSOP in this regard Market Participants would be provided with greater clarity as to how the rates will be calculated for their Facility. The IMO considers that this would provide additional explanatory information to that presented in the clause 4.11.1(h) and therefore improve the clarity of the proposed calculations.

Additionally, the IMO notes System Management’s comment at the 28 October 2010 System Management Procedure Change and Development Working Group to improve the integrity of each of its PSOP’s. The IMO therefore recommends the following minor and typographical amendments for System Management’s consideration:

- Page 1: The commencement details should refer to the date at which the PSOP first commenced with any subsequent revisions contained in a separate table in the PSOP. The IMO also suggests the following amendment:
 

“... which this Procedure is made in accordance with, commences. [~~Isn’t this retrospective with subsequent revisions?~~]
- Page 4, Step 2.2: The reference for the Market Rules should be updated from 7 October 2008 to the most recent version of the Market Rules. Additionally, System Management should ensure that any changes from the 7 October 2008 version to the most recent version of the Market Rules are reflected in the PSOP.
- Page 4, Step 5: The drafting should be updated as follows to also refer to the requirement for items of equipment that form part of that Facility to be subject to the PSOP and to refer to the correct heads of power for the PSOP’s development.

“The requirements for Market Participant or Network Operator Facilities, or an item of equipment forming part of a Facility, to be subject to the Facility Outage Procedure set out in this document are specified in the Market Rules [~~MR3.18.2(f)~~ **MR3.18.21**]”

- Page 5, Step 5.1.2: As currently drafted the IMO considers that this step appears unclear. The IMO recommends that System Management review this step to improve the clarity of the requirements for it to review the Equipment List from time to time.
- Page 5, Step 5.1.3: The following minor amendment should be made to clarify that the IMO will publish the list:

“System Management will provide the list for publication to the IMO in accordance...”

- Page 5, Step 5.2.1: The IMO considers that this step is expanding on the list in clause 3.18.2(c) of the Market Rules by inclusion in the PSOP. The IMO considers that if the list in the rules needs to be expanded, then this should be done via the Rule Change Process.
- Page 5, Steps 5.4.1 and 5.4.3: The Market Rules neither require nor preclude a Market Participant or Network Operator contacting System Management before utilising the process set out in clause 3.18.3 of the Market Rules. The IMO considers that as currently drafted the requirements would preclude a Market Participant or Network Operator from coming to the IMO with a request unless they have previously discussed with System Management. The IMO considers that if System Management wishes to include an extra step in the process, such as this, then this should be done via the Rule Change Process.
- Page 7, Step 9.3.1: The following minor amendment should be made for consistency with the Market Rules:  
  
“... confirm or revise plans to remove from service or de-rate a Facility or an item of equipment...”
- Page 8, Step 10.2.1: The following minor amendment should be made for consistency with the definition in the Market Rules:  
  
“... specified in the Power System ~~Operating~~ Operation Procedure... “
- Page 11, Step 14.2 & 15.2: System Management should incorporate details of how it will advise its contact details from time to time. The IMO considers that this would be valuable information for Market Participants and Network Operators.
- Page 11, Step 14.8: System Management should incorporate details of with whom the Market Participant or Network Operator may confirm the approval or rejection via telephone.
- Page 12, Step 15.6: The following minor amendment should be made to improve the wording of this step:  
  
“... shall log an approval and ~~note a written notation reflecting~~ document the outcome.”
- Page 13, Step 19.2: The clause reference should be to clause 3.21.4 and not clause 3.21.7. The IMO notes that clause 3.21.7 relates to the timing requirements for notification of Forced or Consequential Outages.